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The Social Construction of Poverty in the Philippines: Making

Poverty Visible in the International Relations Research Agenda

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**A thesis submitted in partial fulfilment of the requirements of The Nottingham
Trent University for the degree of Doctor of Philosophy**

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Salamat.

Abstract

Poverty *is* the fundamental reality of the majority of the global population. *As such it* should have central rather than marginal visibility within International Relations (IR). Yet IR suffers from methodological underdevelopment in its treatment of poverty. IR practitioners construct quantitative analyses rather than venture into the field of qualitative post-positivism in poverty research.

Using the Philippines as a case study, this study argues for a socially situated and qualitative treatment of poverty. This aims to develop both methodological rigour within IR poverty research and approaches to poverty that identify the poor as actors, not victims. Issues of participatory democracy, social capital and organisation and agency are central. Polanyi's 'double movement' and Gramsci's 'counter-hegemony' inform analysis of social responses to both the 'disruptions' caused by the market economy and state complicity with this process. Central to this examination are State responses to both civil society and the market regarding the question of poverty.

Originality here *is partly theoretical and partly empirical*. *Theoretically*, poverty forms a central, rather than incidental, concern. Elements of Polanyi's and Gramsci's work will be applied in a form not previously developed in IR poverty research; certainly not in the case of the Philippines. *Empirically*, poverty in both the rural and urban context will be examined. It is argued that, given the 'triumph' of liberal democracy, the relationship between poverty and democracy assumes central importance for poverty relief strategies and is a pivotal factor for state, market and social behaviour. The peripheral status of the poor in the current IR agenda is a reflection of the weakness of IR, rather than the irrelevance of the poor.

Acronyms

ALRP – Accelerated Land Reform Programme
ADB – Asian Development Bank
APIS - Annual Poverty Indicators Survey
ARB – Agrarian Reform Beneficiary
ARC – Agrarian Reform Community
ARF - Agrarian Reform Fund
ARMM - Autonomous Region of Muslim Mindanao
AMT - Agumen ding Malding Talapagobra (General Workers Union)
ASEAN - Association of Southeast Asian Nations
CA – Compulsory Acquisition
CAFGU - Citizens’ Armed Forces Geographical Units
CARE - Comprehensive Assistance for Rural Empowerment
CARP – Comprehensive Agrarian Reform Programme
CARP –IA - CARP-Impact Assessment
CBCP – Catholic Bishop’s Conference of the Philippines
CBO – Community Based Organisation
CEPAL -Economic Commission for Latin America
CPP - Communist Party of the Philippines
CERD – Centre for Rural Development
CLOA – Certificate of Land Ownership Authority
CPAR - Congress for a People’s Agrarian Reform
DAPECOL - Davao Penal Colony
DAP - Development Academy of the Philippines
DAR – Department of Agrarian Reform
DARAB - Department of Agrarian Reform Adjudication Board
DENR – Department of the Environment and Natural Resources
DILG - Department of Interior and Local Government
DKMP - Democratic Peasant Movement of the Philippines
ECLA - United Nations Economic Commission for Latin America
EDSA - Epifanio de los Santos Avenue
EPZ – Export Processing Zone
FB – Farmer Beneficiary
FDC – Freedom From Debt Coalition
FIAN – Food International Action Network
FIES - Family Income and Expenditure Surveys
FAO – Food and Agricultural Organization
GATT – General Agreements on Trade and Tariffs
HDI – Human Development Index
HMB - Hukbong Mapagpalay ng Bayan (People’s Liberation Army).
IMF – International Monetary Fund
ILO – International Labour Organization
KMP - Peasant Movement of the Philippines
KPMP - Kalipunang Pambansa ng mga Magsasaka sa Pilipinas (National Confederation of Peasants in the Philippines).
LDP - Laban nanag Demokratikong Pilipino
LGC – Local Government Code
LGU - Local Government Unit
LANFABA - Lamintak Norte Farmer Beneficiaries Association

LUPA – League for the Urban Poor
MMA – Metro Manila Authority
MMC – Metro Manila Commission
MNLF - Moro National Liberation Front
MTPDP - Medium –Term Philippine Development Plan
NAIAI – Ninoy Aquino International Airport
NARBMPC - Nagasi Agrarian Beneficiaries Multi-Purpose Cooperative
NCPERD - Negros Centre for People’s Empowerment and Rural Development
NGO – Non-governmental Organization
NSO - National Statistics Office
PARAD - Provincial Agrarian Reform Adjudicator
PARRDS - Partnership for Agrarian Reform and Rural Development Services
PEACE - Philippines Ecumenical Action for Community Empowerment Foundation
PGX – People’s Global Exchange
PKM - Pambansang Kaisahan ng mga Magbubukid (National Peasants’ Union)
PNP - Philippines National Police
PCCC - Philippines Compensation Claims Committee
PCSO - Philippine Charity Sweepstake Office
PO – People’s Organization
PRSP - Poverty Reduction Strategy Programme
PWI - Procurement Watch Inc.
RCPD - Resource Centre for People’s Development
SAPRIN -Structural Adjustment Participatory Review Initiative
SWS – Social Weather Stations
TUCP – Trade Union Congress of the Philippines
UCLA – United Cebu Landowner’s Association
UFEARBAI - United Florindo Employees Agrarian Reform Beneficiaries Association Incorporated
UN – United Nations
UNCC - United Nations Compensation Commission
UNDP – United Nations Development Programme
UNORKA - Panbansang Ugnayan ng mga Lokal ng Nagsasariling Organisasyon ng mga Mamamayan sa Kanayunan
VLT – Voluntary Land Transfer
VMSDFI - Vincentian Missionaries Social Development Foundation Inc.
WB – World Bank
WTO – World Trade Organisation
ZOTO – Zone One Tondo Organization

Map of the Philippines



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Introduction

The main aim of this thesis is to develop a meaningful and post-positivist intervention into the literature on poverty research methodology, and to argue that poverty research should be rendered 'visible' within International Relations (IR). It will be argued that by sidelining poverty, IR is failing to recognise an issue which must be central to the future critical agenda of the discipline.

It will also be proposed that methodologies of poverty research must be developed that are progressive and have some potential to actually facilitate concrete interventions into the problem. Whilst quantitative analyses may illustrate the scale of the problem, and offer the basis for comparison over time and space, they are weakly equipped to address the causal factors of poverty. This severely limits their usefulness in terms of a critical agenda. Similarly it will be argued that poverty cannot be understood in terms of levels of wealth alone. It will be a central claim of this thesis that poverty research must take account of specific and often complex social environments in which poverty emerges and must be remedied. Poverty research must be informed from below and ideally a fruitful synergy must be developed between researchers and 'organic' actors at the local level which can best inform critical strategies to both pursue well-being, and deal with structures which constrain as well as enable¹.

¹ This is what Giddens calls the 'duality of structure', see: Giddens, Anthony, *New Rules of Sociological Method*, 2nd. ed., Cambridge: Polity Press, 1983, p. 169.

The Invisibility of Poverty

Tooze and Murphy², claim that poverty has been rendered 'invisible' in IR/International Political Economy (IPE). They argue that 'the concrete conditions of a globalising political economy and the social forces consequent on this [and] changes in the way we, as academics and citizens, understand theory and the links between theory and practice, particularly in the production of knowledge'³, now render the insignificance of poverty to IR/IPE a fiction. Poverty is a concrete and central consequence of the hegemony of neo-liberal market economics. The societal implications of this become central to IR/IPE. Demands placed on states and market mechanisms by 'discontents' lacking both basic needs and the structural conditions to allow well-being to be pursued may account for a large part of state behaviour and institutional policy. This is not to say that the demands of the poor are met, but that poverty emerges as a significant behavioural force within IR/IPE for civil society, states and international institutions. The proposition that the poor should be treated as an active subject, rather than passive object within poverty research is a key theme of this thesis.

Saurin notes that 'the study of international relations, and consequently, the types of explanations of international action and behaviour which have been put forward, have almost exclusively submitted to the deference of the already powerful'⁴. He goes on to question whether we should 'understand from such a systematic exclusion that the existence and actions of eighty-five per cent of the world's population do not, in

² Tooze, Roger and Murphy, Craig N., 'The Epistemology of Poverty and the Poverty of Epistemology in IPE: Mystery, Blindness and Invisibility', *Millennium*, Vol. 25, No.3, pp. 681-707, 1996.

³ *ibid.*, p.681.

⁴ Saurin, Julian, 'Globalisation, Poverty, and the Promises of Modernity', *Millennium*, Vol. 25, No. 3, p. 657-80, 1996, p. 657.

actual fact, matter to the proper and adequate explanation of international relations?’⁵ This forms a second central theme of this thesis; if IR ignores the needs and concerns of the majority of the world’s population, this undermines its effectiveness as a discipline.

The Limitations of Quantitative Research

The idea of the poor as passive object has been reinforced by the quantitative approaches adopted by positivist methodologies of poverty research. This is what Tooze and Murphy are referring to when they discuss ‘the production of knowledge’. If research into poverty is guided by the hegemonic norms of the positivist research agenda within IR, or the neo-liberal agenda within market economics, then the research produced cannot avoid being a mere reflection of the scope and limitations of these norms.

Part of the problem with poverty research is that there are many conflicting ideas of what actually constitutes poverty. Similarly causal factors which impact upon lack of well-being may be multi-dimensional and synergistic, adding to the complex nature of the problem. Researchers have tended to pin down poverty by developing ever-more sophisticated ways of counting the poor as a means of at least quantifying the problem⁶. However critical researchers⁷ claim that this search for quantitative

⁵ *ibid.*

⁶ See for instance: Boltvinik, Julio, ‘Poverty Measurement Methods – An Overview’. Available at: www.undp.org/poverty/publications/pov_red/Poverty_Measurement_Methods.pdf. [Accessed 27 November 2001]; Ravallion, Martin and Chen, Shaohua, ‘What Can New Survey Data Tell Us about Recent Changes in Distribution and Poverty?’, *The World Bank Economic Review*, Vol. 11, No. 2, pp. 357-82, 1997.

⁷ See for instance: McGee, Rosemary and Brock, Karen, ‘From poverty assessment to policy change: processes, actors and data’, World Bank Working Paper 133, Available at: <http://www.ids.ac.uk/ids/bookshop/wp133.pdf>. [Accessed 29 November 2001].

perfection serves merely to disguise the fact that researchers are incapable of developing any meaningful ideas on how to address poverty. A review of methodological problems in poverty research is a key theme for this thesis.

The limitations of quantitative analysis in poverty research shall be addressed and an agenda for a qualitative research agenda that shall be developed in this study. This shall be informed by history, social change and human agency, the omission of which on the IR poverty research agenda is a 'staggering error'⁸ according to Saurin. Building on normative theory which attempts the 'complicated task of explaining the meaning of, setting out the relationship which holds between, and seeking to evaluate different comprehensive patterns of core normative concepts such as liberty, equality, justice and human rights, political obligation, sovereignty, group rights, self-determination [and] property rights'⁹, this thesis seeks to reveal and test both structural constraints and emancipatory agency as critical variables in the poverty research agenda. This investigation will centre on a critical evaluation of the experience of The Philippines, a lesser developed country (LDC) currently beset by the problem of poverty.

Democracy

It is argued that by developing a socially situated critique of poverty the dynamics between society, the state and the market are better understood. These are not discrete and static variables that lend themselves to clinical quantitative analysis; however the way they converge is critical to a qualitative and progressive understanding of

⁸ Saurin, *op. cit.*, p. 658.

⁹ Frost, Mervyn, 'The Role of Normative Theory in IR' *Millennium*, Vol. 23, No. 1, pp. 109-18, 1994, p.110.

poverty. With this in mind the nexus between democracy and poverty alleviation is a central theme in this thesis. Sen argues that democracy acts not only to further policy responses to economic needs but that ‘the conceptualization – including comprehension – of “economic needs” itself may require the exercise of such rights’¹⁰. In other words solutions to poverty will be enhanced by a comprehension of the problem as it really is, and the poor themselves are best placed to inform this agenda by virtue of their democratic freedoms and the accountability of the state to its citizens.

This process may however be undermined by the concurrent accountability of debtor states to international lending institutions¹¹ and the demands of the neo-liberal market economy. In order to appear as a secure fiscal player and attractive investment opportunity, the basic needs of the poor may need to defer to the needs of the market. The advantage of this could be that the state will be strengthened economically through inward investment and in time the benefits from this would be felt across domestic society. This is called the Lee thesis¹², which is built upon a formulation of ‘Asian Values’ which claims that the individual will put social order and the good of the state before individual freedom. This is a problematic concept to apply to the Philippines, however, as the perceived corrupt nature of political and economic elites reduces civil confidence in the state administration to procure collective goods for social well-being.

¹⁰ Sen, Amartya, *Development as Freedom*, Oxford: Oxford University Press, 1999, p. 153.

¹¹ See i.e. George, Susan, *A Fate Worse Than Debt*, London: Penguin Books, 1988.

¹² See i.e.: Li, Xiaporing, “‘Asian Values’ and the Universality of Human Rights’. Available at: www.puaf.umd.edu/IPPP/li.htm. [Accessed 14 April 2003] (It is coincidental that ‘Li’ has written on ‘Lee’); also, *ibid*, Sen, pp. 148-9.

Democratic freedom places sometimes critical demands on poor states as they seek to satisfy both the market and the electorate. In the Philippines this relationship is played out in a political environment characterised by a vibrant civil society, yet endemic political corruption¹³. The form and function of democracy in the Philippines is a legacy of the years of martial law, from 1972-1986, endured under President Marcos¹⁴. Similarly, years of colonial and neo-colonial control cast a long shadow over Philippine social organisation. The corrupt nature of Philippines politics has a long lineage, and is the consequence of the particular interplay between elite families, the church and the state in Philippine history¹⁵. Both of these developments will be traced in order to inform the social backdrop against which contemporary poverty in The Philippines must be understood.

Surprisingly, as democratic accountability may hinder a state's ability to allow society to be abandoned to the rigours of the market, neo-liberal institutions such as the World Bank (WB) have also adopted a rhetoric of democracy as a strategy for poverty relief. A mantra of democracy has now overtaken that of 'development'¹⁶. Led by James Wolfensohn, President of the WB since 1995, and sensitive to criticism over its failing development policies in the mid 1990s, the World Bank sought to reinvent itself as a 'caring' institution with respect to poverty relief. A central aspect of this

¹³ See i.e., Coronel, Shelia, ed., *Pork and Other Perks: Corruption and Governance in the Philippines*, Manila: Institute for Popular Democracy, 1998; Kang, David C., *Crony Capitalism Corruption and Development in South Korea and the Philippines*, Cambridge: Cambridge University Press, 2002.

¹⁴ See i.e., Hamilton-Paterson, James, *America's Boy The Marcoses and the Philippines*, London: Granta Books, 1998; Thompson, Mark R. *The Anti-Marcos Struggle*, New Haven: Yale University Press, 1995.

¹⁵ See i.e., Anderson, Benedict, 'Cacique Democracy in the Philippines Origins and Dreams', in Rafael, Vicente L., ed., Philadelphia: Temple University Press, pp.3-47, 1995; Montinola, Gabriella R., 'The Foundations of Political Corruption', *Asian Journal of Political Science*, Vol. 2, No. 1, pp. 86-113, 1994.

¹⁶ For a critique of 'development theory' as a conceptual approach see; Schuurman, Frans J., 'Paradigms lost? Development studies in the twenty-first century', *Third World Quarterly*, Vol. 21, No.1, pp.7-20, 2000.

was the 'refocusing of the Bank's mission away from any association with society-wide development towards a focus on the poorest most marginalised people in poor societies'¹⁷. The rationale of this was to limit the role of the state in the development agenda. The result, however, was a weakening of social cohesion in the state as a whole. Therefore the empowerment that the poor were meant to gain through targeted forms of democracy floundered. With this in mind the rhetoric and reality of democracy in relationship to poverty alleviation is a third central theme explored throughout this thesis.

Methodology

The methodology adopted in this thesis is informed by two key texts; Karl Polanyi's *The Great Transformation*¹⁸ and Antonio Gramsci's *Selections from the Prison Notebooks*¹⁹. Polanyi's text offers a critique of the disruption of pre-industrial society by the market mechanisms of the Industrial Revolution. He argues that far from the market operating under conditions of *laissez faire*, guided only by Adam Smith's invisible hand, it is in fact the state that must facilitate the workings of the market²⁰, this is Polanyi's 'first movement'. However Polanyi's argument is that market hegemony becomes responsible for the 'demolition'²¹ of society. He claims that 'robbed of their protective cultural institutions, human beings would perish from the

¹⁷ Pender, John, 'Empowering the Poorest? The World Bank and the "Voices of the Poor"', in Chandler, David, ed., *Rethinking Human Rights: Critical Approaches to International Politics*, Basingstoke: Palgrave, pp. 97-114, 2002, p.107

¹⁸ Polanyi, Karl, *The Great Transformation*, Boston: Beacon Press, 1957 [1944].

¹⁹ Gramsci, Antonio, eds. and trans. Hoare, Quinton and Nowell Smith, Geoffrey, *Selections from the Prison Notebooks*, London: Lawrence and Wishart, 1971.

²⁰ Polanyi, *op. cit.*, p. 140-1.

²¹ *ibid.*, p. 73.

effects of social exposure; they would die as victims of acute social dislocation'²². In particular Polanyi offers a critique of the 'commodification' of labour as a mere market input arguing that 'to separate labor from all other forms of life and to subject it to the laws of the market was to annihilate all organic forms of existence and to replace them by a different type of organization, an atomistic and individualistic one'²³. This thinking leads this thesis to examine the relationship between community and 'well-being', and evaluate the argument that measurements of poverty must account for more than mere levels of wealth.

Polanyi argues that land is intrinsically linked to labour and therefore social organization. He argues that economic function 'is but one of many vital functions of land. It invests man's life with stability; it is the site of his habitation; it is the condition of his physical safety; it is the landscape and the seasons'²⁴. This tension over land and its social and economic function are also investigated in this study, looking at spatial conflicts in both urban and rural contexts.

Polanyi's response to the disruption of society by the first movement is the 'double movement'²⁵. The state having facilitated the disruption of society through the first movement must now cope with the social consequences; this is the 'second' or 'double' movement²⁶. Polanyi's work fails to adequately address the problem of

²² *ibid.*, p.73.

²³ *ibid.*, p. 163.

²⁴ *ibid.*, p. 178.

²⁵ *ibid.*, p. 141

²⁶ Polanyi's position on state interventions to facilitate a double movement is somewhat different from that of Hayek. Whilst Polanyi sees the double movement as the rescue of society, Hayek warns that state intervention in the processes of production may lead to authoritarian control. Hayek advocates the idea of individual freedom and the idea of a minimal state, an idea which is expanded upon below. My concern is the relationship between poverty, the state and the market, and how society may counter the rigours of the market, but not the danger of authoritarianism, therefore I have not pursued Hayek's

social agency or how this double movement will evolve, but he does note that 'protectionism everywhere was producing the hard shell of the emerging unit of social life. The new entity was cast in the national mold, but had otherwise only little resemblance to its predecessors, the easy going nations of the past'²⁷.

Polanyi's analytical weakness *vis-à-vis* social agency can be countered by reference to Gramsci's writings on counter-hegemony. Gramsci's work on wars of position and manoeuvre and the role of 'organic intellectuals' in social transformation are used to examine the agency of civil society actors within the Philippines. This investigation assesses whether organic intellectuals are capable of creating a meaningful regime change adequately addressing poverty. I also examine Gramsci's work on the '*veilleur de nuit*'²⁸ and compare his ideas on a minimal state with those of Nozick and the state as 'night-watchman'²⁹. Whereas Gramsci considers the state as minimal in relation to civil society, Nozick sees the state in a similar role but in relation to the market. By an examination of these ideas we are able to test the simultaneous pressures put on the state by both market and society. These pressures are central to the state's ability to address the problem of poverty. This relates to questions of power and where it lies in the international system, the market, the state or the electorate. This methodology will provide the framework through which to examine the nature of the relationship between poverty research and democracy, whilst incorporating civil society, the state and the market in the analysis. It provides for a qualitative and socially situated analysis of poverty central to this study.

ideas on the minimal state here. See: Hayek, F. A., *The Road to Serfdom*, London: Routledge, 2001 [1944]).

²⁷ *ibid.*, p. 202.

²⁸ Gramsci, *op. cit.*, p. 261-4.

²⁹ See: Nozick, Robert, *Anarchy, State and Utopia*, Oxford: Blackwell, 1974, pp. 25-8.

The Philippines

The need to advance the methodology of poverty research within IR is a central claim of this thesis. Issues such as political governance, the form and function of democracy, the location of power and control over the means of production within domestic society, and the possibilities for transformative agency by civil society, are all salient areas of concern for poverty research. Similarly the relationship of the state to wider international influences such as colonial and neo-colonial control, international lending institutions and the neo-liberal economy all impact on the emergence of poverty and remedial strategies.

The Philippines offers a rich case study to test many of these issues. It ranks seventieth on the UNDP's human development index for 2001³⁰ and is therefore classed as having medium human development. The UNDP also notes that 36.8% of the population live below the national poverty line³¹. The country has a colonial history, from the Spanish to the fraught relationship with the United States. Political control in the Philippines has been successively, colonial, authoritarian and democratic. This political evolution is analysed below to demonstrate how contemporary civil society in the Philippines functions and relates to political and economic power configurations.

In recent history two Philippine Presidents, one under political conditions of 'authoritarianism' and one under 'democracy', have been ousted by 'People Power'.

This phenomenon can be analysed to assess whether these 'wars of position' have in

³⁰ *UNDP Human Development Report 2001*, New York: UNDP, 2001, p. 142.

³¹ *ibid*, p. 149, however this figure is highly contested, an issue which will be discussed in Chapter Five of this study.

fact made a difference to the provision of well-being in the Philippines. We thus have in the Philippine context two significant cases to explore the role of democracy in the alleviation of poverty. The Philippines is also characterised by extremely skewed patterns of land holding which has been a source of tension between elites and the masses for decades. Spatial conflicts exist which offer useful case study material in both urban and rural contexts, to which we can apply Polanyi's theories on the commodification of land and labour and the disruption of society by the market. The complex and, in some ways unique, trajectory of Philippine history and civil and political development mean that the Philippines offers an excellent case to test and develop the qualitative poverty research methodology that is developed throughout this thesis. A comparative element is brought into the research by the analysis of both urban and rural environments.

Statement of the Research Question and Associated Fieldwork

This study is grounded in a critical analysis of the relationship between poverty and democracy, which will be located within a case study of the functioning of civil society, the state and neo-liberal market interventions in the Philippines. This analysis is informed by fieldwork undertaken in the Philippines, in Manila and Cebu and Negros Occidental in the Visayan Islands in summer 2001. The objective of the fieldwork is to identify the political space available to civil society actors in the Philippines in order to address the problem of poverty *themselves*, in terms of a Gramscian 'organic' approach to poverty alleviation. In the rural context the research agenda was based around the issue of land reform and the impact on society and poverty. In the urban context strategies devised by the poor in order to pursue well-

being, based on forms of community organisation and the relationship of the poor with both domestic forms of devolved democracy and the market economy were explored³².

The fieldwork also serves as an opportunity to examine and test the Gramscian conception of wars of position and manoeuvre which seek to make hegemonic forms of social control accountable to the needs of the poor. This can be applied to both the role of the state and neo-liberal market hegemony, 'as it is now acknowledged that growth cannot be switched on and off at will and that the effects of market reforms are not only complex, but also deeply linked to political and social structures'³³. Importantly the fieldwork also serves as the opportunity for Philippine voices to inform this analysis through a series of case studies, and allows for the critical development of a reflexive approach to poverty research. The fieldwork also contributes significantly to the originality of this thesis.

The sheer scale of poverty, the WB cites a figure of 2.8 billion people living on less than \$2 per day³⁴ out of a global population of six billion, indicates that the need to address the problem of poverty is very pressing. Reconfigurations of the development agenda³⁵ triggered by the alleged failure of development as a progressive paradigm have meant that another forum must be devised through which to project ideas of 'progress'. However this emerges at a time when Southern states are becoming

³² Further details of the fieldwork agenda are set out in the chapter outlines for chapters four and five in this introduction.

³³ Boer, Leen, 'Attacking Poverty: rediscovering the political economy', *Third World Quarterly*, Vol. 22, No. 2, pp.283-89, 2001, p.284.

³⁴ *World Development Report 2000/2001 Attacking Poverty*, New York: World Bank Oxford University Press, 2001, p.p. 3.

³⁵ For discussions see i.e., Pieterse, Jan Nederveen, 'After Post-development', *Third World Quarterly*, Vol. 21, No. 2, pp. 175-91, 2000; Nustad, Knut G., 'Development the Devil we Know?', *Third World Quarterly*, Vol. 22, No. 4, pp. 479-89, 2001.

increasingly marginalised by the inequalities generated by the neo-liberal rhetoric of the Washington Consensus³⁶. Tragically the only option they may have is to try harder to toe the neo-liberal line, by becoming 'leaner and fitter' at the expense of the welfare of their populations.

International lending institutions have adopted a rhetoric of empowerment, inclusion and democracy for the poor. However the democracy that the WB and western governments, led by the United States, advocate is a western conception of political freedom. This should be viewed with deep scepticism; Joel Rocamora for instance asks 'After supporting authoritarian regimes throughout the world from Somoza to Marcos to Mobutu for decades, why has international capitalism shifted to support for democracy?'³⁷. This thesis is intended as a critical intervention into the qualitative debate over the relationship between democracy and poverty at a time when capability enhancement is being corrupted by neo-liberal players to enhance the market rather than the poor. Normatively it is important that strategies for poverty alleviation reflect the needs of the poor themselves rather than the agendas of the already rich.

Originality

An important part of this thesis is a consideration of the socio-political character of the Philippines and the dynamics that exist between the state and civil society. This

³⁶ See, i.e., Chomsky, Noam, *Profit Over People: neoliberalism and global order*, New York, Seven Stories Press, 1999; Stiglitz, *op. cit.*, especially Chapter Three, 'Freedom to Choose?'.
³⁷ Rocamora, Joel, 'Formal Democracy and Its Alternatives in the Philippines', Paper presented at the conference *Democracy and Civil Society in Asia: The Emerging Opportunities and Challenges*, Ontario Canada, 19-21 August 2000, p. 1. Available at: www.tni.org/archives/rocamora/formal.htm. [Accessed 14 April 2003].

has been addressed by authors such as Putzel³⁸ and Riedinger³⁹ in the rural context, and Caoili⁴⁰ and Berner⁴¹ in the urban. The role of democracy in this process has been covered in collections such as that by Silliman and Noble⁴² and more broadly Gills, Rocamora and Wilson⁴³. This thesis questions the limitations of IR when dealing with concepts of poverty. An overview on the state of poverty research internationally is presented in an important study by Øyen, Miller and Samad⁴⁴, however this is not specifically critical of the IR research agenda. Importantly, this thesis seeks to fill some of the weaknesses and gaps in the existing literature and tentatively suggest ways out of this methodological impasse, with these ideas applied to a case study of the Philippines

This thesis develops a distinctive qualitative approach, drawing on both the work of Polanyi and Gramsci, and applies it to the issue of poverty research development, specifically the relationship between poverty alleviation and democracy. An analysis of Gramsci and Polanyi's usefulness as a critique of market ideology is elegantly done in Birchfield's 1999 article⁴⁵, however this was not applied to poverty research. Similarly Gramsci has informed many analyses of the nature of the relationship between the global economy and national socio-cultural movements, such as the

³⁸ Putzel, James, *A Captive Land: The Politics of Agrarian Reform in the Philippines*, New York: Catholic Institute for International Relations, 1992.

³⁹ Riedinger, Jeffrey M., *Agrarian Reform in the Philippines: Democratic Transitions and Redistributive Reform*, Stanford: Stanford University Press, 1995.

⁴⁰ Caoili, Manuel A., *The Origins of Metropolitan Manila: A Political and Social Analysis*, Quezon City: University of the Philippines Press, 1999.

⁴¹ Berner, Erhard, *Defending a Place in the City*, Quezon City: Ateneo de Manila University Press, 1997.

⁴² Silliman, G. Sidney and Noble Lela Garner, eds., *Organising for Democracy: NGOs, Civil Society, and the Philippine State*, Honolulu: University of Hawai'i Press, 1998.

⁴³ Gills, Barry, Rocamora, Joel and Wilson Richard, *Low Intensity Democracy: Political Power in the New World Order*, London: Pluto Press, 1993.

⁴⁴ Øyen, Else, Miller, S. M. and Syed, Abdus Samad, *Poverty a Global Review: Handbook on International Poverty Research*, Oslo: Scandinavian University Press, 1996.

⁴⁵ Birchfield, Vicki, 'Contesting the hegemony of market ideology: Gramsci's "good sense" and Polanyi's "double movement"', *Review of International Political Economy*, Vol. 6, No. 1, pp. 27-54, 1999.

excellent edited collections by Gill⁴⁶ and Gill and Mittleman⁴⁷, and Polanyi has been interpreted with a similar objective in the 1999 article by Inayatullah and Blaney⁴⁸, but again these do not focus on poverty research.

Therefore an important claim to originality in this thesis lies in the use of both Gramsci and Polanyi and the application of this analysis to a critical methodology of poverty research. This methodology is applied to the social context of the Philippines. This thesis seeks to adapt the prescriptive agency which is outlined in Gramsci's theory of counter-hegemony and use it as the basis to assess the form and function of democracy in the Philippines and examine whether democracy is a sufficient, or simply necessary, variable in the search for well-being. Work has been done on the particular character of political parties in the Philippines which 'cannot be understood outside of their development in relation to the Philippines' presidential form of government [...] Most importantly, they are best understood in relation to political factions and political clans'⁴⁹. However, whilst these forms of political life and elite formation are central in the relationship between state and society they have not been analysed with poverty alleviation as the *central* focus, certainly not within an IR disciplinary framework. This thesis seeks to ask *why* Philippine poverty exists, taking account of many spatial levels of analysis, from the very local to global, rather than seeking a more sophisticated analysis of *how much* poverty there is. Only once

⁴⁶ Gill, Stephen, (ed.) *Gramsci, Historical Materialism and International Relations*, Cambridge: Cambridge University Press, pp. 186-212, 1993.

⁴⁷ Gill, Stephen and Mittlemen, James H., *Innovation and Transformation in International Studies*, Cambridge: Cambridge University Press, 1997.

⁴⁸ Inayatullah, Naeem and David L. Blaney, 'Towards an Ethnological I.P.E.: Karl Polanyi's Double Critique of Capitalism', *Millennium*, Vol. 28, No. 2, pp. 311-40, 1999.

⁴⁹ Rocamora, Joel, 'Political Parties in Constitutional Reform', 2002. Available at: www.tni.org/archives/rocamora/parties.htm. [Accessed 14 April 2003], p. 2.

the social and cultural dynamics which underpin poverty are identified as central to research, can prescriptive remedies to relieve the problem be devised.

Indeed even though poverty should be the central issue in many areas of political economy and development, it is sidelined while issues such as human rights, debt and women's empowerment take centre stage. It seems that poverty is either such a methodologically demanding issue it is avoided, or it is simply treated as an enduring, yet silent, factor which accompanies many other issue areas. Therefore having poverty research as the central theme in this study, and premising the voices of the poor themselves in a socially informed and critical qualitative context forms part of the claim to originality. The fieldwork material in this study, which forms the substantial basis of chapters four and five is primary and original material gathered for this thesis.

Chapter Outline and Arguments

Chapter One: The Theoretical History of Poverty

Chapter One is a review of the literature which informs the treatment of poverty within IR. A key theme in this chapter is that conceptions of poverty, are marginalised and/or underdeveloped. It is argued that existing discourses on poverty are dominated by current dominant forms of knowledge and economic organisation. This has led to static and positivist treatments of poverty.

The chapter is divided into three sections the first section examines the treatment of poverty within the traditional IR paradigms, Realism, Liberalism and Marxism. The themes of democracy, civil society and international ethics are used in order to interrogate these paradigms regarding their treatment of poverty. The next section explores the political and theoretical developments during the Industrial Revolution in Great Britain. These discourses are significant as the philosophical roots of contemporary treatments of poverty can be located here. Parallels can be drawn between social transformation and poverty in the Industrial Revolution and contemporary processes of globalisation, which have forced comparable social disruption.

The third section examines critical approaches which may offer a post-positivist agenda for poverty research, including a critique of the 'Orientalist' nature of the IR discourse. Specific paradigms such as feminism and environmentalism, development and post-development and the relationship between poverty and these issues are introduced. A central theme is that poverty research should adopt post-positivist approaches in order to develop and inform the critical agenda of IR.

Chapter Two: Poverty and a Qualitative Research Agenda

A central theme of Chapter Two is to deconstruct and reveal the inadequacy of current definitions of poverty and the methodologies supporting these. Poverty research based on income and expenditure for instance, may be based in assumptions of rational choice, but it cannot be assumed that income will be spent on goods which enhance well-being.

A second central theme of this chapter is that whilst disruptive strains of neo-liberal market economics exacerbate poverty, they are also offered as a solution to the problem by neo-liberal dominated forms of knowledge which are premised on growth rather than redistribution. Market led solutions to poverty do little to address underlying social disruptions which are neglected in quantitative methodologies of poverty research.

Gramsci's ideas on counter-hegemonic movements are developed as a framework to analyse the relationship between poverty and democracy in the face of both national and international structural constraints. The idea of 'self-consciousness' is discussed in relation to the poor devising their own 'organic' solutions to poverty rather than being subsumed within the hegemonic orthodoxy of neo-liberalism. It is a central theme that structures, as well as agency, are the products of social processes, therefore they also must be assessed based on a qualitative, reflexive and post-positivist agenda.

This chapter also addresses the relationship between the researcher and the researched and how inherent biases may be brought to the research process based on the researchers own cultural norms. The need for reflexivity in research is discussed and the form of qualitative interviews which bridge cultural gaps is examined.

Chapter Three: Locating Hegemony and Counter-hegemony in Philippine Historical Experience

Chapter Three examines the historical sociology of the Philippines in order to inform an understanding of contemporary social structures and power configurations within

Philippine society. A central theme of this chapter is to provide the social context for contemporary approaches to poverty in the Philippines and to analyse where power and wealth within contemporary society is located. In the Philippines it is possible to track how certain key elite families owe their power and land to social processes originating hundreds of years ago. These historical processes also help explain the nature of political parties in the Philippines and how a few elite families have tended to dominate the political process.

Following the argument for qualitative research, contemporary Philippine society must to be understood as part of the historical trajectory of the Philippines, rather than as a fixed and discrete moment for research. It is also noted in this chapter that history/ies are subject to interpretation and that US or Spanish versions of Philippine history may differ radically to Philippine voices themselves.

Chapter Four: Rural Poverty: The Case of the Visayas Islands.

Chapter Four is based on fieldwork in the Visayas Islands in the central Philippines in summer 2001. It looks specifically at ongoing problems in relation to the Comprehensive Agrarian Reform Programme (CARP) in the Philippines, and the impact that this process has on poverty in rural society.

Farmer Beneficiaries (FBs) who have received land, under the due processes of the CARP, are still operating in an economic environment dominated by neo-liberal orthodoxy. This is an important example of the difficult role that states play in facilitating both the means to procure well-being for the poor and accommodating the

demands of the market. The interventionist role that non-governmental organisations (NGOs) play in order to support local people's organisations (POs) and community based organisations (CBOs) negotiation of the difficult transition phase of land reform is also explored. A central theme is that even though radical changes seem to be taking place, often in the face of extreme opposition, little structural change in economic organisation can be seen.

The chapter is also informed by interviews in Manila with Department of Agrarian Reforms (DAR) officials, and members of the umbrella organisations Philippines Ecumenical Action for Community Empowerment Foundation (PEACE) and Panbansang Ugnayan ng mga Lokal ng Nagsasariling Organisasyon ng mga Mamamayan sa Kanayunan (UNORKA). The CARP process is used to illustrate a central theme of this thesis, the limitations of quantitative analysis. CARP figures have been manipulated and distorted in order to present an exaggerated picture of the rate of land transfer and the social improvement brought about by the programme.

Chapter Five: The Urban Poor: Poverty and Coping Strategies in Metropolitan Manila

Chapter Five is an analysis of coping strategies which the poor devise for themselves in the urban context, specifically Manila. This account explores the relationship between poverty and the Philippine government's ambitions as a viable player in the neo-liberal economy. Specifically, the tension between basic needs provision and the market is played out in a spatial conflict over urban land in Manila. This draws on a Polanyian framework of the relationship between land and labour, and society and the

market. The failure of property rights for the poor as a cause of global inequality and the entrenchment of poverty is addressed.

A central theme is the way that neo-liberal interventions in the governance of the Philippines have called for functioning democracy as the correct form of political life. However corrupt interventions have rendered democratic processes weaker. The nature of corruption and the form of governance in the Philippines emerge to illustrate the idea that democracy, as well as poverty, is a specific and socially situated process.

The idea of 'community' will be addressed in order to provide empirical evidence of the coping strategies that the poor devise in the urban context. This emphasises a central theme of this thesis, that poverty cannot be analysed in quantitative terms alone, as 'community' is a qualitative and socially situated entity. Community can have extremely positive impacts on the ability to pursue and secure well-being, however its form may be culturally specific, only loosely based on a monetary economy and problematic to use as a basis for comparison across cases, especially internationally.

This chapter is informed by analysing the relationships between and across NGOs and POs in the urban context and draws on Philippine voices to illustrate how communities function. The communities of Payatas and the PO ZOTO form subsections of this chapter to detail the workings of specific community organisations. An analysis of the national development of poverty research mechanisms is included, which illustrates the issues that are factored into or ignored by different groups in

their attempt to define the poverty problem. Interpretations of the scale of poverty vary significantly between different groups.

Chapter Six: Neo-liberal Hegemony and the Illusion of Democracy

Chapter Six looks at the theoretical relationship between democracy and poverty research and argues that whilst these variables have figured largely on the agenda of development studies, the nexus between the two has been of only tangential concern to the IR research agenda. Whilst forms of democracy have received significant theoretical attention, especially since the end of the Cold War and the 'triumph' of liberal democracy, this has not been linked to the alleviation of poverty. A central theme will be the value of democracy that is being produced for the poor. It is argued here that whilst democracy is advocated as a necessary condition for poverty alleviation by international lending institutions, this is a corruption of the idea of political freedom, as it is the market hegemony rather than the human security that is being protected.

It is argued that many of the strategies which are designed to protect the poor from the rigours of the market economy, what Polanyi calls the double movement, are in fact part of the first movement, the measures taken to facilitate the free market. The relationship of the state with both the market and civil society is examined, this is informed by both Gramsci and Nozick's interpretations of the role of the minimal state. Poorer states however find it harder to resist neo-liberal mechanisms and even when regime change is forced by civil society as a result of a successful war of position, neo-liberal orthodoxy soon reappears to dictate societal responses to poverty.

It is a central theme that the state, far from being marginalised by the devolution of democratic formations and the dictates of the market, is in fact a central player in these processes. The state is in effect forced to oscillate between the demands of market and civil society and acts as a mediating mechanism. The state has not become minimal, it remains a key player, yet its behaviour is dictated by forces both above and below. These, often contradictory tensions weighing on the state, account for a significant part of its behaviour. Therefore poverty cannot be other than central to the research agenda of IR.

Chapter One

The Theoretical History of Poverty

Introduction

Given the sheer scale of global poverty¹ a debate exists over whether or not practical political and theoretical attention fails to adequately address this issue². Tooze and Murphy claim that poverty is 'of such low visibility and perceived importance as to be virtually invisible [...] because poverty is defined as not relevant to the prime concerns of IR/IPE'³. Kothari claims that due to the promotion of a culture of consumption by the Western media and because 'those in authority are no longer concerned with the basic condition in which a large part of humanity lives'⁴, absolute and relative poverty are now viewed as 'unwanted and unpleasant realities to be washed away'⁵. Tooze and Murphy argue that the irrelevance of poverty is a fiction but that its marginalisation 'fits well into the professionalism of global knowledge, the assumptions and values supporting mainstream academic IR and IPE, and, significantly the core values of societies where market authority and market power are superior to other forms of social power'⁶.

¹ According to World Bank figures 2.8 billion people globally live on less than \$2 a day (nearly half the global population of 6 billion). 1.2 billion live on less than \$1 a day. See: *The World Bank Development Report: Attacking Poverty 2000/2001*, Oxford: Oxford University Press, World Bank, 2001, p. 3.

However, as well as the usual limitations of statistical analysis, such as biased or incomplete recording, statistics on poverty are to be treated with caution as they do not account for the non-monetary economy. A critique on statistical analysis will be a key theme throughout this thesis.

² *ibid.*

³ Tooze, Roger and Murphy, Craig N., 'The Epistemology of Poverty and the Poverty of Epistemology in IPE: Mystery, Blindness and Invisibility', *Millennium*, Vol. 25, No. 3, pp. 681-707, 1996, p. 681

⁴ Kothari, Ranji, *Poverty and Human Consciousness and the Amnesia of Development*, London: Zed Books, 1993, p.6.

⁵ *ibid.*

⁶ Tooze and Murphy, *op. cit.* p. 681.

Why is this? Durfee and Rosenau argue that the explanation lies in 'the longstanding preoccupation of mainstream IR theorists with states and their anarchical system'⁷. A mix of the agendas of state security and neo-liberal authority, merge to displace the poorer and weaker from the mainstream agenda of International Relations (IR)/International Political economy (IPE). Yet Durfee and Rosenau argue that poverty has been entirely neglected by Realism and Liberalism as it is viewed as a domestic political issue. They suggest that poverty will only gain attention when it starts to show symptoms at an international level. Symptoms include: migration, environmental degradation, market contraction, supply of resources, debt default, famine, violent conflict. These are intimately related and mutually reinforcing; with an international impact. When IR does address poverty, it does so from an empiricist perspective; it is 'long on measurements, but short on explanations and theories'.⁸ It quantifies poverty rather than prescriptively explains. Should symptoms eventuate, international reaction will take the form of crisis management rather than preventative action; symptoms are dealt with rather than causes.

Merely quantification and atomistic analysis is insufficient; 'business cycles, the economic structure, regional development, politics and international relations'⁹ are all relevant variables to poverty analysis. The argumentative premise is that the world does not lack resources, it only maldistributes them. Perhaps because these problems are so difficult that, 'one is tempted to see the search for yet more facts to measure an ever more precise definition of poverty as a form of displacement activity by academics, whose concern to reduce the poverty they find is outweighed only by their

⁷ Durfee, Mary and Rosenau, James, N., 'Playing Catch-Up: International Relations Theory and Poverty', *Millennium*, Vol. 25, No. 3, pp.521-46, 1996, p.526.

⁸ Øyen, Else, Miller, S. M. and Syed, Abdus Samad (eds.), *Poverty A Global Review: Handbook on International Poverty Research*, Oslo: Scandinavian University Press, 1996, p. 20.

powerlessness to do anything effective about it'⁹. Calls for the egalitarian distribution of resources, especially globally, are utopian. Following from this, agency becomes a central causal concern for poverty research.

Agency by the poor is deemed insignificant; 'their limited control over and access to resources is assumed not to make a difference to the processes of global political economy. Invisibility is bestowed by virtue of empirical non-recognition'.¹¹ They have no impact therefore they garner no attention. The priority of the poor is to ensure their daily existence. They are so 'mired in poverty that they have not been sufficiently organised to alter distributional outcomes'¹². Sen writes that 'the freedom of agency which we individually have is inescapably qualified and constrained by the social, political and economics opportunities that are available to us'¹³. Indeed, whilst offering lip service to democratic initiatives for the poor, institutions like the WB are actually constructing policies preserving the *status quo*. This thinking leads us to regard the poor as 'victims', rather than actors, which again denies them agency. It means that poverty is regarded as a domestic public policy issue rather than one of international relations.

Recent studies by Webster and Engberg-Pederson¹⁴ and by Wilson et. al.¹⁵ examine poverty in terms of political space and the state. The former addresses poverty's subjective nature and the way the poor perceive their own social and political situation. It notes that this may present itself very differently in various local political contexts.

⁹ *ibid.*, p. 48.

¹⁰ *ibid.*, p. 20.

¹¹ Tooze and Murphy, *op. cit.*, p. 687.

¹² Durfee and Rosenau, *op. cit.*, p. 529.

¹³ Sen, Amartya, *Development as Freedom*, Oxford: Oxford University Press, 1999, p. xi.

¹⁴ Webster, Neil and Engberg-Pedersen, Lars (eds.), *In the Name of the Poor: Contesting Political Space for Poverty Reduction*, London: Zed Books, 2002.

¹⁵ Wilson, Francis, et. al. (eds.), *Poverty Reduction: What Role for the State in Today's Globalized Economy?*, London: Zed Books, 2001.

Importantly, they argue that poverty reduction is dependent on the agency and initiative of the poor themselves. These points are developed throughout this thesis. Wilson et. al. looks at civil society and the state regarding poverty and the possibilities for remedial forms of local agency given that the causes of poverty may be beyond the control of the state. They argue that the state must take account of both domestic socio-cultural forces and international neo-liberalism when devising poverty policy. This state/market/society relationship is explored in the later chapters of this study. Meanwhile Gills, Rocamora and Wilson's work offers theoretical analysis of democratic capabilities in the face of market hegemony and a series of applied studies. The contributions of Rocamora on the Aquino regime and Frank on 'Marketing Democracy in an Undemocratic Market'¹⁶ are particularly useful for this thesis.

This study argues that there is a powerful ethical case for privileging the study of the poor in critical readings of problems in development and global political economy¹⁷. Poverty research within IR places the poor and ideas of international ethical responsibility towards the poor at the centre of the research agenda, rather than at the periphery. I argue that poverty is a legitimate topic for theoretical and pragmatic consideration within IR in *its own right*. However, a basic premise of the present study is that the poor cannot be isolated as a research programme. The poor demonstrably have a relationship with the rest of society, both domestically and internationally, and the nature of this relationship, should be part of the research agenda. The non-poor 'are as interesting an object for research on poverty as are the poor'¹⁸. Therefore, in aiming

¹⁶ See: Gills, Barry, Rocamora, Joel and Wilson, Richard (eds.), *Low Intensity Democracy: Political Power in the New World Order*, London: Pluto Press, 1993.

¹⁷ See i.e. Sen, *op. cit.*; Kothari, *op. cit.*

¹⁸ Øyen, Miller and Syed, *op. cit.*, p. 11.

for a comprehensive and meaningful understanding of poverty, socially focussed ethical issues of justice, fairness and democracy must also come into play¹⁹.

The aim of this chapter is to consider the development of theoretical approaches to poverty alongside the historical and economic development of human society²⁰. It will be shown how and why IR suffers from theoretical weaknesses or epistemological inadequacy when addressing poverty and forms a precursor to a methodological approach developed in the next chapter. This chapter has three main sections. The first examines the development of mainstream IR. This addresses three key issues in relation to poverty; democracy, civil society and international ethics. Philosophical roots guiding the treatment of poverty within IR and the philosophical thinking informing processes such as de-colonisation and the rise of global civil society are identified. These impact on the form of the state system and the nature of democratic accountability. The question is asked: 'have poverty and socio-economic inequality, factors which affect a vast majority of the world's population, played a significant role in mainstream theoretical development?' The degree of visibility of poverty research on the mainstream agenda, can lead us to a judgement on the importance of the poor and poverty in the arena of 'high' politics.

¹⁹ However, these concepts are problematic methodologically, certainly within IR, as they may be subject to value judgements: See for instance, Barry, Brian, 'Humanity and Justice in Global Perspective' in Goodwin, R.E. and Pettit, Philip (eds.), *Contemporary Political Philosophy: An Anthology*, Oxford: Blackwell, pp.525-40, 1997; Campbell, David and Shapiro, Michael J., *Moral Spaces: rethinking ethics and world politics*, Minneapolis: University of Minnesota Press, 1999; Hertz, Noreena, *The Silent Takeover: Global Capitalism and the Death of Democracy*, London: Arrow, 2001; Rawls, John, *A Theory of Justice*, Oxford: Oxford University Press, 1999 [1971]; Sen, *op. cit.*

²⁰ I use the term 'human society' rather than 'states' or the 'international community' to emphasis that what we are taking about when we refer to actual conditions of poverty is the way that the mass of humanity live their lives. Poverty, at base, is a real human condition, not an abstract concept, and poverty is also a product of societal organisation.

Then we will move first backwards, then forwards in terms of theoretical growth. The second section examines how poverty was addressed during the Industrial Revolution. This incorporates an exploration of salient economic and social change thinking during this period evolving from the emerging market system. The rationale for this is to demonstrate that significant comparisons can be drawn between the social consequences of the Industrial Revolution in the 19th century, and the effects of contemporary economic globalisation. Salient issues include economic ‘transformations’²¹ acting as catalysts for social disruption to the detriment of those denied control of the means of production. This historical starting point, which marked a fundamental move towards economic capitalist modernity²², will also provide a basis from which to consider how, if at all, societal responses to the poverty problematic have developed. This refers to the temporal and spatial history of socio-economic development. It will be demonstrated that the literature on this second industrial revolution²³ is a predominantly Euro-centric discourse and that this literature informs later Western forms of cultural and epistemological hegemony.

The third section explores post-positivist critiques, particularly critical theory, including feminism and environmentalism. Illustrating the way both are salient in terms of a ‘feminisation’ and ‘degradation’ of poverty. It will be established whether these critical

²¹ To use the wording of Polanyi; re: *The Great Transformation*, Boston: Beacon Press, 1957 [1944].

²² Although this is only one point in the shift towards economic modernity. Wallerstein for instance identifies circa the sixteenth century as the moment of capitalist inception. A crucial factor being the demise of feudalism and the emergence of ‘cash-crop’ payments to serfs, a precursor to wage labour. See: Wallerstein, Immanuel, *The Modern-World System: capitalist agriculture and the origins of the European world economy in the sixteenth century*, Cambridge: Cambridge University Press, 1974. also; Hier, Sean P. ‘The forgotten architect: Cox, Wallerstein and world-system theory’ *Race & Class*, Vol. 42, No. 3, pp. 69-86, 2001, p. 77.

²³ The first revolution can be seen as the agricultural one when hunter gatherers turned to farmers and the third one the current technological revolution. See: Toffler, Alvin, *The Third Wave*, London: Pan Books, 1990.

approaches, and development studies literature, approach the poverty problematic in a more epistemologically relevant way than mainstream IR.

International Relations and the Poverty Problematic

War, the avoidance of it and defence against it, can be seen as a central theme that has dominated the entire history of the IR discipline²⁴. The creation and distribution of wealth has revolved around conceptions of the power and security of the state. IR has evolved around the need to defend the state against 'others', and an inside/outside dichotomy²⁵ has dominated the evolution of the discipline. The following analysis challenges this rationale. Using themes of democracy, civil society and international ethics with reference to 'Realist', 'Liberal' and 'Marxist' intellectual traditions, it establishes the theoretical and empirical context within which approaches to poverty developed, were ignored, constrained or failed.

Democracy

Machiavelli (1469-1527) advises princes not to be profligate with domestic finances as this may make them unpopular with their own citizens. However; 'with what does not belong to you or to your subjects you can be a more liberal giver [...] for spending the wealth of others does not lessen your reputation but adds to it'²⁶. This stands as a salutary warning to both profligate state leaders, and weaker states that can be preyed on

²⁴ International Relations (upper case) refers to the discipline, international relations (lower case) refers to actual practice.

²⁵ See: Walker, R. B. J., *Inside/outside: International Relations as Political Theory*, Cambridge: Cambridge University Press, 1993.

²⁶ Machiavelli, Niccolo, *The Prince*, Oxford: Oxford University Press, p. 54.

by foreign armies or neo-liberal economic forces, the latter of which may systematically appropriate wealth through structural rather than physical violence.

Rousseau (1712-1778) identifies not international plunder as a cause of poverty, but the formation of communities and the rejection of the state of nature which;

*bound new fetters on the poor, and gave new powers to the rich; which irretrievably destroyed natural liberty, eternally fixed the law of property and inequality, converted clever usurpation into unalterable right, and for the advantage of a few ambitious individuals, subjected all mankind to perpetual labour, slavery and wretchedness*²⁷.

Yet far from being coerced into this arrangement, men who, 'had too many disputes amongst themselves to do without arbitrators, and too much ambition and avarice to go long without masters. All ran headlong to their chains, in the hope of securing their liberty'²⁸. Rousseau finds the answer to this dilemma later in *The Social Contract* where individuals pledge their freedom to the community or citizenry, rather than potentially corrupt or unethical leaders or monarchs. The citizenry then is responsible for nominating leaders and the formulation of the law, this is democracy which should bring justice for the people. Although Rousseau qualifies this, arguing that

if we take the term in the strictest sense, there has never been a real democracy, and there never will be. It is against the natural order for the many to govern and the few to be governed. It is unimaginable that the

²⁷ Rousseau, Jean-Jacques, *The Social Contract and Discourses*, London: Everyman J. M. Dent, 1993 [1750/1755/1762], p. 99.

*people should remain continually assembled to devote their time to public affairs*²⁹.

Here though we have the roots of constitutional democracy which legislates for, if not justice, then in theory at least freedom of opportunity and representation, which is a central theme for this study. However whilst this may function in terms of the domestic state and community it does not extend, as Kant (1724-1804) advocates in *Perpetual Peace*³⁰, to the international sphere. For Rousseau, cosmopolitan democracy is not a possibility. Rousseau does concern himself with issues of inequality, poverty and constitutional justice, but these are bounded by the spatial limits of the state and the national community. The spatial mismatch between the global market and domestically bounded forms of society will emerge as a key reason for the lack of freedom of opportunity to pursue well-being in this study.

Rousseau, unlike Hobbes (1588-1679), viewed the original state of nature as a benign arrangement where men were able to coexist peacefully, problems arose when population numbers grew and competition over land and resources intensified leading to constant conflict. Yet in the course of these processes the family unit grows in importance and the ability to reason develops. However, as one community is formed inevitably so do others, thus the state of nature no longer exists between individuals, but communities or states as we now know them. A major aspect of the formation of communities was the rule of law coupled with private property rights. For Rousseau this

²⁸ *ibid.*

²⁹ *ibid.*, p. 239.

³⁰ See: Kant Immanuel, 'To Perpetual Peace: A Philosophical Sketch (1795)', in Kant, Immanuel, trans. Humphrey, Ted, *Perpetual Peace and Other Essays*, Indianapolis: Hackett Publishing Company, pp. 107-44, 1983 [1795].

was a central problem for the poor as the rich were able to enclose their property, notably land, whilst the poor were denied access.

Meanwhile Locke (1632-1704) had questioned the rationality of the poor and thus their ability to take part in political life. Whilst for the property owning class Locke advocated the right to 'life, liberty and property'³¹ this did not extend as far as the poor whose hand to mouth existence excluded them from property ownership and alienated them from 'life and liberty'. Locke advocates a similar constitutional arrangement to Rousseau, but differs from Realists as he does not necessarily see the state of nature as a state of war. Instead he puts forward the idea of a troubled peace, therefore making him one of the most Realist leaning of the Liberal philosophers.

Locke's marginalisation of the poor can partly be explained by the right to property and the right of man to own his own labour. Therefore man has the right to sell his labour for individual gain, and owes no debt to the community around him. The idea of property and labour, as the assets of society, is undermined, and is in effect a remit for individual accumulation. This is a theme which will be revisited later in the chapter when we look at Polanyi's *The Great Transformation* and will be explored at length in Chapter Three.

The poor however can proceed no further than selling their labour as they have no assets to invest in property or other people's labour to increase their gains. Also the poor become second class citizens in civil society as, according to Locke;

³¹ See: Locke, John, intro. and ed. Lasle, Peter, *Two Treatise of Government*, Cambridge: Cambridge University Press, 1963, pp. 114-20 and pp. 333-36.

.....the labourer's share [of the nations income], being seldom more than a bare subsistence, never allows that body of men, time, or opportunity to raise their thoughts above that, or struggle with the richer for theirs (as one common interest) unless when some common and great distress, uniting them in a universal ferment, makes them forget respect, and emboldens them to carve their wants with armed force³².

Thus the labouring class's burden of work prevents them becoming politically active. There is also the assumption that when they do, it will come in the form of violence, against their betters, rather than political participation and reason. There is no conception that the poor's distress may be the fault of property owners appropriating their labour at minimal rates. Therefore the poor become subject to, but not active in civil society. Puritan social attitudes in Locke's time treated poverty as 'a mark of moral shortcoming'³³.

Private property rights and the framing of the poor as lacking reason and morality, justified the logic of capital accumulation and suppression of the poor. Many of these themes can be traced throughout the history of capitalist accumulation and have been adapted to account for colonial ventures. They explain the creation of a global underclass in times of neo-liberal economics allowing the amorality of inequitable capital accumulation to remain largely unchallenged. These ideas will be revisited later in this thesis, and the political mobilisation of the poor will be discussed with reference

³² Locke, John, *Some Considerations of the Consequences of the Lowering of Interest and Raising the Value of Money*, in *Works*, 6th ed., Aalen: Scientia Verlag, 1963 [1759], Vol. ii., p. 36.

³³ MacPherson, C. B., *The Political Theory of Possessive Individualism Hobbes to Locke*, Oxford; Oxford University Press, 1962, p. 227.

to Gramsci's (1891-1937) work on organic intellectuals in Chapter Two and is a key theme throughout.

Marxism unlike Liberalism and Realism grants the poor ontological visibility, arguing that economic relations of production and control are central to social organisation. However whilst this may be true, Marxist ideas of revolutionary socialism have thus far failed. So whilst Marx correctly identifies many of the reasons for poverty and the unequal distribution of resources, his revolutionary predictions are inaccurate. However his ideas have been developed in modern times by more recent dependency and neo-Marxist theorists who we will examine later in this chapter.

Civil Society

Many of these themes carry into the post-1945 IR Orthodoxy. Here Morgenthau's work, *Politics Among Nations* holds iconic sway. Morgenthau does not address the question of poverty directly, but he does address the issue of domestic justice. His approach is that dissident voices in domestic society must be appeased in some way so that they do not result in an internal challenge to the strength of the state, so he displays similar sentiments to the advice that Machiavelli gives his Prince. Morgenthau argues that society 'cannot afford to remain deaf to the claims of large and potentially powerful groups [...] without endangering its peace and its very survival as an integrated whole'³⁴.

³⁴ Morgenthau, Hans J., *Politics Among Nations: The Struggle for Power and Peace*, 5th ed., New York: Knopf, 1973 [1948], p. 337.

The claims of the 'small and weak' are deemed less troublesome as they are unlikely to mount a challenge to the state. Whereas Rousseau has doubts on the merits of democracy as a form of social control, Morgenthau considers that due democratic process should be enough to appease discontented groups. The object is to protect and preserve the state, not those suffering injustice within it. Bull notes that while rights and duties of states have become established, the 'notion of human rights and duties has survived but it has gone underground [...] it has become potentially subversive of international society itself'³⁵. Bull argues that the individual rights of man, and his power to exercise them, represent a challenge to state authority.

In contrast, Liberals believe that economics constitute a natural part of human behaviour, the propensity to 'truck, barter and exchange'³⁶. Liberal freedom creates wealth as it maximises efficiency; this creates power for the state. Moreover, it creates maximum gain for the individual as well as the state, and this gain will reach all levels of society. This heralded a reorientation of the way that secular society viewed wealth as previously self-enrichment had been viewed with suspicion, now it was seen as an act of public benevolence³⁷. Liberalism is consumer driven down to the level of the individual, and like the Realists, Liberals regard human behaviour as rational. Man will attempt to meet all his needs at the least cost to himself, therefore he will operate in an efficient manner in order to maximise gain.

Smith (1723-1790) says little on the ethics of poverty alleviation, instead he considers the subsistence levels of workers through the logic of the supply and demand of

³⁵ Bull, Hedley, *The Anarchical Society: A Study of Order in World Politics*, 2nd. ed., London: MacMillan, 1995 [1977], p. 80.

³⁶ see: Smith, Adam, *The Wealth of Nations Books I-III*, London: Penguin Books, 1986 [1776], p. 117-21.

labour³⁸. He concedes that 'No society can be flourishing and happy, of which the far greater part of the members are poor and miserable'³⁹. He proposes that workers 'should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed and lodged'⁴⁰. Smith argues in morally neutral terms. Unless the workers enjoy a reasonable standard of living then they will be unable to produce the next generation of workers as many of their children will die through ill health⁴¹. Human welfare and child mortality rates are mere variables in the labour market. Reducing wage levels due to a glut of workers may make economic sense, but it would be socially devastating. This tension is visible in the contemporary international labour market where wage levels are particularly low in impoverished and overpopulated countries. This inevitably contributes to the growth of the global underclass of the poor.

Smith's perspective was criticised by Malthus' (1766-1834) pessimistic thesis on the impact of population growth. Malthus questioned the growing faith in science and technology to achieve prosperity⁴². His argument was that whilst population grew exponentially, agriculture grew only arithmetically; therefore population would eventually outstrip the capacity of the land to feed it⁴³. For prosperity to be enjoyed, population had to be checked; 'positive' checks - starvation, sickness, war, infanticide, reduced longevity; and 'preventative' checks - delay of marriage, restraint of sexual passion and forms of sexual intercourse which did not result in offspring. Population

³⁷ See: Galbraith, John Kenneth, *A History of Economics*, London: Penguin Books, 1987, p. 64.

³⁸ Smith, *op. cit.*, Chapter VIII, 'Of the Wages of Labour'.

³⁹ *ibid.*, p. 181.

⁴⁰ *ibid.*

⁴¹ *ibid.*, p. 183.

⁴² Avery, John, *Progress Poverty and Population: Re-reading Condorcet, Godwin and Malthus*, London: Frank Cass, 1997, p. 61.

⁴³ See: Malthus, Thomas, *An Essay on the Principle of Population*, London: J. M. Dent & Sons, 1973 [1798], Book 1, p. 7-11, for Malthus's initial calculations and the variables he employs. Malthus used statistics from the United States 'where population had doubled every 25 years for a century and a half', see: Avery, *op. cit.*, p. 62.

issues clearly remain significant concerns for policy debates in contemporary developing countries confronted by poverty.

However, Liberals believe that economics and politics can be separated. The state's role is to provide a steady political environment conducive to free trade, including the removal of barriers such as tariffs, or in the time of Smith the Corn Laws⁴⁴. Wage and employment levels are mediated by market mechanisms and welfare support are distortions of the market disrupting the logic of supply and demand. Smith's choice of title, however, suggests that the reward for non-intervention is wealth for the nation.

There are degrees of non-intervention in liberalism⁴⁵. Keynesian interventionism holds with the manipulation of interest rates in order to control the supply of money, in terms of spending savings, investment and speculation. Keynes (1883-1946) advocated state support for full employment as a means of generating spending and investment through wages. Although expensive, and possibly non-productive in terms of goods, this was still deemed beneficial to the economy as the workers would spend their wages thus creating in turn demand for goods⁴⁶. If the free market fails to provide secure full employment and buoyant demand then, rather than leave the situation to the vagaries of the market, the state can intervene. Arguably, this does not reject liberalism but reinforces it. Keynesian thinking is a fundamental critique of Say's Law which holds that capitalists and workers engage in their activities in order to be able to spend the profits and wages that they make. There can be no such thing as over production. A rise

⁴⁴ For an analysis of the role played by the historical Liberal state see: Cox, Robert W., *Production, Power, and World Order Social Forces in the Making of History*, Vol. 1, New York: Columbia University Press, 1987, p.129-43.

⁴⁵ This idea will be developed in Chapter Two with a discussion on Rawls and Nozick.

⁴⁶ See: Keynes, John Maynard, *The General Theory of Employment, Interest and Money*, London: Macmillan, 1936.

in production automatically increases demand as there will be more wealth to spend⁴⁷. This does not allow for gluts on the market or the saving of profit, leading to contracted demand and unemployment.

Marx, however, posited that appropriation of the means of production by the bourgeoisie caused the economic disenfranchisement of the masses. It would be the working class who would redress this situation. Marx identifies the 'alienation of labour', meaning that labour becomes a commodity to be bought and sold. It becomes 'abstract' in that 'the seller of labour power, like the seller of any other commodity, realises its exchange-value and alienates its use-value'⁴⁸. Thus, the payment for the labour to the worker and the actual value of the work to the employer are different, with surplus value appropriated by the employer. Thus the two classes become alienated. This central problem for Marx, in terms of social dislocation, is not deemed a problem by either Smith or Locke.

For Marxists there is no natural harmony in economics, instead there is conflict and social unrest, driven by conflict over the control of the means of production and consequently surplus value. These processes are seen as central to historical change. Concomitant with alienation between the classes comes increasing polarisation as wealth is increasingly held in the hands of the wealthy few who can afford to invest and accumulate: without the means to do one, you cannot achieve the other. Small producers rendered non-viable are drawn into the proletarian mass and conditions for social revolution become acute. Just as Hegel's slave became self-conscious and

⁴⁷ See: Galbraith, *op. cit.*, p. 75-7; Lekachman, R. *The Age of Keynes*, London: The Penguin Press, 1967, p. 72-8.

⁴⁸ Marx, Karl, *Capital Volume One*, London: J. M. Dent and Sons, 1930, p. 188.

productive, therefore questioning his status⁴⁹, the proletariat becomes class-conscious, resentful at the appropriation of his labour and therefore revolutionary. Marx posited that the increasing accumulation and centralisation of capital would result in a decline in investment opportunities. This would lead to increased pressure to create profit within existing enterprise, through technological innovation, in turn leading to declining profits, unemployment and economic stagnation. The result of this would be a crisis of capitalism and the collapse of the system.

International Ethics

Political and civil transformations raise ethical issues. Morgenthau argues that international morality can only come through individual statesmen, rather than through states, since states in the international system have no notion of morality or Christian ethics. 'Moral rules operate within the consciences of individual men. Government by clearly identifiable men, who can be held personally accountable for their acts, is therefore the precondition for the existence of an effective system of international ethics'⁵⁰. Where responsibility for foreign policy is diffuse amongst many government actors international morality will not exist, as no individual will be capable of enforcing moral restraint. This can perhaps be identified not only in the foreign policy of states, but also international institutions.

Bull notes international claims for justice may come in the form of 'equality in distribution' between 'the rich and the poor'⁵¹. This is presented as just one of a number

⁴⁹ See: Hegel, Georg W. F., trans. Baille, J., *The Phenomenology of Mind*, George Allen and Unwin: London, 1966, p. 229.

⁵⁰ Morgenthau, *op. cit.*, p. 239.

⁵¹ Bull, *op. cit.*, p. 76

of variables which constitute unequal relations such as nuclear and non-nuclear states. Conceptually Bull's discussion on justice focuses on rights and duties rather than ethical behaviour. However, he argues that distributive justice has to be the decision of society rather than left to the market. The latter he claims is inadequate, as in order to realign the distribution of resources it is necessary that 'the rich pay higher taxes than the poor, or that the strong perform more labour than the weak'⁵². This can be legislated for within the state but is unmanageable in the international sphere. Therefore global social justice is inhibited by the competitive state system. Each state may seek to further the interests of its own citizens, but not of others. For poor or weak states, and more so for the poor in these states, redistributive justice remains elusive.

Calls for human justice could be construed as a challenge to state authority, however this implies that the security of the state is distinct from the security of its citizens. 'World justice' can be seen as a threat, implying some sort of world community cutting across, and dislocated from, the state. For Bull, 'the world society or community whose common good they [advocators of cosmopolitan or world justice] purport to define does not yet exist except as an idea or myth which one day may become powerful, but has not done so yet'⁵³.

Thus states, like men, operate purely in the selfish pursuit of power. Morgenthau qualifies this in claiming: 'A man who was nothing but a "political man" would be a beast, for he would be completely lacking in moral restraints'⁵⁴. He makes no excuse for the workings of politics. He claims that 'the human mind in its day-by-day

⁵² *ibid.*, p. 77.

⁵³ *ibid.*, p. 82.

⁵⁴ Morgenthau, *op. cit.*, p. 14.

operations cannot bear to look the truth of politics straight in the face'⁵⁵. IR, for Morgenthau, would seem to reflect the very worst of human nature.

Ideas of international ethics are more optimistic amongst Liberals than Realists. Kant for instance, in his essay 'To Perpetual Peace a Philosophical Sketch'⁵⁶, discusses the possibilities of an enduring peace amongst nations. The significance of this for poverty research, especially in relation to democracy and international equality of opportunity is to be found in his Third Definitive Article, 'Cosmopolitan right shall be limited to conditions of universal *hospitality*'. For Kant, distant parts of the world may be brought closer if foreigners 'are not treated as an enemy upon his arrival in another's country'⁵⁷. The initial recipients of such hospitality are identified as traders. Through international commerce 'the human race can gradually be brought closer and closer to a cosmopolitan constitution'⁵⁸. However, Kant then goes on to discuss colonial adventures by the European nations that have resulted not in cosmopolitan recognition amongst peoples but violent oppression on the part of the Europeans.

Kant however argues that a form of community must be recognised amongst the Earth's peoples, and 'a transgression of rights in *one* place in the world is felt *everywhere*; consequently'⁵⁹. This recognition of cosmopolitan rights is central to Kant's idea of progress and can be adapted and applied to the relationship between democracy and poverty research. According to Kant rights, including economic rights, are universal, therefore for our purposes here a cosmopolitan version of poverty research can be developed. Specifically the currently fashionable institutional rhetoric of democracy

⁵⁵ *ibid.*, p. 15.

⁵⁶ Kant, *op. cit.*, pp. 107-44.

⁵⁷ *ibid.*, p. 118.

⁵⁸ *ibid.*

amongst bodies such as the WB, as a solution to poverty, can be interrogated using Kant's ideas of cosmopolitan right. Is cosmopolitan democracy necessary to alleviate poverty and does is democracy applied equally everywhere? These ideas are developed in Chapter Six.

In simple terms Liberalism would seem to promise security at the level of the individual, although this is complicated by the relationship between freedom, equality and private property rights. Although individual liberty and free markets are both deemed important, the emphasis may alternate between these tenets in differing economic climates. If the market is left to self-regulate, and if benefits are not diverted, then how will wealth 'trickle down' through all levels of society? This has proven to be a myth because as we have seen politics cannot be separated from economics, meaning there has never been a truly free, self-regulating market. Similarly the social and cultural framing of poverty as in some way the fault of the poor, rather than the rich, results in a socio-economic ontology that fails to question the underlying origins of inequality in a meaningful way. Whilst Morgenthau makes the mistake of treating human nature as scientifically quantifiable, Liberals make the same mistake with the market. Human nature is inevitably irrational and the market is inevitably political, neither operate in a vacuum.

Liberals believe that economic progress is ongoing. Even when disrupted by political events such as wars, eventually equilibrium will return and progress continue. For Liberals, economics, or more aptly market capitalism, is progressive, emancipatory and

⁵⁹ *ibid.*, p. 119.

self-correcting. Realists or mercantilists⁶⁰ however, counter that even though there are gains to be had through Liberal economics, this essentially competitive system also implies insecurity. Winners secure profit and market efficiency. But there are also losers, 'making the idea of economic security within capitalism seem a contradiction in terms'⁶¹. The alternative to the insecurity inherent in the capitalist system is autarky. However, this would entail sacrificing access to markets and economies of scale, in this age of globalisation this is impractical. Autarky would be inefficient and unrealistic and lead again to insecurity, capitalism has become an unremitting treadmill.

Marx's writings were essentially influenced by his experience as a 19th century European and were therefore based on domestic or regional socio-economics. His assessment of European imperial expansion was extended by Lenin (1870-1924) to account for the emerging global economy, in his 1916 text *Imperialism*⁶². Lenin argued that capitalist states were able to use colonies as a source of raw materials and as markets for surplus goods, therefore economic stagnation could be avoided by economic colonial expansion. Rather than promoting a stable, global capitalist economy, the economy developed unevenly. This in turn led to conflict between rising and declining imperial powers over resources and ultimately, war — particularly World War One. Conflict over colonies coincided with the decline of British hegemony and Lenin anticipates the later writings of world-systems theorists.

Marxist and Marxian scholars criticise the removal of the means of production from the ownership of the working class. They claim that this has led to a loosely defined

⁶⁰ See: Buzan, Barry, *People, States and Fear*, 2nd ed., New York: Harvester Wheatsheaf, 1991, Chapter Six.

⁶¹ *ibid.*, p. 235.

working class being transformed into a proletariat, which, through class struggle and revolution, will eventually redress this wrong. Marxist considerations of how social life interacted with economic production and distribution was not original. These ideas were 'as old as Aristotle, had been central to Hegel and elaborated at length by the thinkers of the Scottish Enlightenment'⁶³. Saint Simon, two decades before Marx, studied the way that changes in methods of production altered the institutional and political organisation of society. Recognition of class conflict cannot be claimed as an original idea by Marx, what made the work of Marx and Engels so salient, was that it coincided with the European Industrial Revolution and therefore also with the inception of the urban proletariat. This is the period explored in the next section.

It will be argued that this previous period of social and technological change has major similarities with the contemporary period of economic globalisation. The difference is that whilst the Industrial Revolution largely transformed the societies of the West, in the twentieth century this process, along with structural causes of poverty, has become internationalised. Importantly, whilst these two periods can be seen as times of technological transformation and innovation, I will argue that this shift has been socially entrenched rather than technologically determined. In both these periods processes of economic liberalism and neo-liberalism determined by market mechanisms created an underclass ill equipped to compete in competitive market capitalism.

⁶² Lenin, Vladimir I., *Imperialism: The Highest Stage of Capitalism*, New York: International Publishers, 1917.

⁶³ Harding, Neil, 'Marx, Engels and the Manifesto: working class, party, and proletariat', *Journal of Political Ideologies*, Vol. 3, No. 1, pp.13-44, 1998, p. 16.

The Industrial Revolution

Toffler⁶⁴ views the Industrial Revolution as the second in a series of revolutions which have fundamentally changed the order of society. The first revolution was the shift to an agrarian society and the third is the recent technological revolution in the 20th century. The problem, as Toffler sees it, is that less developed countries in the world are forced to follow the model of neo-liberal industrialisation that has already worked successfully for the wealthy countries⁶⁵. He argues however that this model of industrialisation has 'flopped far more often than it has succeeded'⁶⁶. The realization that industrialisation policies were not working in developing countries came to a head in the 1970s, in order to ameliorate this crisis international trade and aid policies were reoriented to encourage a reversal of second wave strategies such as urbanisation and capital intensive production. Instead a move back on to the land was encouraged along with labour, rather than capital intensive, industrial production. This was a reversal of industrialisation policies, however in effect it, along with the debt problem, condemned the poorer countries to be producers of primary produce whilst the rich ones were able to forge ahead with industrialised value added production. This has become the basis for

⁶⁴ Toffler, Alvin, *The Third Wave*, London: Pan Books, 1990.

⁶⁵ Neo-liberal rhetoric dominates numerous international reports that have been published in order to address the growing problem of North-South inequality. Whilst paying lip service to basic needs and local empowerment initiatives, at the core of much of this literature is a belief in the mantra of 'development'. See for instance: *Our Common Future*, Oxford: Oxford University Press, 1987, (otherwise known as the Brundtland Report); Sampson, Anthony (ed.), *North-South: A Programme for Survival*, London: Pan Books, 1980, (otherwise known as the Brandt Report); the view from the South is detailed in, *The Challenge to the South The Report of the South Commission*, Oxford: Oxford University Press, 1990. On liberalism/neo-liberalism as institutional regime formation in the post WW II period see: Ruggie, John Gerald, 'International regimes, transactions and change: embedded liberalism in the postwar economic order', in Krasner, Stephen (ed.), *International Regimes*, Ithaca: Cornell University Press, pp. 195-232, 1983. These issues are elaborated upon in Chapter Six where a comparison is drawn between United Nations and World Bank approaches to poverty alleviation in the developing countries and also the role of democracy in poverty alleviation.

⁶⁶ Toffler, *op. cit.*, p. 340.

the global economic structure and resulting inequality today⁶⁷. Hobsbawm argues that there were three possible options for the poor whose social life was disrupted by the second industrial revolution; 'they could strive to become bourgeois; they could allow themselves to be ground down; or they could rebel'⁶⁸. Realistically the options have not changed much in the 21st century.

The pursuit of capital accelerated with the advent of the European Industrial Revolution, led by Great Britain, heralded a dramatic change in the form of manufacturing leading to the factory system⁶⁹. This is Toffler's second wave. This was initiated by mechanical innovation, most notably the invention of the steam engine. As the means to pursue capital altered, the structure of society altered along with it. Whilst revolutions can arise from ideology, religion or politics, machines brought about the Industrial Revolution in 19th century Great Britain.

The benefits of the means of mass production are illustrated by reference to Smith's famous example of pin making⁷⁰. He claims that the most efficient production systems are based on an effective division of labour and that this is generally found 'in those countries which enjoy the highest degree of industry and improvement'⁷¹. He then goes

⁶⁷ Whilst Toffler is valuable in his assessment of the first and second waves of socio-economic organisation he is not so convincing on the third technological wave. Technology may facilitate the formation of a global civil society and thus global democracy, and it may allow for the de-centralisation of the work force. However, fundamentally poverty and inequality will continue because access to this technology, and associated wealth and knowledge, will be restricted to the rich. So the rich will operate at the level of the third wave but the poor will be consigned to the first. Therefore society will be polarised just as it was during the second wave.

⁶⁸ Hobsbawm, Eric, *The Age of Revolution 1789-1848*, London: Abacus, 1962, p. 245.

⁶⁹ See: i.e. *ibid.*, p. 42-72; Landes, David, *The Unbound Prometheus*, London: Cambridge University Press, 1969; Landes, David, *The Wealth and Poverty of Nations*, London: Abacus, 1998, pp. 186-212;

⁷⁰ Smith, *op. cit.*, p. 109-11.

⁷¹ *ibid.*, p. 111.

on to state that 'what is the work of one man in a rude state of society being that of several in an improved one'⁷².

The Industrial Revolution saw small businesses fail, artisans dwindle, cottage industries close and urban migration. This signalled the end of Toffler's first wave. The Industrial Revolution and the division of labour that it facilitated 'became the harbinger of a social revolution as momentous as anything dreamed of by political reformers and revolutionaries'⁷³. Thompson concurs with this idea of a societal shift brought about by 'steam power and the cotton mill. He argues that: 'The physical instruments of production were seen as giving rise in a direct and more or less compulsive way to new social relationships, institutions, and cultural modes'⁷⁴. This shift meant that the means of production were monopolised by the bourgeoisie, the worker bound as a wage labourer. Society became dichotomous, the bourgeoisie owned the means of production, employed waged labour and extracted the surplus value from their enterprises. Engels states that the working class were 'systematically plundered and mercilessly left to their fate'⁷⁵ and that 'the proletariat was called into existence by the introduction of machinery'⁷⁶.

Smith's 'division of labour' effectively commodifies humanity. Yet capitalism demands an intellectual as well as an economic response as 'it alters the way we think about ourselves and others: we become buyers and sellers, customers and suppliers, who strive

⁷² *ibid.*, p. 111.

⁷³ Himmelfarb, Gertrude, *The Idea of Poverty: England in the Early Industrial Age*, New York: Alfred A. Knopf, 1984, p. 44.

⁷⁴ Thompson, E. P., *The Making of the English Working Class*, London: Victor Gollancz Ltd, 1980, p. 209.

⁷⁵ Engels, Fredrick, *The Condition of the Working Class*, Oxford: Oxford University Press, 1993, p. 31.

⁷⁶ *ibid.*, p. 29.

to improve the quality and quantity of our output in order to gratify our needs'⁷⁷. This commodification of labour heralded shifting attitudes towards the poor, 'where once poverty had been looked on as an unavoidable evil and the poor man as an object of pity and a responsibility to his neighbour, now poverty was a sin and the poor man a victim of his own iniquity'⁷⁸. Man became less of a social being and more of an industrial input, poverty was due to inefficiency.

Smith rationalised the intellectual or moral⁷⁹ pursuit of capitalism by arguing that even though it leads to the unequal distribution of wealth, the prosperity it generates is able to sustain even the lowliest members of society. According to Smith, wealth benefits all of society, at least to an extent greater than if they lived in a pre-industrial society. But as Engels argued, capitalism did not lead to the general betterment of society, but rather its disruption; a key point elaborated by Polanyi (1886-1964).

Societal Change: Karl Polanyi and the Great Transformation

Polanyi's *The Great Transformation* also discusses this 'commodification' of humanity. Polanyi states that labour and land are respectively, human beings, which every society consists of, and their natural surroundings. To include them in the market mechanism means to subordinate the substance of society itself to the laws of the market'⁸⁰. Thus Polanyi agrees with the Marxist tenet that it is economic productive organisation which dictates the organisation and material base of social life. Polanyi argues that;

⁷⁷ Herman, Arthur., *The Scottish Enlightenment: The Scots' Invention of the Modern World*, London: Fourth Estate, 2002, p. 179.

⁷⁸ Thompson, *op. cit.* p. 60.

⁷⁹ For a discussion on Smith as a moral philosopher rather than merely economic rationalist see: Himmelfarb, *op. cit.*, pp. 44-63.

⁸⁰ Polanyi, *op. cit.*, p. 71.

To allow the market mechanism to be the sole director of the fate of human beings [...] would result in the demolition of society. For the alleged commodity 'labour power' cannot be shoved about, used indiscriminately, or even left unused, without affecting also the human individual who happens to be the bearer of this particular commodity. In disposing of man's labour power the system would incidentally, dispose of the physical, psychological, and moral entity 'man' attached to that tag. Robbed of the protective covering of cultural institutions, human beings would perish from the effects of social exposure, they would die as the victims of acute social dislocation....⁸¹

Polanyi is worth quoting at length here because he accurately encapsulates the processes that took place during the Industrial Revolution, which are graphically illustrated in Fredrich Engels' (1828-1895), *The Condition of the Working Class in England*. Man⁸² was forced into a system of individualistic wage labour by the coming of the Industrial Revolution and this largely eradicated his social support system. Although this is not to say that pre-industrial England was a rural idyll⁸³. Communitarian living in villages collapsed as people left the land and even the family was undermined as women and children were also forced to work long hours in factories⁸⁴. Thus society was dislocated which meant that when people faced poverty in the towns they received no help other

⁸¹ *ibid.*, p. 73.

⁸² By 'man', I refer to both men and women, but use the masculine term for the sake of simplicity. Engels interestingly in his book though, differentiates between the sexes, and thoroughly explores ideas such as pregnancy, childcare and prostitution, and the particular problems that women faced.

⁸³ See Cipolla, Carlo M., *Before the Industrial Revolution*, London: Methuen, 1976, pp. 14-21, for a discussion of pre-industrial poverty in Europe. Galbraith, *op. cit.*, is critical of those who paint pre-industrial socio-economics as a 'socially tranquil scene [...] forgotten, at least by many, is the terrible exploitation forced on men and women by the threat of starvation and thus on children by their parents [...] more of those who have described or endorsed the homely romance of household industry over the centuries should have personally experienced its rigours when it was the sole source of income', pp. 38-9.

than that they could manage for themselves, especially after the meagre Poor Laws were abolished in 1832. The abolition of the poor laws in effect meant a 'free' market for labour and factory owners were able to depress wages further as the option of welfare subsistence was gone. The supply of labour was high and the demand for it was low due to mechanisation, this also led to low wages. The abolition of the Poor Laws was viewed by the middle classes to be necessary in order to facilitate the 'rise of an industrial working class which depended on income for achievement'⁸⁵, instead it led to the impoverishment of the masses. It also became impossible to return to a decent living on the land as this also had been appropriated by the capitalists. Former farm-hands could often only now secure the status of day-labourers which meant a very insecure existence indeed.

Polanyi's call for the defence of society can be related to the rise of 'global civil society' that has emerged as a response to the inability of the state to deal with the detrimental consequences of the globalising market economy. Academics studying critical development studies and ethnographic scholars concerned with the IPE have also engaged with Polanyi's discussion on primitive societies and economic systems⁸⁶. Polanyi's work has gained a receptive audience, not only for its incisive critique of the market system, but also because it recognises that there are lessons to be drawn from non-Western societal formations that did not revolve around capitalism⁸⁷. In other words there are lessons to be learned from societies that reject capitalism and the social disruption that it embodies.

⁸⁴ For a discussion of the moral and physical implications of women and children in mines and factories See: Himmelfarb, *op. cit.*, p. 141-3.

⁸⁵ Polanyi, *op. cit.*, p. 137.

⁸⁶ Polanyi, *op. cit.*, see Chapter Four especially.

⁸⁷ See i. e.: Inayatullah, Naeem and David L. Blaney, Towards an Ethnological I.P.E.: Karl Polanyi's Double Critique of Capitalism, *Millennium*, Vol. 28, No. 2, pp. 311-40, 1999.

For the sake of drawing a simple distinction, on the one hand, we have Smith and his examination of the benefits of a liberal market economy and, on the other, Marx's deep scepticism of capitalism. It should however be borne in mind that there can be no easy dichotomy between politics and the market economy and for this reason there has probably never been such a thing as a free market⁸⁸. Economic processes invariably operate in a political arena of conflicting interests between states and other actors with vested interests. One political philosopher who attempted to reconcile the differences between the two extremes was John Stuart Mill (1806-1873). 'Mill called himself an advanced liberal and a socialist'⁸⁹, categories that, for many critical scholars, do not sit easily together.

Mill accepted many of Marx's central tenets such as the role of class conflict in the ordering of British society, and the intolerable fact that profit was appropriated by the capitalists to the detriment of those whose toil had produced it. While Marx claimed a scientific basis to his claims and worked pragmatically towards the idea of revolution, Mill adopted an explicitly moral stance in his work. However he was wary of social conceptions of morality as this was prey to being couched in terms of censure rather than virtue or fairness. He wrote of morality that 'our idea of improvement chiefly consists in persuading or forcing other people to be as good as ourselves'⁹⁰. Mill advocated reconciliation between the classes; albeit a problematic process. He discusses the idea of a socialist society with reference to Saint Simonian socialism and claims that

⁸⁸ For a discussion of this see for instance: Polanyi, *op. cit.*, Chapter Six; Gilpin, *op. cit.*, Chapter Two; Buzan, *op. cit.*, Chapter Six.

⁸⁹ Stafford, William, 'How can a paradigmatic liberal call himself a socialist? The case of John Stuart Mill', *Journal of Political Ideologies*, Vol. 3, No. 3, pp. 325-45, 1998, p. 325.

⁹⁰ Mill, John Stuart, *On Liberty and Other Essays*, Oxford: Oxford University Press, 1991 [1859].

a socialist society requires 'not a government of force, but one of guidance'⁹¹. Mill talks of 'leading strings', meaning that general rules should be laid down, but that 'the impossibility of descending to regulate all the minutiae of industry and life, necessarily leaves and induces individuals to do much for themselves'⁹². What Mill is advocating here are principles of guidance for a socialist society. That is, a society not ruled by force but by general rules which the people are then able to adopt and apply to their own particular circumstances, in other words market socialism.

In *On Liberty* Mill laments the uniformity that political change, education and importantly for our purposes the market bring. Whilst this can be viewed as equality of opportunity as 'the increase of commerce and manufacturers promotes it [assimilation], by diffusing more widely the advantages of easy circumstances, and opening of all objects of ambition, even the highest to ambition, to general competition, whereby the desire of rising becomes no longer the character of a particular classes, but of all classes'⁹³. What this can translate to mean for modern liberalism is that freedom does not equal diversity because everyone is bound by the desire to compete and consume within the capitalist market place. In the course of this, cultures and aspirations become homogenous.

Market Mechanisms and Welfare Provision

The low paid, along with the surplus labour that emerged during the Industrial Revolution became the poor. The poor had always existed but the sheer vastness of this

⁹¹ Mill, Stuart John, *Utilitarianism, On Liberty, Considerations on Representative Government*, London: Everyman, 1993 [1861/1859/1861], p. 214.

⁹² *ibid.*, p. 214.

⁹³ Mill, *op. cit.*, 1991, p. 81.

class generated by the forces of the Industrial Revolution was a source of anxiety for the upper classes⁹⁴, it also called into question the value of 'progress'⁹⁵. Let us now consider how the problem of the poor was dealt with in early industrial Great Britain. The Act of Settlement of 1662 effectively tied the lower classes to the parishes that they were born in. The poor were the responsibility of their own parish. This meant that labour was effectively immobile. The Act was repealed in 1795, which should have meant that the movement of labour was unrestricted, indeed compelled to gravitate towards employment opportunities. However, in the same year Speenhamland was adopted, although never legally enacted. This law provided the poor with a guaranteed minimum income, which was calculated according to the prevailing cost of bread. This was intended to act as a form of 'income support' and at first the measures were welcomed. However, its effects were disastrous. As income was guaranteed to people in low paid employment it removed the incentive to work harder to earn more money, therefore lowering production levels. Employers were also able to lower wages as the deficit was made up by the state. The Speenhamland system effectively inhibited the growth of a competitive national market for labour. A gradual process of pauperisation ensued as people became reliant of the poor rates. This early English case can be related to contemporary international labour organisation. Companies and markets are able to circumvent the problem of welfare provision lowering their ability to procure workers for very low rates of pay in the North. Due to the now international division of labour production can be relocated in poor states, where workers are willing to accept very low wages as welfare provision is non-existent. Whereas the profits are inevitably repatriated for the North, this also means an increasing burden of welfare in the north as

⁹⁴ This anxiety is perhaps most clearly seen in the work of Malthus, *op. cit.*

⁹⁵ This was perhaps typified by a pamphlet published by Gilbert Wakefield (tutor to the young Malthus) which stated that 'the lower classes of England would probably not resist an invasion by Napoleon since

production migrates elsewhere. This theme is revisited in Chapter Five with a discussion of Export Processing Zones (EPZs).

Concurrent with the advent of the Speenhamland system, rural life became enclosed and industrialised similar to the towns. It was no longer possible for the poor to eke a living from the land. Communitarian safety nets for welfare provision were disrupted by the shift from the communal working of the land and into wage labour. This shift in productive organisation heralded the atomisation of society and alienation from their labour for the poor and landless.

The Speenhamland system was abandoned in 1834, and Polanyi comments that 'never in modern history has a more ruthless act of social reform been perpetrated'⁹⁶. The poor had been rendered dependent on Speenhamland money and then it was abruptly stopped, leading to destitution for many⁹⁷. Whilst the abolition of Speenhamland removed obstacles to the market system it also exposed society to the dangers of it. In time some measure of solidarity was achieved among the ranks of the proletariat and social forces were mobilised in the form of unions in order to question the glaring disparity between the level of wages and the amount of surplus value being generated. The Chartist Movement also addressed the disenfranchisement of the poor from the economic and political process to some extent, in the 1840s, but it was not until the coming of the twentieth century welfare state that poverty was effectively addressed.

they cannot well be poorer, or be made to work harder than they did before'. Wakefield received a two year jail term for his comments. See: Avery, *op. cit.*, p. 57.

⁹⁶ Polanyi, *op. cit.*, p. 82.

⁹⁷ See *ibid.*, Chapter Seven for an elaboration on the Speenhamland system.

Chartism

Chartism, in addressing poverty as a political issue, premises the question of agency for the poor, rather than just welfare provision, which in itself had done little to alter socio-economic inequality. It also gave the masses some sense of self-identity and called for political consciousness⁹⁸. Therefore we can draw parallels with the contemporary rise of global civil society and calls for participatory democracy. Chartism, in a sense, provided a focus for the unrest and fragmented radicalism of the 1830s, it was however characterised by factionalism which reflected the diversity of the movement. Chartism was not purely a call for the alleviation of poverty; it was a call for the political representation of the poor. This is significant given that a central theme for this thesis is that democracy is a necessary, but not sufficient condition, for the alleviation of poverty.

An examination into the form and function of democracy in relation to market mechanisms, the state and civil society reveals the complexity of the poverty question for modern socio-economic dynamics. Chartism's focus was 'The People's Charter drafted by the London Working Men's Association in May 1838'⁹⁹, which consisted of six points. These were a call for 'universal manhood suffrage, annual elections, secret ballot, equal electoral districts, no property qualification for members of the House of Commons, and payment for members'¹⁰⁰. The People's Charter was put before Parliament, and rejected, in 1839, 1842 and 1848.

⁹⁸ See: *ibid*, Chapter XI, Chartism: The Politicization of the Poor, for a short but excellent account of the Chartist Movement.

⁹⁹ Himmelfarb, *op. cit.*, p. 254.

¹⁰⁰ *ibid.*, p. 254.

The six points however give the impression of a far greater clarity of purpose than existed. The movement was often reduced to infighting and involved in riots and violence and ultimately it collapsed without achieving any of its stated aims. Chartism is significant because it called for poverty to be dealt with through equitable political process, rather than for it to be treated as a welfare issue by those completely removed from its realities.

An understanding of the societal construction of poverty can be given both a scientific and a moral reading. The Poor Laws may have interfered with the natural logic of the labour market as defined by liberal economists, but in terms of human welfare they were necessary. Especially given that 'the labourer was yielding up a surplus product to two non-productive and sterile classes'¹⁰¹. Therefore, the Poor Laws interfered with the market, but the extreme expropriation of the value of their labour from the working classes to the upper realms of society led to poverty, societal disequilibrium and unrest.

This was further complicated by the growing size of the population, the issue which roused Malthus. His views diametrically opposed those of Smith. He proposed that the amount of money collected annually through the Poor Laws was an 'immense sum'¹⁰², and that this provision 'spread the evil over a much larger surface'¹⁰³. In other words the provision of welfare encouraged the growth of large families amongst the poor. Malthus refutes allegations that he is against the poor marrying, and advocates the '*gradual and very gradual* abolition of the poor laws'¹⁰⁴ (original emphasis). His reason for this is that the Poor Laws suppress the wages of the working poor. Malthus

¹⁰¹ Reisman, David, A., *Adam Smith's Sociological Economics*, New York: Barnes and Noble, 1976, p. 144.

¹⁰² *ibid.*, Book III, p. 38.

¹⁰³ *ibid.*, p. 38.

recognises the potential market value of wage labour but argues that the ability of the working man to earn enough to support his family must be linked to the size of that family. He is concerned with the overall size of the population and the ability of the economy to support it, especially in terms of food production.

Malthus's ideas endure to this day and are cited by Malthusian-pessimists¹⁰⁵ who question the carrying capacity of the globe in relation to population size. His work is relevant when considering how growth in agricultural production may be completely negated if it is outstripped by population growth (although this is of course complicated by questions of distribution). These issues are revisited in Chapter Five.

Critical Approaches

Discussion has so far centred on Great Britain and the structural and ethical transformation of both society and the economy during the Industrial Revolution. My argument here is that parallels can be drawn between industrial processes which impacted upon the British domestic setting, and contemporary global socio-economic structures and processes. This follows Toffler's critique of the second wave. Starting from the British Isles, the process of industrialisation gradually exported itself, in varying degrees, around the world. Landes claims that a fusion of technological advance, and a receptive intellectual environment to scientific change, led to British pre-eminence in industrial matters. He argues that an entrepreneurial spirit emerged that was characterised by an altered perception of acceptable risk, given the high level of investment now required for fixed industrial assets. Industrialists, concerned with

¹⁰⁴ *ibid.*, p. 64.

¹⁰⁵ i.e. Ehrlich, Paul and Ehrlich, Anne, *The Population Explosion*, London: Hutchinson, 1990.

production, now occupied the centre stage of economics, usurping the mercantilists, who had previously been more concerned with the buying of goods from local producers and artisans and selling them on. But Britain was also blessed with a fortuitous geography which facilitated the easy export of goods by sea, and also importantly the political environment of the time was relatively stable. Britain was unhindered by political upheavals of revolution, as they occurred in Continental Europe. So a mix of technological and intellectual innovation and a fortuitous set of political and geographical circumstances set the scene for early British industrial hegemony¹⁰⁶.

Orientalism

Early British and European processes of industrialisation (although not homogenous) and accompanying capitalist models of growth, contributed to problematic discourses on industrialisation. Strategies of growth and development, advocated by the dominant capitalist core, are dominated by Euro-centric discourse. Smith is illustrative of this when arguing that, compared to a European Prince the accommodation of 'an industrial and frugal' peasant may be 'easy and simple', but 'exceeds that of many an African king, the absolute master of the lives and liberties of ten thousand naked savages'¹⁰⁷. This depiction of the non-European world is typical Orientalism, which 'puts the Westerner in a whole series of possible relationships with the Orient without ever him losing the upper hand'¹⁰⁸.

¹⁰⁶ See: Landes, *op. cit.*, 1998, Chapters 14 and 15 and; Landes, *op. cit.*, 1969, Chapter Two, for an elaboration. Also Kemp, Tom, *Industrialization in the Non-Western World*, 2nd Ed., London: Longman, 1989, p.5-9. Kemp mentions the need for 'receptivity to change, the acceptance of material values, a population adaptable to new forms of work, and a leadership of some kind, be it a class, or section of a class, or a party, able to take the initiative', p. 5.

¹⁰⁷ Smith, *op. cit.*, p. 117. Note the loaded language.

Said also notes Orientalist contradictions in Marx's work, he is faithfully class conscious yet inconsistently loyal to non-capitalist societal formations. Said notes that whilst Marx identifies the colonisation of Indian society as an 'industrious patriarchal and inoffensive social organization, disorganised and dissolved into their units, thrown into a sea of woes, and their individual members losing at the same time their ancient form of civilisation and their hereditary means of subsistence'¹⁰⁹, he also goes on to state that, 'we must not forget that these idyllic village communities, inoffensive though they may appear, had always been the solid foundation of Oriental despotism, that they restrained the human mind within the smallest possible compass'¹¹⁰. Marx suggests England had vile reasons for causing social disruption in Hindustan but that a social revolution was nevertheless necessary in Asia for 'mankind to fulfil its destiny [...] whatever may have been the crimes of England she was the unconscious tool of history in bringing about that revolution'¹¹¹. Marx has sympathy for pre-industrial society, but in Asia this is based on despotism and therefore must be remedied by European sponsored capitalist modernity, a capitalist modernity which he is fundamentally opposed to in the European context. Marx could not conceive of a 'non western' model of progress, and so thought capitalism an inevitable stage before socialism and emancipation. These examples illustrate the implicit Western bias that pervades much of the philosophical writing behind modern IR and also poverty research.

Western reasoning for poverty in the colonies before World War II was based on the idea that 'the natives' capacity for science and technology, the basis for economic

¹⁰⁸ Said, Edward., *Orientalism Western Conceptions of the Orient*, London: Penguin Books, 1995[1978], p. 7.

¹⁰⁹ *ibid*, p. 153.

¹¹⁰ *ibid*, p. 153.

¹¹¹ *ibid*, p. 153.

progress, was nil'¹¹². But this took no account of the fact that both Great Britain, and the United States which took up the mantle of industrial hegemon after World War II, 'were strongly protectionist during their growing stage'¹¹³. The industrial hegemons expected other states to follow their example of economic re-structuring, but this was impossible because the rules of the game had changed.

Japan however is an early example of non-European industrialisation, starting with the 1868 Meiji Restoration. The Japanese were able to modernise elements of traditional Japanese culture to promote economic growth, whilst 'borrowing the technology and organisation of the West'¹¹⁴. During the Meiji period (1868-1912) at least, Japan managed to avoid structural economic domination of this sort because of the particular domestic relations between state and business which allowed for a similar form of mercantilist, rather than liberal economics, to be adopted. Yet broadly non-capitalist societies were drawn into the capitalist sphere and this undermined rather than enriched them, 'with the consolidation of capitalism, systemic pauperisation became inevitable'¹¹⁵.

This thesis, whilst mindful of the western origins of the author, is informed by Philippine voices in both the urban and the rural context which, as well as contributing to the end of result of research, also steer the process. The need for an appreciation of non-western cultural diversity within research is taken account of within the specific Philippine case. Notably political culture and democracy are in many ways unique in the Philippines and fit only loosely with Western models. Cultural diversity is

¹¹² Escobar, Arturo, *Encountering Development The Making and Unmaking of the Third World*, Princeton: Princeton University Press, 1995, p. 22.

¹¹³ Landes, *op. cit.*, 1998, p. 266.

¹¹⁴ Kemp, *op. cit.*, p. 22.

accommodated within the reflexive methodological approach adopted, which is discussed further in Chapter Two. In Chapter Five the specific development of poverty research methodologies within the Philippine context is also discussed.

The Theoretical Development of Approaches to Poverty Post WW II

Escobar argues that 'it is important to emphasize the break that occurred in the conceptions and management of poverty first with the emergence of capitalism in Europe and subsequently with the advent of development in the Third World'¹¹⁶. Poverty after World War II in effect became the excuse for political and economic interventionism in the developing world. The 'problem' of 'underdevelopment' that was identified in the late 1940s¹¹⁷, has its philosophical roots more than 100 years earlier, capitalist thinking in both periods marked a fundamental shift in attitudes towards the 'poor'. The answer to poverty in the peripheral nations was to be found within the rhetoric of capitalist development.

For the US especially, the international poor were in effect not just an economic commodity in terms of labour value, but also a political commodity in terms of the war against Communism. In effect the US initiated institutional mechanisms such as the United Nations (UN) and the Bretton Woods system which facilitated American dominance of the World economy, to counter the appeal of communism. This was in line with the growth of Keynesian type economics, which first emerged as a response to the Great Depression, post-WW II with 'a new emphasis on rational planning, the involvement of the state in economic change, and the development of the welfare market

¹¹⁵ Escobar, *op. cit.*, p. 22.

¹¹⁶ *ibid.*, p. 22.

as a cushion against the uncertainties and insecurities of the market place'¹¹⁸. The new economic thinking essentially sought to undermine, yet render dependent, the peripheral nations through institutional mechanisms and implicitly conditional aid. Meanwhile societies at the core of the global economy were protected from the rigours of the free market by the welfare state, both strategies were designed to promote and protect the interests of core capitalist states. This can be seen as a form of risk management both against Communism and global modernity.

Structural Theories of Dependency

Dependency Theory originated in the work of Latin American Economists working in Santiago for the UN Economic Commission for Latin America (CEPAL) in the late 1940s and early 1950s. They based their arguments on 'the empirical demonstration of the historical deterioration of the terms of trade against primary goods from the countries of the periphery'¹¹⁹. CEPAL coined the terms *centre* and *periphery* which were subsequently adopted by the United Nations Economic Commission for Latin America (ECLA) whose development is closely linked with the work of Prebisch¹²⁰, its first executive secretary. The ECLA studied the structural constraints of the international division of labour, lack of industrialisation and dependence on the production of primary commodities in Latin America¹²¹. Dependency theory posits that formal political control, that is colonialism, is not necessary in order to create dependency between core and periphery, this can emerge through economic means.

¹¹⁷ The term 'underdevelopment' was first used by President Truman in his inaugural speech in 1949.

¹¹⁸ Turner, Bryan S., *Orientalism, Postmodernism and Globalism*, London: Routledge, 1994, p. 168.

¹¹⁹ Escobar, *op. cit.*, p. 80.

¹²⁰ Prebisch, Raul, *The Economic Development of Latin America and its Principal Problems*, Lake Success, New York: UN Department of Economic Affairs, 1950.

This is a legacy of colonialism, as colonial nations restricted from free participation in the capitalist order, subsequently tended to emerge as peripheral states. Dependency theory notes that cores and peripheries exist within as well as between states. This theory, closely related to Marxism, developed in the 1950s and 1960s when it became apparent that the Liberal notion of development through 'trickle down' wasn't working. Prosperity, through economic growth, didn't filter down to the poorer strata of society, it stayed at the top, therefore creating a relationship of dependence¹²².

Frank, whilst consciously maintaining an ambiguous relationship with Marxism, noted that the economic relations of capitalism increasingly dominated all other types of global relations and that this system was based on exploitation. Frank uses the term *underdeveloped*, not in the sense of pre-development but of systematic economic discrimination or peripheralisation¹²³, specifically relating to neo-colonial relations with the former metropolis. Taking a more overtly Marxist stance, Amin discusses dependency theory with specific reference to accumulation and unequal exchange. He claims that in capitalist society producers take precedence over politicians as it is economic production that dominates social life. Amin argues that, due to unequal productive relations between the core and periphery surplus value (capital) created in the

¹²¹ See: Chapter Three, 'Late Capitalism: Modernization and the Economic Commission for Latin America' in Larrain, Jorge, *Theories of Development*, Cambridge: Polity Press, 1989.

¹²² There is not the space here to adequately unpack the history, complexity and diversity of world systems theory. For my purposes it is sufficient to note that theories of structural dominance and dependence are useful in that they show how poverty can be structurally created and entrenched. See: Brown, Chris, Development and Dependency, in: Light, Margot and Groom. A. J. R. (eds.), *International Relations A Handbook of Current Theory*, London: Pinter Publishers, 1985, pp. 60- 73; Frank, Andre Gunder, 'A Theoretical Introduction to 5000 years of World System History', *Review*, Vol. 13, pp.155-248, 1990; Hout, Wil, *Capitalism and the Third World*, Aldershot: Edward Elgar, 1993; Wallerstein, Immanuel, *The Politics of the World Economy*, Cambridge: Cambridge University Press, 1984. For an argument positing the demise of dependency theory see: James, Paul, 'Postdependency? The Third World in an Era of Globalism and Late Capitalism', *Alternatives*, Vol. 22, pp. 205-26, 1997. See also Davidson, Basil, *The Black Man's Burden*, Oxford: James Currey, 1992, esp. Chapter Seven, for an example of how dependency or neo-colonialism manifested itself in the African context.

¹²³ See: i.e. Frank, Andre Gunder, *Latin America: Underdevelopment or Revolution: Essays on the development of underdevelopment and the immediate enemy*, New York: Monthly Review Press, 1969.

periphery will be transported back to the centre. This is his theory of accumulation or autocentric accumulation which operates over a global scale and is based on exploitation of the periphery by the core¹²⁴.

Wallerstein, whilst drawing on Marxist theory, considers world systems theory to be distinct from Marxism, also his writings are based on a longer historical time frame than other dependency theorists. Indeed he argues that all social science and indeed ideology must be contextualised in historical social and economic process to be properly understood, a theme that will be revisited in the later chapters of this thesis. Throughout he explains key historical events in terms of systemic constraints and functions, rather than domestically driven phenomena. Critically for poverty research Wallerstein explains productive relations in terms of exploitation, and the extraction of surplus value by elites, either from the proletariat within the core or by the core from the periphery. Therefore, for the periphery, incorporation in the global capitalist system, is based on relations of exploitation¹²⁵. However although he also identifies a semi-periphery of states moving either upwards or downwards in terms of economic viability between core and periphery, Wallerstein and other dependency writers have subsequently been criticised for treating the 'Third World' as a homogenous entity¹²⁶.

¹²⁴ Amin, Samir, *Unequal Development: An Essay on the Social Formations of Peripheral Capitalism*, Brighton, Sussex: The Harvester Press, 1976.

¹²⁵ Wallerstein, Immanuel, *Geopolitics and Geoculture: Essays on the changing world-system*, Cambridge; Cambridge University Press, 1991, p. 101.

¹²⁶ See i.e. Schuurman, Frans J., 'Paradigms lost, paradigms regained? Development studies in the twenty-first century', *Third World Quarterly*, Vol. 21, No. 1, pp. 7-20, 2000.

Neo-Marxism

In certain ways building on dependency theories, neo-Marxists claim that in order for the growing gap between core and periphery to be addressed, peripheral states would need to break from the global capitalist economy. Distinct from Marxism, neo-Marxists altered their focus from the universal proletariat to “national movements and state structures as they struggled to appropriate the largest share of the world’s wealth”¹²⁷. This represented a fundamental shift, the new Marxists believed that rather than the capitalist system being overthrown by the proletariat, it had to be withdrawn from, in order to reclaim control of the means of production.

Neo-Marxism marked a significant intellectual development in the study of IR. It re-orientated thinking away from the traditional factors of power and security and towards issues of poverty and inequality. This fundamental reanalysis of ‘dominance and dependence assisted the development of more critical orientations to international relations’¹²⁸. Rather than studying states as unitary actors neo-Marxists recognised that it was social relations within states that determined how susceptible that state was to outside interference. It was found that if a state maintained a cohesive and stable society, and also controlled sufficient national resources, then it would not be prey to external economic oppression. However if a state were internally unstable then this would render it vulnerable to outside interference. Neo-Marxists also studied the relationship of elites within states to both external economic forces, and internally with other strata of society. The study of the distribution of economic benefits and political

¹²⁷ Linklater, Andrew, *Beyond Realism and Marxism: Critical Theory and International Relations*, London: MacMillan, 1990, p. 98.

¹²⁸ *ibid.*, p. 98.

manipulation 'acted as a bridge which linked the study of international relations with the emancipatory project which is specific to critical social theory'¹²⁹.

Neo-Marxism moves away from the idea of the monolithic state or even the benign notion of market equilibrium. It unpacks and makes real human activity in a way that other theories fail to. Poverty, grind and depravation are real and continuous and complex. Neo-Marxism also has its faults however, as the power politics of states cannot be dismissed, they are part and parcel of the political process and will endure. Also, obviously the proletariat has not manufactured a revolution and neither have peripheral states managed to de-link from the global political economy. So whilst (neo)Marxism has aided the progression of the theoretical methodology of poverty it has by no means completed it.

Critical Theory

Critical theory formed around the idea that the positivism or scientific nature of the natural sciences could not be transported easily into the social sciences. Traditional IR theory, such as Realism, sought to do this in order to gain scientific credence as a discipline, critical theory rejected this. Horkheimer, for instance, argued against the treatment of the discipline as a subject-object relationship, rather he argued that 'knowledge is not independent of our existence, but it is integral to social relations and has a social function'¹³⁰. Horkheimer accused traditional theory as being empiricist or merely descriptive and therefore only capable of perpetuating existing values and not

¹²⁹ *ibid.*, p. 98.

¹³⁰ Hoffman, Mark, 'Critical Theory and the Inter-paradigm debate', in Dyer, H. C. and Mangasarian, Leon (eds.), *The Study of International Relations: The State of the Art*, London: MacMillan, pp. 60-86, 1989, p. 62.

facilitating intellectual progress. In contrast critical theory can be viewed as not just a means of empiricism, but rather a means to bring about change. It has a freedom and dynamic that is lacking in traditional theory, it seeks 'not simply to reproduce society via description, but to understand society and change it'¹³¹.

Critical theory embraces the same underlying aims as Marxism but it pursues these in a less positivist manner. If one adheres to the notion that social science should be positivist and empirical then critical theory can be criticised for being non-scientific, and therefore of questionable value as a theoretical framework. However, Marxist inspired (as opposed to post-modern¹³²) critical theory can also be regarded as emancipatory. In other words it allows for human needs and values to be addressed without essential reference to the static constraints of traditional theory and social life. Critical theory reveals the subjectivity of both knowledge and social construction and how prevailing norms in fact dictate seemingly neutral processes¹³³. This critique of prevailing social reality is 'shaped by the Marxian assumption that all that is solid eventually melts into air, [and] rejects the utopian assumption that there is an unchanging universal ethical yardstick for judging social arrangements'¹³⁴. However, critical theory does have 'epistemological integrity'¹³⁵, it follows rules and norms that are bound to the historical conditioning of social activity. Whilst understanding that society is a product of its history, this is viewed as an ongoing process rather than an entrenched state of affairs. Critical theory also provides a basis for the emancipatory theories that follow it such as

¹³¹ *ibid.*, p. 63.

¹³² This need not detain us here, but see e.g. White, Stephen K. *Political Theory and Post-Modernism*, Cambridge: Cambridge University Press, 1991.

¹³³ See i.e. Habermas, Jurgen, *Knowledge and Human Interests*, London: Heineman, 1971; Held, David, 'Interests, knowledge and action', in Held, David (ed.), *Introduction to Critical Theory*, London: Hutchison, 1980, pp. 296-329.

¹³⁴ Linklater, Andrew, 'The achievements of critical theory', in Smith, Steve et. al. (eds.), *International Theory: positivism and beyond*, Cambridge: Cambridge University Press, pp. 279-98, 1996, p. 280.

¹³⁵ Hoffman, *op. cit.*, p. 67.

Feminism, Environmentalism and post-development and within this framework there may also emerge a critical space for the poverty researcher.

Feminism

The 'feminisation' of poverty¹³⁶, a concept developed first by North American researchers but gaining increased legitimacy internationally, is clearly an issue that any theoretical development of poverty must address. The role of women in development, and in relation to poverty, also gained impetus after the UN Conference on Women and Development in Mexico City in 1975, the Women's Decade was then declared and ran from 1976 until 1985. To give an idea of the scale of the problem, 'women are half of the world's population and of its workforce and do nearly two-thirds of the world's work hours, yet receive directly only one-tenth of global income'¹³⁷. Statistics from the gender-related development index of the *UNDP Human Development Report 2001* illustrate consistent inequalities between male and female earned income. This applies to all countries whether categorised as high, medium or low on the human development index (HDI)¹³⁸. Further, The Bread for the World Institute states that '60 to 80% of women of child bearing age in the developing world do not receive the minimum caloric requirements for good health'¹³⁹. Issues such as education, health care and even survival have a clear correlation with poverty, for instance 'it has been estimated that 100 million Asian women are missing, a statistic attributed to widespread female infanticide and the

¹³⁶ For a short overview see: *Poverty elimination and the empowerment of women*, Glasgow: Department of International Development (DFID), 2000.

¹³⁷ Anderson, Peter J., *The Global Politics of Power, Justice and Death*, London: Routledge, 1996, p. 146.

¹³⁸ UNDP, *op. cit.*, p. 210-13. For an elaboration of women's relationship with poverty see also: Cagatay, Nilüfer, *Gender and Poverty*, UNDP Working Paper Series, May 1998. Available at: www.undp.org/poverty/publications/wkpaper/wp5/wp5-nilufer.PDF [Accessed 25 June 2002].

¹³⁹ *The Changing Politics of Hunger*, Maryland: The Bread for the World Institute, 1999, p. 6.

abortion of female foetuses'¹⁴⁰. Presumably females are not deemed to justify the resources needed to maintain them.

Gender bias is central to the distribution of resources in many forms, including the work force and the family, and poverty is produced and reproduced in social and economic contexts that implicitly or explicitly discriminate against women. Therefore gender based poverty research demands a qualitative approach as determining factors are sociological as well as economic. The role of culture and religion and the status of women as mothers are important. This may differ widely from culture to culture, and for this reason ethnocentric value judgements are myopic and distort the research agenda. Brydon and Chant for instance come to the conclusion that development programmes in developing countries have to take account of patriarchal social systems and the reproductive role of women combined with their economic productive role, if they are to be in any way effective¹⁴¹. In other words poverty alleviation strategies have to be tailored to specific social contexts and even the values of white/western feminists are not necessarily synonymous with black or Asian women living in poverty. The failure to recognise this emerges as another form of discrimination.

Hence the theoretical development of poverty research should recognise the role of women, perhaps especially in their dual reproductive and productive role. Although, such gender specificity may further alienate poverty research from mainstream IR, and in practice call into question cultural norms. However it is clear that for women to

¹⁴⁰ quoted in Krause, Jill, 'Gender Inequalities and Feminist Politics in a Global Perspective', in Kofman, Elenor and Youngs, Gillian (eds.), *Globalization Theory and Practice*, Pinter: London, pp. 225-39, 1996, p.228. See also Sen, Amartya, Missing Women, *The British Medical Journal*, Vol. 304, pp. 587-8, March 1992.

¹⁴¹ Brydon, Lynne and Chant, Sylvia, *Women in the Third World Gender Issues in Rural and Urban Areas*, Aldershot: Edward Elgar, 1989, p. 241.

break the cycle of poverty then they need to have some level of control over their own lives, through education, through independent earnings and through property rights. If this can be achieved then, not only women, but also society as a whole will benefit¹⁴². Elson concurs with this, arguing that national development strategies are not explicitly designed to favour men, but a failure to account for the subordinate role of women means that this automatically occurs because of inherent social patriarchy. So unless gender issues are explicitly factored into development planning, then from the outset their methodologies are flawed. Elson argues that men as well as women will benefit from this imbalance being redressed as the net result will be 'effectiveness of national development strategies in achieving goals in which men are interested – such as growth, structural transformation and development'¹⁴³.

Others expand this view by arguing that 'there is an assumption that a gender focus means that both women and men's different gender needs have to be identified and met. [But] addressed as a sociological construct, gender relations and gender sensitisation programmes thus become depoliticised'¹⁴⁴. Thus Abdullah argues that wider structural and political power relations which underpin gender inequality also need to be addressed. Taking this further Simmons argues that women's inclusion into the development process, even if the gender problematic is recognised, causes rather than alleviates poverty¹⁴⁵. Simmons argues that development practitioners make the crucial

¹⁴² See i.e. Sen, *op. cit.*, 1999, pp.187-203.

¹⁴³ Elson, Diane, 'Rethinking strategies for development: from male-biased to human-centred development', in Elson, Diane, (ed.), *Male Bias in the Development Process*, Manchester: Manchester University Press, pp. 251-79, 1995, p. 251. See also: Elson, Diane, 'Gender-aware Analysis and Development Economics' in Jameson, Kenneth P. and Charles K Wilber (eds.), *The Political Economy of Development and Underdevelopment*, 6th ed., New York : McGraw-Hill, pp. 70-80, 1973 [1996].

¹⁴⁴ Abdullah, Rashidah, 'Feminist Project Seeks to Understand Men', *Women in Action*, No. 1, 2001, p. 17.

¹⁴⁵ Simmons, Pam, "'Women in Development": A Threat to Liberation', in Rahnama, Majid with Bawtree, Victoria (eds.), *The Post-Development Reader*, pp.244-55. First published in *The Ecologist*, Vol. 22, No. 1, 1992. For an example of this in the Philippines, specifically related to food security and gender

mistake of judging women's empowerment in terms of 'market-determined productivity' such as wage labour, rather than addressing unequal labour relations of acknowledging that the informal economy may actually work to the benefit of women.

Similarly rising income levels, even at the familial level, do not necessarily result in increased security for women. International research has indicated that 'where women have been subjected to violence and violent attack, it has been inflicted by near and dear ones not strangers and outsiders'¹⁴⁶. In this sense domestic violence has the potential to hinder the capability that women have to remedy their impoverished situation as they may be denied this by factors within the household¹⁴⁷ as well as wider structural or sociological factors. Therefore factors contributing to and entrenching female poverty can be identified from micro to macro levels. The oppression of women emerges in many guises.

Gender inequality and poverty also emerge as central factors in the study of prostitution. In Asia, especially perhaps the Philippines, this issue has a specific historical context in terms of the US bases in the area around which the sex industry thrived. Sturdevant and Stoltzfus have produced an excellent collection¹⁴⁸ on this issue which recognises that domestic as well as international patriarchy make this a problematic issue to deal with. Included in this book is an chapter entitled 'Olongapo: The Bar System' which relates in

see: Kwiatkowski, Lynn, M. *Struggling with Development: The Politics of Hunger and Gender in the Philippines*, Boulder Colorado: Westview Press, 1998.

¹⁴⁶ Middleton, Nick and O'Keefe, Phil 'Other Voices', in Middleton, Neil, O'Keefe, Phil and Visser, Rob (eds.), *Negotiating Poverty New Directions, Renewed Debate*, London: Pluto Press, pp. 174-92, 2001, p. 186.

¹⁴⁷ For an analysis of intra-household power relations amongst the Philippines poor see: Gargia-Dungo, Nanette, *The Social Construction of Subordination/Domination Among Women in Urban Poor Household*, Quezon City: CSSP Publications University of the Philippines, 1999.

¹⁴⁸ Sturdevant, Sandra Pollack and Stoltzfus, Brenda *Let the Good Times Roll: Prostitutes and the US Military in Asia*, New York: The Free Press, 1992.

disturbing detail¹⁴⁹ the realities of work in the sex industry in Olongapo and neighbouring Barrio Baretto and Subic City. Woven throughout this volume however is the underlying theme that prostitution is inextricably linked to poverty.

The unequal burden that women share of global poverty brings into focus the idea that “true security cannot be achieved until these hierarchical social relations and divisive boundary distinctions are recognised and substantially altered”¹⁵⁰. This comment by Tickner is useful in that she is using it in the context of women, but it equally applies in the context of the poor. Gender inequality and poverty are inextricably linked, and are embedded in powerful political and economic structures as well as specific milieus. Feminist theory¹⁵¹ in IR calls for a fundamental restructuring of unequal relations and for this reason it offers a natural home for various aspects of critical poverty research.

Environmentalism

Environmentalism is another issue area which has an intimate relationship with the causes and consequences of poverty. Interestingly gender issues are also salient here, as poverty, discrimination against women and environmental degradation display intimate links¹⁵². Environmental degradation leads to poverty and in turn poverty leads to environmental degradation leading to the erosion of the natural resource base on which

¹⁴⁹ My knowledge on this subject was also expanded considerably by conversations in Manila in August 2001, and subsequent e-mail exchanges with Angela McLennan, an intern for the Canadian Government working with WEDPRO an NGO involved with the welfare of the prostitutes.

¹⁵⁰ Booth and Smith, *op. cit.*, p. 193.

¹⁵¹ Bearing in mind that there are many variations, i.e. eco-feminism, Marxist feminism, radical feminism and feminism which recognise race, ethnicity, sexual orientation and geographic location.

¹⁵² See: i.e. Briones, Leonor M., ‘Debt and Poverty, Maldevelopment and Misallocation of Resources’, *Review of Women’s Studies*, Vol. II, No. 2, 1991-1992, pp. 19-26; Pineda-Olfreneo, Rosalinda, ‘Women, Debt and Environment: A View from the South’ in the same issue, pp. 27-40; also, Shiva, Vandana, *Staying Alive: Women Ecology and Development*, London: Zed Books, 1991.

the poor may depend¹⁵³. The poor tend to have a more intimate relationship with their environment, as it is often their most direct means of subsistence. This emerges in both the rural and urban context, however urban environmental degradation is addressed more comprehensively than rural degradation in this thesis¹⁵⁴, rural poverty being framed more in terms of the problems of land asset transfer in Chapter Four¹⁵⁵. Urban environmental issues in Manila include overpopulation leading to inadequate housing, lack of sanitation and basic utilities and atmospheric and water borne pollution¹⁵⁶. All of which the poor bear the brunt of.

Poverty can undermine the ethos of sustainable development as often the poor do not have the luxury of thinking further than the here and now, immediate needs are their paramount concern. Thus issues such as intergenerational equity become effectively meaningless. Structural social, economic and political inequality is also relevant to

¹⁵³ Escobar. *op. cit.*, 198-211 for a discussion of local/global concepts of environmentalism and how 'local' impoverished people are discriminated against in terms of the blanket 'global' rhetoric of supposed environmental consciousness. Also: Shue, Henry, 'The Unavoidability of Justice' in Hurrell, Andrew and Kingsbury, Benedict (eds.) *The International Politics of the Environment*, Oxford: Clarendon Press, pp. 373-97, 1992; for an exploration of poor countries capabilities in terms of international environmental preferences. However affluence also leads to degradation through overconsumption, see i.e.: Jacobs, Michael, 'The Quality of Life; Social Goods and the Politics of Consumption', in Jacobs, Michael (ed.), *Greening the Millennium: The New Politics of the Environment*, Oxford: Blackwell, pp. 47-61, 1997.

¹⁵⁴ However see i.e.: Broad, Robin and John Cavanagh, *Plundering Paradise: The Struggle for the Environment in the Philippines*, Berkeley: University of California Press, 1993.

¹⁵⁵ Major texts include, Putzel, James, *A Captive Land: The Politics of Agrarian Reform in the Philippines*, London: The Catholic Institute of International Relations, 1992; Riedinger, Jeffrey M., *Agrarian Reform in the Philippines*, Stanford: Stanford University Press, 1995. Whilst a Filipino perspective is seen in, Borrás, Saturnino, M. Jr., *The Bibingka Strategy in Land Reform Implementation Autonomous Peasant Movements and State Reformists in the Philippines*, Quezon City: Institute for Popular Democracy, 1998. More generally on rural poverty in the Philippines see i.e: Baliscan, Arsenio M., *Pathways of Poverty Reduction: Rural Development and Transmission Mechanisms in the Philippines*, Asian Development Bank Working Paper, 2001. Available at www.adb.org/, [Accessed 12 November 2002]; Baliscan, Arsenio, M., 'Agricultural Growth, Landlessness, Off-Farm Employment, and Rural Poverty in the Philippines', *Economic Development and Cultural Change*, Vol. 41, pp. 533-62, April 1993; Baliscan, Arsenio, M., 'Rural Poverty in the Philippines: Incidence, Determinants and Policies', *Asian Development Review*, pp. 125-63, 1992.

¹⁵⁶ See: i.e. Berner, Erhard, *Defending a Place in the City*, Quezon City: Ateneo de Manila University Press, 1997; Seabrook, Jeremy, *Victims of Development: Resistance and Alternatives*, London: Verso, Chapter on Manila, pp. 23-42, 1993; Sim, Low Kwai and Balamurugan, G., 'Urbanization and Water Problems in Southeast Asia: a Case of Unsustainable Development', *Journal of Environmental Management*, Vol. 32, pp. 195-209, 1991; Vincential Missionaries, 'The Payatas Environmental

environmental theory. Often the rich, either the “Northern” rich, or elites within poorer countries dictate how the environment is treated. They are able to enforce non-sustainable patterns of activity, in order to create maximum profit. Once the profit is made and the environment is degraded the rich can move on, the poor have to cope with the consequences¹⁵⁷.

The poor are most vulnerable to natural environmental disasters, “extreme poverty leaves them little choice but to continue living in marginal urban and rural areas most at risk from these hazards”¹⁵⁸. Not only do the poor tend to live in environmentally fragile areas they also suffer worse consequences after phenomena such as earthquakes, floods or hurricanes. This is because they have limited access to infrastructures such as transport, emergency shelter or health care, in order to deal with both the problem and its aftermath¹⁵⁹. There are many more deaths amongst the poor because of incidental factors to natural disasters, such as disease and hunger, than there are amongst the rich, who can just buy their way out of difficulty. The poor may also suffer because money allocated for clear up operations is lost due to corrupt governance. Misappropriation of relief funds was evident after the Mount Pinatubo eruption in the Philippines in 1991¹⁶⁰, and also after Hurricane Mitch in Latin America in 1999. Disaster relief is of little use if the infrastructure to oversee its implementation is ineffective.

Development Programme: micro-enterprise promotion and involvement in solid waste management in Quezon City’, *Environment and Urbanization*, Vol. 10, No. 2, pp. 55-68, 1998.

¹⁵⁷ See for instance: Dore, Elizabeth, Debt and ecological disaster in Latin America, *Race & Class*, Vol. 34, No.1, 1992. A specific example of such an activity is pesticide use, for an excellent article on how the poor are effectively poisoning themselves and their environments see: Perfecto, Ivette, ‘Pesticide exports to the Third World’, *Race & Class*, Vol. 34, No. 1, pp. 107-14, 1992.

¹⁵⁸ Bankoff, Greg, ‘A history of poverty: the politics of natural disasters in the Philippines 1985-95’, *The Pacific Review*, Vol. 12, No. 3, pp. 381-420, 1999, p. 381.

¹⁵⁹ For NGO responses to this see: Luna, Emmanuel M., ‘Disaster Mitigation and Preparedness: The Case of NGOs in the Philippines’, *Disasters*, Vol. 25, No. 3, pp. 216-26, 2001.

¹⁶⁰ See, Bankoff, *op. cit.*

The poor also suffer in that they may be forced to live and work in unsafe environments. A local example of this in the Philippines is the scavenger community at Payatas rubbish dump in Quezon City. In July 2000 more than 200 people were killed here when a landslide of rubbish collapsed¹⁶¹. This dramatic event made it into the international media, but the rubbish is also deadly because of toxic fumes emanating from it. However, environmentalism has gained increasing attention on the mainstream political agenda because of the recognition that some problems, such as global warming, affect the whole of humanity. Therefore the rich as well as the poor are forced to take action, but this action is still qualified as it may come into conflict with other interests such as economic competitiveness. Indeed the nexus between human security and economic security as addressed in development theory is the area to which we now turn.

Post-Development

The process of development has failed the poor in the sense that it implies economic growth rather than qualitative societal change. Thus the shift in status, if this is at all possible, from underdeveloped to developed for the state does not necessarily address the needs of the poor. Indeed Kothari lays the blame for modern poverty at the feet of the development process, commenting that

poverty in the non-Western world [...] has been a consequence of capitalist development internationally and within each non-Western country. What seems to have happened is that human societies that adopted the path of

¹⁶¹ Payatas is discussed further in Chapter Five.

*capitalist development “grew into poverty” and are now trying desperately to “grow out”*¹⁶².

Rahnema concurs with this view calling development a ‘deceitful mirage’ and noting that it ‘mainly served to strengthen the new alliances that were going to unite the interests of the post-colonial foreign expansionists with those of the local leaders in need of them for consolidation of their own positions’¹⁶³. Frank meanwhile claims that early development theory was flawed because it was based on the economic experience of advanced Western capitalist nations and therefore inappropriate for colonial and underdeveloped nations of the South¹⁶⁴. This coincides with Toffler’s critique of second wave industrialisation. Sen draws the development problematic further down to the level of the individual by commenting that ‘a major failing of traditional economics has been its tendency to concentrate on supply of goods rather than on ownership and entitlement’¹⁶⁵, meaning that it is command over resources that is important for societal development or poverty alleviation not a quantitative increase in goods. De Soto also highlights ownership as an important factor of qualitative alleviation of poverty, arguing that lack of property rights amongst the poor in non-Western countries means that collateral cannot be raised as a guarantee for credit¹⁶⁶. If credit cannot be raised then entrepreneurship is severely limited. Dasgupta also follows this theme by highlighting commodity allocation as a major determinate of well-being¹⁶⁷. Also useful as shorter discussions on the merits of development and post-development thinking are a series of

¹⁶² Kothari, *op. cit.*, p. 2.

¹⁶³ Rahnema, Majid, ‘Introduction’ pp. ix-xix, in Rahnema and Bawtree, *op. cit.*, p. x.

¹⁶⁴ Frank, Andre Gunder, ‘The Development of Underdevelopment’, *Monthly Review*, Vol. 18, No. 4, pp. 17-31, 1966.

¹⁶⁵ Sen, *op. cit.*, 1999, p. 499.

¹⁶⁶ De Soto, Hernando, *The Mystery of Capital*, London: Black Swan, 2000.

¹⁶⁷ Dasgupta, Partha, *An Inquiry into Well-Being and Destitution*, Oxford: Clarendon Press, 1993. See also i.e.: Moser, Caroline O. N., ‘The Asset Vulnerability Framework: Reassessing Urban Poverty Reduction Strategies’ *World Development*, Vol. 26, No. 1, pp. 1-19, 1998.

articles in *Third World Quarterly* by Nustad, Nederveen Pieterse and Schuurman¹⁶⁸. So at least in the development literature, which is by no means homogenous, poverty alleviation strategies seem central to the debate even if methodological issues are hotly contested. Distinct from this is the high political arena of IR which views, or rather ignores poverty, in a slightly different fashion.

Conclusion

This chapter has traced the theoretical approaches which have emerged in relation to poverty, in the context of poverty being intrinsically linked to both social and economic organisation. With this in mind the chapter also constitutes a historical analysis of theoretical and social responses to poverty as humans have adapted to market economies, most significantly since the European Industrial Revolution. Technological transformations in pre-historic times and the 19th and 20th centuries drove societal change and disruption first in the national sense and then in the international. Useful comparisons can be drawn between societal change in these periods, with Polanyi's *The Great Transformation*, being a key text in this respect. The methodological implications for this in terms of societal learning and poverty alleviation will be drawn out in Chapter Two.

Also in this chapter the themes of democracy, civil society and international ethics are explored. This serves to introduce the early philosophy which informs various approaches to poverty within IR. This early philosophical basis of contemporary theory

¹⁶⁸ Nustad, Knut G., 'Development: the devil we know?', *Third World Quarterly*, Vol. 22, No. 4, pp. 479-89, 2001; Pieterse, Jan Nederveen, 'After post-development', *Third World Quarterly*, Vol. 21, No. 2, pp.175-91, 2000, p. 177; Schuurman, Frans J. 'Paradigms lost, paradigms regained? Development studies in the twenty-first century', *Third World Quarterly*, Vol. 21, No. 1, pp. 7-20, 2000.

is still highly relevant today. However this is qualified somewhat as the early European writing is western-centric which makes it problematic in some senses in the contemporary international sphere. These issues are dealt with by reference to the work of for instance, Said and Escobar who highlight the discriminatory and 'orientalist' nature of some approaches to non-Western development and poverty research. Poverty, as a social phenomenon, has evolved not just over time, but over geographic space with discrimination or xenophobia emerging in an economic sense as well as a cultural or national one. Although the three are obviously intimately related, categories such as economic, political and social are false delineations. The relevance of a historical understanding of social and economic history for qualitative poverty research is expanded upon in Chapter Three, where it is argued that poverty, here in the case of the Philippines, must be viewed in the context of specific social histories in order to be fully understood.

This chapter has examined the evolution of IR as a discipline and illustrates how poverty has been incorporated or silenced during this process. The argument being that given predominant concerns such as state security and economic competitiveness, poverty is not only left off the agenda it may even be detrimental to the high concerns of IR. The integrity of the state in terms of internal social stability and economic competitiveness in the face of external threats may after all be compromised by disenchanted masses demanding participatory forms of democracy and presenting an increased burden in the form of welfare payments. The treatment of democracy, civil society and international ethics in relation to poverty, the state and the market are themes used to address IR theoretical development. These are themes that will be revisited in the later chapters of this thesis, specifically Chapter Six which explores the problematic relationship between

democracy and neo-liberalism and the impact that this relationship has on poverty and strategies for its alleviation, specifically within the Philippine context.

The latter part of this chapter deals with critical theory and argues that it is here that poverty research may find a natural home. This thesis will argue that qualitative, normative and emancipatory forms of poverty research are more meaningful, in practice and theoretically, than the current positivist, empiricist and quantitative forms that tend to dominant the agenda and support the preferences of the already rich. Critical theory engages with the idea of moving the theoretical agenda forward and therefore introducing radical change rather than producing and reproducing research within the confines of positivist discourse. These are themes that will be picked up and expanded upon in the methodological discussion in Chapter Two. Rather than poverty research operating on the margins of IR or being relegated to the confines of development or feminist theory this chapter argues that poverty research, in terms of its aim being to enhance the quality of human life, should be central to the political agenda of IR. If it is not, then the majority are marginalized and ignored and inequalities become more extreme. As Dasgupta argues 'There are no mere academic matters. If welfare and development economics, and more generally political philosophy, are not about the circumstances in which people are born and the manner in which they are able to live and die, they are about nothing'¹⁶⁹.

¹⁶⁹ Dasgupta, *op. cit.*, p. 9.

Chapter Two

Methodology: Poverty and a Qualitative Research Agenda

Introduction

The methodological framework for this thesis will be based around two principal concepts. These are Polanyi's 'double movement'¹ and the Gramscian notion of 'counter-hegemony'². In subsequent chapters these will be applied to a national case study of the Philippines in order to examine and test how societal agency operates in response to the problem of poverty. Consideration will also be given to the social construction and reproduction of structural determinants which may both delimit and facilitate human action. Both urban and rural contexts are drawn upon to provide a comparative element to the research.

This chapter will firstly identify what is meant by the 'character' of poverty and what this may imply for the research agenda. Then a critique of the weakness of current poverty methodology will be elaborated upon, particularly its positivist dimensions. Specifically forms of asset distribution in relation to the state and civil and political rights will be explored drawing on the work of Rawls and Nozick. Then using Polanyi's 1944 text, *The Great Transformation* as the basis for a critical methodology, key themes will be elaborated upon, such as processes of social disruption through economic transformation and the emergence of a 'double movement' to remedy this. However, whilst Polanyi's text offers the basis for a useful methodological agenda, it

¹ See: Polanyi, Karl, *The Great Transformation*, Boston: Beacon Press 1957 [1944].

² See: Gramsci, Antonio, eds. and trans. Quinton Hoare and Nowell Smith, *Selections From the Prison Notebooks*, London: Lawrence and Wishart, 1971. Esp. Part II, Section 2, 'State and Civil Society'.

is by no means a complete formula. In particular Polanyi can be criticised for his lack of attention to factors of agency. Therefore, in order to consider the emancipatory potential of social movements and processes working against poverty in the Philippines the writings of Gramsci will also be drawn upon, particularly his work on hegemony and counter movements. A central theme throughout shall be the nature of the relationship between poverty alleviation and democratic participation, as this is fundamental to forms of structure and agency which facilitate or restrict poverty alleviation.

Perhaps most importantly my preconceptions of myself as a researcher and the poor of the Philippines as a subject of research underwent a fundamental clarification during the process of my fieldwork in Manila and the Visayas Islands in summer 2001. Evidence for this study is drawn from a range of primary material collated from field-work interviews and empirical data collection in the Philippines. A series of interviews were conducted with national and local government representatives, non-governmental organization (NGO) and people's organization (PO) activists, the clergy, academics, the Asian Development Bank (ADB) officials and private individuals. Interviews were conducted in formal one-to-one situations, but more often in group situations. Similarly many interviews were conducted as 'interview by conversation'³ which in some cases ran over many days. These initial interviews were followed up by on-going e-mail dialogue with both governmental and non-governmental personnel.

³ See: Burgess, Robert G. *In the Field: An Introduction to Field Research*, London: Routledge, 1984, Chapter Five.

Poverty, Inequality, Capabilities?

In statistical terms 41% of the Philippine population of approximately 70 million live below the national poverty line⁴. However, statistics do not reveal the complex nature of poverty, indeed it is a mistake to assume that poverty can be measured solely in monetary terms⁵. Poverty can either be considered to be 'absolute', to be absolutely lacking in basic human requirements such as food, water and shelter or to be 'relative', to be poor in comparison to the norms of a given society. Novak states that 'what counts substantially is living involuntarily in conditions that are below what is commonly considered to be a decent standard of living'⁶, whilst this is not a scientifically quantifiable measurement it does address the qualitative nature of the problem, as norms may be shifting and subjective. Quantitative methodologies of poverty are useful in that they provide the basis for comparison over time and space. However, the accuracy of the data is only as good as the methodology employed, the accuracy of the statistician and the objectivity of the researcher. Also the value of statistics is not so much what they represent, but how they are used. In poverty research, as Øyen laments, 'there are times when one is tempted to see the search for yet more facts to measure an ever more precise definition of poverty as a form of displacement activity by academics, whose concern to reduce the poverty they find is outweighed only by their powerlessness to do anything about it'⁷. To be of real value

⁴ *UNDP Human Development Report 1999*, New York: Oxford University Press, 1999, p. 146.

⁵ Amartya Sen's sophisticated theory of entitlements is useful in considering poverty not in simply monetary terms, but in terms of the capacity of man to acquire the means for survival. See for instance: Sen, Amartya, *Poverty and Famines: An Essay on Entitlement and Deprivation*, Oxford: Clarendon Press, 1992 [1981]; Dréze, Jean, Sen, Amartya and Hussain, Athar (eds.), *The Political Economy of Hunger*, Oxford: Clarendon Press, 1995.

⁶ Øyen, Else, 'Poverty Research rethought', in: Øyen, Else, Miller, S. M. and Syed, Samad Abdus (eds.), *Poverty A Global Review: An International Handbook on Poverty Research*, Scandinavian University Press, Oslo, pp. 3-17, 1996, p. 8.

⁷ *ibid*, p. 20; see also the rest of this chapter for the uses and limitations of quantitative research on poverty.

then it has to be constantly recognised that quantitative data are drawn from the real world and in turn the data generated should be applicable to real world solutions, otherwise there is little to be gained from the exercise, certainly for the poor themselves.

Quantitative analyses of poverty have become more sophisticated over the years to be sure⁸, and yet remain problematic and in certain ways rooted in assumptions of rational choice behaviour. For instance poverty may be measured in simple terms of income and expenditures. Yet this does not account for income being spent on consumables that do not contribute towards recognised variables of well-being such as food and education, negative expenditures would include alcohol or cigarettes. A more sophisticated quantitative diagnosis of poverty, the Human Development Index (HDI), was introduced by ul Haq in the 1990s, which recognises the key variables of life expectancy, literacy rate and GDP per capita⁹. Whilst still vulnerable to accusations of problems of data gathering and the value of averages, the HDI does at least recognise the importance of health and education as well as income in analysis of poverty. The HDI is now used, by for instance the United Nations Development Programme (UNDP), to annually rank countries which are divided into high, medium and low rates of human development. According to the UNDP *Human Development Report 2001*, the Philippines was ranked 70th, a medium development country. Such figures allow for country to country analysis year on year. Even though such indicators may be limited, ignoring for instance domestic variations on income level, either between regions, rural and urban areas or the household, and being complicated

⁸ The development of poverty research methodologies in the Philippines is detailed in Chapter Five, subheading, 'So where does the poverty line really lie?'

⁹ See i.e.: Ul Haq, Mahbub and Streeeten, Paul P., *Reflections on Human Development*, Oxford: Oxford University Press, 1995.

by assets held in common or the value of community support systems, they do represent a universally recognisable set of variables.

However problems remain in the use of blanket or econometric notions of poverty and how these reflect, or not, behaviour on the ground. With this in mind 'it should come as no surprise that as a group, development economists have come under periodic criticism from anthropologists, demographers, ecologists, nutritionists and political scientists'¹⁰. Again we can recognise the value of acknowledging the social context of poverty 'numbers', in order for them to become more three dimensional, in terms of the realities that the poor have to face. Poverty or lack of assets for instance may lock the poor into a situation where their perception of risk is high as they simply cannot afford to render vulnerable the few assets that they have, by for instance using them as collateral for speculative ventures. Aversion to uncertainty means that the poor may be 'reluctant to engage in risky activities that could lift them out of poverty. People are then trapped in poverty'¹¹. So the poor are mired in poverty while those who have more substantial assets can use them to generate further wealth. This can however be mediated by the pooling of assets, or further constrained by inadequate legal frameworks for property rights in poorer countries¹². Identifying this idea, Sen has referred to lack of income as contributing to 'capability deprivation'¹³, and recognises that whilst rising levels of income increase levels of freedom or capability, this does not automatically translate into a reduction of inequality or enhanced social equilibrium.

¹⁰ Dasgupta, Partha, 'The Economics of Poverty in Poor Countries', *Scandinavian Journal of Economics*, Vol. 100, No. 1, pp. 41-68, 1998, p. 41.

¹¹ Boer, Leen, 'Attacking Poverty: rediscovering the political economy', *Third World Quarterly*, Vol. 22, No. 2, pp. 283-89, 2001, p. 286.

¹² This is the central thesis of: De Soto, Hernando, *The Mystery of Capital*, London: Black Swan, 2000.

¹³ Sen, Amartya, *Development as Freedom*, Oxford: Oxford University Press, 1999, Chapter Four.

Similarly, transparent systems of governance are here deemed important as a mechanism for the furtherance of social justice, the form of which is discussed at length in the debate between Rawls and Nozick¹⁴. This discussion ranges around the distribution of assets within society, and forms of distribution that may lead to equality, but are not necessarily equal. Rawls' 'original position' of equality, which can be criticised as ahistorical and therefore unrealistic (but Rawls does acknowledge this), sees individuals choose the rules of society and the way that assets are distributed *before* individuals are aware of their place in that society, this Rawls defines as a 'veil of ignorance'. This it is argued should lead to 'justice as fairness', in society as all men will seek a society with equality of opportunity. This can also be criticised as it assumes individuals will choose options of minimum risk with maximum gain. However, individuals may be more amenable to risk than Rawls assumes, and willing to take the chance of loss if this also brings increased opportunity¹⁵. But Rawls subsequently argues that 'there is no injustice in the greater benefits earned by a few provided that the situation of persons not so fortunate are thereby improved'¹⁶, this is indicative of the liberal notion of trickle down. However Rawls does not propose an international reading of his theory as the society he proposes can only be national. Rawls assumes that society, as a cooperative venture will divide surplus however, 'no such co-operative venture exists on a world scale [world society] is not a society in this sense because it does not co-operatively

¹⁴ See: Nozick, Robert, *Anarchy, State and Utopia*, Oxford: Blackwell, 1974, and; Rawls, John, *A Theory of Justice*, London: Oxford University Press: London, 1999 [1971]. n.b. Gramsci also moots the idea of a night-watchman state, this idea will be revisited in Chapter Six.

¹⁵ See; Brown, Chris, *International Relations Theory New Normative Approaches*, New York: Harvester Wheatsheaf, 1992, p. 173.

¹⁶ *ibid.*, p. 15.

create a surplus that has to be divided; thus principles of distributive justice do not operate on a world scale because there is nothing to distribute'¹⁷.

Meanwhile Nozick rejects the benign notion of the veil of ignorance, and argues that actors, even in a historical void, will still seek to be self-serving in arrangements of 'fairness'. Yet he claims that whilst the unequal distribution of resources leads overall to maximisation rather than equality, assets cannot be organised or agreed behind a veil of ignorance and dictated by agreed societal norms. Rather he argues that 'natural liberty' will lead to utopia or justice. This again is a liberal argument, the difference is that Rawls sees justice being upheld by the agreed rules of the state/society, whilst Nozick sees the state playing a minimal or 'night-watchman, role. These are the assumptions that underlay the dominant neo-conservative agenda in the West in the 1980's, if left to themselves markets will deliver the greatest good to society. Markets 'are perpetual motion machines, requiring only a legal framework and government non-interference to deliver uninterrupted growth'¹⁸. Note also that the assumptions of the authors depend on the state/societies in question 'enjoying a sufficiently rich resource and capital base. The social contract may well look different if matters were otherwise'¹⁹.

For the purposes of poverty research, Nozick and Rawls are exploring the distribution of assets within society, and the role of the state in mediating this distribution, which in reality is also influenced by other, previously detailed factors which may input into 'social contexts'. This dovetails with more recent explorations into the nature of the

¹⁷ *ibid.*, p. 173.

¹⁸ Giddens, Anthony, *The Third Way: The Renewal of Social Democracy*, Cambridge: Polity Press, 1998, p.12. Quotation within quotation, John Gray, *Enlightenment's Wake*.

¹⁹ Dasgupta, *op. cit.*, p. 46.

relationship between poverty and democracy such as Sen's *Development as Freedom*. Given the arguably shifting political terrain, in terms of globalisation, the growth of international and regional political formations and the rise of civil society, and yet the resilience of the sovereign state, there has also emerged an interest in the nature of the relationship between the state and poverty alleviation and the forms of political space available²⁰. Dasgupta in turn, writes that political and civil rights are not necessarily secondary to socio-economic rights to the poor, arguing that this preconception is 'a piece of insolence that only those who don't suffer from their lack seem to entertain'²¹. He also argues that the relative importance of various 'rights' in a society may vary according to the level of development, but that a general theory of the importance of political liberty in relation to socio-economic rights in the face of scarcity remains undeveloped.

Also salient is the question of whether overall prosperity is necessarily commensurate with equality, but Rawls and Nozick both seem to agree that the creation of wealth will benefit society as a whole, whether this is legislated for or arrived at through a natural equilibrium of the distribution of wealth. This is perhaps optimistic, as it would seem that inequality forms the third side of a triangular nexus, along with economic growth and poverty levels, which dictate the character and depth of poverty²². The importance of domestic inequality is also illustrated by the inclusion of inequality statistics in for instance UNDP reports. Figures for 2001 indicate that in the Philippines the poorest 20% of the population enjoyed a 5.4% of income or

²⁰ See i.e. Webster, Neil and Engberg-Pederson, Lars (eds.), *In the Name of the Poor Contesting Political Space for Poverty Reduction*, London: Zed Books, 2002; Wilson, Francis, Nazneen Kanji and Einar Braathen, (eds.), *Poverty Reduction What Role for the State in Today's Globalized Economy*, London: Zed Books/CROP International Studies on Poverty, 2001.

²¹ Dasgupta, *op. cit.*, p. 47.

consumption, while the richest 20% had 52.3%²³. Therefore the road out poverty is not just made clearer by health, wealth and education, but through societal structures that in some way facilitate the redistribution of assets downwards in a form the poor can gain meaningful agency from. HDI ranking may have its uses but it does not illustrate extremes of wealth or poverty *within* countries²⁴. To illustrate this, even though the Philippines ranks a global 70th according to 2001 HDI figures, 'a third of Filipino children are underweight, which is a higher proportion than is found in Mali, Burkino Faso and Zaire'²⁵, which rank 153rd, 159th and 126th (Zaire is now the Democratic Republic of the Congo) respectively.

This provides the background against which a Gramscian type counter-move can be located, to be discussed later in this chapter and expanded upon at length in the later body of the thesis. However it should be noted that seemingly high levels of tolerance for participatory forms of democracy and civil society activity in the Philippines, to the extent of the perhaps unique phenomenon of 'People Power'²⁶ which has deposed governments in 1986 and 2001, is qualified significantly by high levels of corruption²⁷. For poverty research and the building of remedial action plans it can also be argued that legal systems and democracy, within specific social contexts, need

²² See i.e. Naschold, Felix, 'Why Inequality Matters for Poverty', Inequality Briefing, DFID, March 2002.

²³ *UNDP Human Development Report 2001*, New York: UNDP, 2001, p. 183.

²⁴ UNDP Reports do list national inequalities in terms of both share of income or consumption and level of inequality between the richest and poorest 10 and 20% but this is not factored into the HDI rank. Also although inequality rankings may indicate distribution patterns of wealth more comprehensively than national averages of GDP or GNP per capita, they may still disguise meaningful indicators of well-being within these quite broad categories and miss completely the middle 60 or 80% of the population.

²⁵ Pye-Smith, Charlie, *Philippines In Search of Justice*, Oxford: Oxfam UK and Ireland, 1997, p. 13.

²⁶ See: Landé, Carl, 'The return of "People Power" in the Philippines', *Journal of Democracy*, Vol. 12, No. 2, pp. 88-102, 2001.

²⁷ See i.e.: Coronel, Shelia S. (ed.), *Pork and Other Perks: Corruption and Governance in the Philippines*, Quezon City: Philippine Centre for Investigative Journalism, 1998; Kang, David, C., *Crony Capitalism: Corruption and Development in South Korea and the Philippines*, Cambridge:

to be examined. However these variables demand an even broader approach to poverty and raise significant methodological problems. As Boer has argued poverty is about 'being vulnerable to adverse events outside of one's control'²⁸, while this may apply to, for instance, economic globalisation, environmental shocks, or restricted access to economic opportunity it may also mean the failure of legal or democratic accountability. Critical poverty analysis then centres on the potential for, and forms of, societal agency from the grassroots level up, as well as the critique of existing dominant structures. However, firstly Polanyi's text, *The Great Transformation*, will be introduced in order to illustrate his understanding of the relationship between state and society in the face of fundamental shifts in economic organization.

The Great Transformation

Polanyi wrote *The Great Transformation* during World War II, aiming to prescribe a more equitable way of organising the economy after the war. He aimed to illustrate how the fascism that was the catalyst for World War II found its roots in the discontent caused by the inequality generated by the self-regulating market. Giddens, in *The Third Way*, touches on this point much later, linking neoliberal economics to a concomitant defence of the nation, remarking that 'xenophobic overtones are normally clear in the pronouncements of neoliberal authors'²⁹. Whilst contemporary inequality is unlikely to result in full-scale global warfare, due to nuclear capabilities,

Cambridge University Press, 2002; Kirk, Donald, *Looted: The Philippines After the Bases*, New York: St. Martin's Press, 1998.

²⁸ Boer, *op. cit.*, p. 283.

²⁹ Giddens, *op. cit.*, p. 12.

there is still the potential for civil unrest, economic uncertainty and environmental degradation. All of which have the capacity to generate conflict.

Polanyi's contention was that the processes of the free market resulted in the 'disembedding'³⁰ of the economy from society. He argued that land and labour are turned into 'fictitious commodities', that is, the natural environment and human beings become commodified similar to other economic resources. Thus Polanyi views the free market as facilitating the destruction of society. For Polanyi society undergoes a shift from *Gemeinschaft*, a feudal type community closely bound to the church, to *Gesellschaft*, based on a common dependence on the new economic mode of operation which is backed by the formal organisation of bureaucracy³¹. However, if society is not 'destroyed', then how is it affected? If human identity is conceived merely 'in terms of the requirements and imperatives of production and consumption'³² then what happens to human life if its labour value is not in demand or cannot command a fair price in the competitive free market? Thus the idea of a Nozikian type of natural equilibrium guiding the redistribution of assets and restoring the balance of society, does not figure at all for Polanyi. Similarly Polanyi rejects earlier Enlightenment thinking that 'believed that the scientific principles which were transforming both industry and agriculture could be used to transform society [for the

³⁰ This theme underlies Polanyi's thesis but at base means that 'instead of the economy being embedded in social relations, social relations are embedded in the economic system'. Polanyi, *op. cit.*, p. 57. In effect, social relations become dictated by the demands of the market economy, rather than the other way round.

³¹ See: Richmond, Anthony H., 'Ethnic Nationalism and Post-Industrialism', in Hutchinson, John and Smith, Anthony D. (eds.), *Nationalism*, Oxford: Oxford University Press, pp. 289-300, 1994. Conceptions of society are also discussed in: Cox, Robert W., 'Civil society at the turn of the millennium: prospects for an alternative world order', *Review of International Studies*, Vol., 25, No. 1, pp. 3-28, 1999.

³² Bernard, Mitchell, 'Ecology, political economy and the counter-movement: Karl Polanyi and the second great transformation', in Gill, Stephen and Mittleman, James H. (eds.), *Innovation and Transformation in International Studies*, Cambridge: Cambridge University Press, pp. 75-89, 1997, p. 79.

better] and the way in which it was organized'³³. Rather he suggests that the poor would 'perish and die' unless social action is taken to defend society³⁴.

Defence of society, for Polanyi, takes the form of a 'double' or 'counter' movement. The notion of a double movement comes from the idea that it is the state that has to safeguard the institutions that allow the freedom of the market, therefore 'there was nothing natural about *laissez-faire*; free markets could never have come into being by merely allowing things to take their course'³⁵. So the safeguarding of the markets by the state is the first movement³⁶, but in order to counter the detrimental societal effects of the market another movement must take place in order to defend society. This is the basis of the double movement, which Polanyi argues 'was spontaneous, unplanned, and came from all sectors of society in response to the devastating impact of the market'³⁷. Polanyi argued that all classes in society in varying ways had their interests threatened by the invasive nature of the market, and that as well as the 'human substance of society' industry, natural resources and domestic banking systems all required 'protective legislation, restrictive associations and other instruments of intervention'³⁸. This seems particularly omniscient when one considers recent issues such as the institutionalisation of the free market economy through the GATT/WTO

³³ McKenzie, George, 'The Age of reason or the Age of Innocence', in McKenzie, George, et al. (eds.), *Understanding Social Research: Perspectives on Methodology and Practice*, London: Falmer Press, 1997, p. 14.

³⁴ For the purposes of this thesis society is taken to mean the national population of the Philippines, however forms of community and levels of 'social capital' expand and contract given particular circumstances which will be explored later, but which include levels of wealth and kinship ties.

³⁵ Polanyi, *op. cit.*, p. 139.

³⁶ If one considers the role that states and even businesses play in the formation and implementation of the GATT/WTO regime then Polanyi would seem to be correct in his judgement of *laissez-faire*.

³⁷ Block, Fred and Somers, Margaret R., 'Beyond the Economic Fallacy: The Holistic Social Science of Karl Polanyi', in: Skocpol, Theda (ed.), *Vision and Method in Historical Sociology*, Cambridge: Cambridge University Press, pp. 47-83, 1984.

³⁸ Polanyi, *op. cit.*, p. 132.

regime, environmental degradation, and contagious currency crisis, all of which have created societal threats in varying degrees.

The double movement emerged at a specific historical juncture, not through 'a veil of ignorance'. However, Polanyi does concur with Rawls, and indeed Robert Owen, on the need for social legislation to facilitate justice, at least of some sort, in the face of the market. Polanyi, discussing Owen, comments that 'Owen justly pronounced that unless legislative interference and direction counteracted these devastating forces, great and permanent evil would follow'³⁹. Keynesian economics also 'has long been viewed as a Polanyian-like societal response to save capitalism from itself'⁴⁰. The double movement was in effect a reaction to the expansion of the market, 'a countermovement checking the expansion in definite directions [...] however, in the last analysis it was incompatible with the self-regulation of the market, and thus the market system itself'⁴¹. Meaning in effect that if the state sought for instance to raise tariffs against external trade or provide welfare to the impoverished masses then this would render it uncompetitive. These are key issues regarding the nature of the global political economy as it impacts upon poverty and the role of the state as mediator between society and the market which will be developed throughout this thesis.

The Great Transformation addresses the conflicts that are inherent between the demands of the global capitalist economy and the need for social provision within the domestic state. In order for the former to function effectively the latter may suffer.

³⁹ *ibid.*, p. 129.

⁴⁰ Hejeebu, Santhi and Deirdre McCloskey, 'The Reproving of Karl Polanyi', *Critical Review*, Vol. 13, No. 3-4, pp. 285-314, 1999, p. 295.

⁴¹ *ibid.*, p. 130.

Polanyi's thesis rejects Smith's claim that it is the natural propensity of man to 'truck, barter and exchange' and instead argues that previous to the rise of the free market the economy was embedded in social relations. Rather than men operating as individualistic rational egoists in their economic life, the economy was communitarian and grounded in other institutions such as community and religion. For Polanyi economic life is not just the efficient use of resources to meet demand it is a socially situated process, the institutions and society that economics take place in are considered, as opposed to viewing the economy as a 'scientific' function of supply and demand. Polanyi's consideration of non or pre-capitalist societies have meant that his work has received significant attention from anthropologists and ethnographers⁴².

Critical Approaches to Structure and Agency

The idea of the double movement can be usefully applied in order to frame an understanding of how the contemporary global political economy causes poverty and also what means of societal 'self-defence' can counter this. Central to this debate is the manner in which the state mediates between the international market and domestic society. Also problematic is the idea that any actions taken in order to protect domestic societies may harm the self-regulating economy, and as the economy is intrinsic to society this results in the need for further action to protect society. The debate between equality of opportunity and egalitarianism remains pertinent. The market cannot be treated in isolation, it is also part of the social process.

⁴² See for instance: Inanyatullah, Naeem and Blaney, David L., 'Towards an Ethnological IPE Karl

Questions of structure and agency are also central here and the methodology proposed will evolve through a dialectic between institutional structures and emancipatory agency, as such poverty will be located in a historically informed moment, and yet a dynamic social context. Giddens notes for instance that 'The realm of human agency is bounded. Human beings produce society, but they do so as historically located actors, and not under conditions of their own choosing'⁴³. Social structures are formed by social activity, and in turn mediate the conditions for subsequent social outcomes. Although it can of course be argued that those who are able to command resources may be better placed to control social conditions.

Here we can draw upon Cox who has identified two types of theory 'critical and problem solving theory'⁴⁴. Problem solving theory merely seeks to address the issue at hand without particular regard to its context or any attempt to overthrow structural determinants. However critical theorists 'seek to transcend the milieu they are located in by uncovering its historically contingent origins, and the ideas and power relationships that sustain it, and inquiring as to how it may be changed'⁴⁵. Critical theory shares central tenets of Polanyi's epistemology. Polanyi also identifies his double movement as a product of historical change. The main idea he questions is free trade, the power relations that sustain it and that *laissez faire* is actually maintained by the state, which is in direct contradiction to classical liberalism. Block

Polanyi's Double Critique of Capitalism', *Millennium*, Vol. 28, No. 2, pp. 311- 40, 1999.

⁴³ Giddens, Anthony, *New Rules of Sociological Method*, 2nd ed., Cambridge: Polity, 1983, p. 168.

⁴⁴ See: Cox, Robert, 'Social Forces, States and World Orders: Beyond International Relations Theory', *Millennium*, Vol. 10, No. 2, pp. 204-54, 1981.

⁴⁵ Bernard, *op. cit.*, p. 77.

and Somers state that the 'road to the free market was paved with continuous political manipulation by the state'⁴⁶; so much then for 'free' trade.

Whilst traditional structures may have inhibited progress, critical theories in turn may have to establish themselves in an environment not necessarily conducive to their development. Haraway makes this difficulty clear when she states that 'we need the power of modern critical theories of how meanings and bodies get made, not in order to deny meaning and bodies, but in order to live in meanings and bodies that have a chance for the future'⁴⁷. What she implies here is that critical theories need not overtly aspire to overthrow the system, but they have a better chance of bringing about change if they work in sympathy with, rather than in opposition to, prevailing norms. She is arguing that critical theory can make prevailing norms transparent, which is the first step towards managing, but not necessarily overthrowing, them. In other words recognise the system, but do not be co-opted in to it. For Haraway it would seem that problem solving rather than radical change is enough. In this way sympathetic connections can be forged and knowledge can be disseminated.

Polanyi's idea of the self-defence of society addresses the 'disembedding' of society. The idea of societal self-defence is a useful formula to adopt when considering poverty. It provides a framework through which one can identify and compare aspects of social action that defend societal values such as justice, fairness and equality, values which are eradicated by the commodification of labour. Consequently the methodology employed here will also draw on normative theory, which in certain

⁴⁶ quoted in: Burchill, Scott and Linklater, Andrew (eds.), *Theories of International Relations*, New York: St. Martin's Press, 1996, p. 44.

respects is compatible with critical theory, but is criticised for, amongst other failings, being concerned with morals and values over facts. There being 'a general scepticism with regards to the epistemological status of value judgements which are generally presented as being subjective, arbitrary, relative, and not based on anything approaching the firm foundation of observable data which underpins factual judgements'⁴⁸. Therefore its basis of subjective values may be seen as a weak basis for 'hard' theory, 'it was deemed to be possible to study the effect of value-judgements on behaviour and action but impossible to subject their contents to rational analysis [... critics] treated morals as no more than expressions of preference'⁴⁹.

However, this does not mean that subjectivity in social science needs be dismissed, just that it should be recognised. Normative theory places values at the heart of the research process. For example it discusses 'a way of talking about social institutions especially those bound up with the exercise of public power, and about the relationship of individuals to those institutions'⁵⁰. This opens up the possibility for it to be used to assess the morality of the maldistribution of wealth in society.

⁴⁷Haraway, Donna J., 'Situated Knowledges: The Science Question in Feminism and the Privilege of Partial Perspective', in Elliott, Anthony (ed.), *The Blackwell Reader in Contemporary Social Theory*, Oxford: Blackwell, pp. 286-300, 1999, p. 290.

⁴⁸Frost, Mervyn, 'A turn not taken: Ethics in IR at the Millennium', *Review of International Studies*, Vol. 24, Special Issue, pp.119-32, 1998, p. 123. n.b.: of the two Frost articles cited here this is the more general and introductory one.

⁴⁹Brown, *op. cit.*, p. 8-9.

⁵⁰Marsh, David and Stoker, Gerry (eds.), *Theory and Methods in Political Science*, London: MacMillan Press, 1995, p. 22. To illustrate this point both Langlois and Sen question whether human rights should be seen as a 'universal' value, because universal tends to mean the Western definition of the term. Or are human rights better understood in specific social contexts, in Sen's case through the, in itself not homogeneous lens, of Asian values. See: Langlois, Anthony J., 'Human Rights: the globalisation and fragmentation of moral discourse', *Review of International Studies*, Vol. 28, No. 3, pp. 479-96, 2002; Sen, Amartya, 'Human Rights and Asian Values', in Rosenthal, Joel, H. (ed.), *Ethics and International Affairs*, 2nd. ed., Washington: Georgetown University Press, pp. 170-93, 1999.

Frost, in his article critiquing the work of C. Wright Mills, claims that 'by revealing to people the macro structure of society, people will come to understand what threatens their freedom and will have a chance to formulate freedom establishing alternatives'⁵¹. However this revealing of structure is not enough. According to normative theory the moral responsibilities of the individual in relation to the structure, i.e. the state, needs to be questioned. Does a commitment to the state by the individual, involve acting in an immoral way towards other structures such as the church or wider international concerns, such as the poor or vulnerable in other countries?⁵² The problem that Frost has identified with the use of normative theory in IR is that structures are being researched in a positivist fashion whilst moral or ethical arguments are judged in a non-positivist or normative way⁵³. He argues that structures also must be approached in a normative way, they are not value free, they are also are constructed and researched with inherent biases. In order for normative theory to be credible, research must be theoretically consistent and value judgements must be acknowledged, justified and remain consistent across cases. Contradictory or implicit value judgements make for poor epistemology.

Social action or agency, take place in a political context and Polanyi has been criticised for failing to create an adequate methodology of agency. Birchfield argues that Polanyi's 'broad and rather ambiguous definition of society' results in 'his underdeveloped sense of agency'⁵⁴. Thus, whilst he calls for societal self-defence he is not specific as to how this will be brought about. Also Bernard accuses him of

⁵¹ Frost, Mervyn, 'The Role of Normative Theory in IR', *Millennium*, Vol. 23, No. 1, pp. 109-18, 1994, p. 113.

⁵² *ibid.*, p. 110.

⁵³ *ibid.*, p. 115.

'technological determinism'⁵⁵, in that 'for him, fictitious commodities were derivative of the pressures of technological change'⁵⁶, that is the commodification of land and labour were the result, not of human agency, but of the changes brought about by developments in technology. If this argument is accepted then, at the time of the Industrial Revolution technological determinism was driven by the invention of the steam engine and in the current age of globalisation, the development of technologies such as the Internet and everfaster machines and modes of transport⁵⁷. However, 'the notion of an autonomous development of technology is a de-politicising one'⁵⁸, and this is clearly not the case. The development of such machines is not autonomous, 'ideas themselves emerge out of particular material conditions and are the products of human agency'⁵⁹. The development and use of technology also has a societal context.

In any case others argue that Polanyi was driven to contest the ideology of the market rather than the technology of it. Hejeebu and McCloskey argue that Polanyi was in effect battling against the ideological legacies of the likes of Ricardo, Marx and James Mill and that he 'devotes a third of his book to explaining how market economy evolved into a legal reality and examining the protective response to the resulting loss of social flesh. Ideas, not classes or gadgets, made modernity'⁶⁰.

⁵⁴ Birchfield, Vicki, 'Contesting the hegemony of market ideology: Gramsci's "good sense" and Polanyi's "double movement"', *Review of International Political Economy*, Vol. 6, No. 1, pp. 27-54, 1999, p. 39.

⁵⁵ Bernard, *op. cit.*, p. 81.

⁵⁶ *ibid.*, although Birchfield questions this, arguing that by adopting technological determinism Polanyi is able to distance himself from the Marxist historical materialism and the mode of production. See Birchfield, *op. cit.*, p. 40.

⁵⁷ For discussions on technological change in these periods see i.e.: Landes, David S., *The Unbound Prometheus*, Cambridge: Cambridge University Press, 1969; Ohmae, Kenichi, *The Borderless World*, London: Fontana, 1990.

⁵⁸ Bernard, *op. cit.*, p. 81.

⁵⁹ *ibid.*, p. 78

⁶⁰ Hejeebu and McCloskey, *op. cit.*, p. 293.

This thesis will explore the nature of Philippine society, both in terms of contemporary characteristics and also historically. I will aim to illustrate the relationships between Philippine society, the state and the church, and the nature of democracy in the Philippines and how 'community' or kinship networks evolve given varying levels of economic development. I shall also examine the colonial and neo-colonial history of the Philippines and the evolution of the domestic Philippine economy in relation to international economic dynamics. This is compatible with the critical theorist's idea of 'historically contingent origins', they see the research moment as being an interlude in the historical process. As opposed to positivists who see the object of research as fixed in time and space, therefore positivists can only uphold or identify existing arrangements, they are ill-equipped to bring about change.

Ideas of structure and agency will be central to my thesis. This will constitute an examination of the way that the 'counter-movement', to use Polanyi's terminology functions in the Philippines. That is, what actions are taken to alleviate poverty in the Philippines? What groups are active in this sense? Is there a societal space for agency, or is this constricted by the state, institutional structures, or other factors such as time, remoteness and political disenfranchisement? Alternatively how is agency supported by domestic and international institutions? Is the state able to control the activity of its citizens, or do other factors intervene? Are these processes destabilising, or has progress been made? There are many questions that can be situated within this framework⁶¹; and they will form the research agenda in order to

⁶¹ On structure and agency see also for instance: Carlsnaes, Walter, 'The Agency-Structure Problem in Foreign Policy Analysis', *International Studies Quarterly*, Vol. 36, No. 3, pp. 245-70, 1992; Strange, Susan, *States and Markets*, 2nd Ed., Pinter Publishers: New York, 1988; Strange, Susan, 'An Eclectic Approach', in: Murphy, Craig N. and Tooze, Roger (eds.), *New International Political Economy*, Lynne Rienner: Boulder, pp. 33-50, 1991.

consider the social context of Philippine poverty. A picture will be built of both the contemporary reality of poverty, but also potential avenues for its alleviation.

A consideration of structure and agency helps us to define strategy 'involving the selection of objectives and the search for the most appropriate means to achieve those objectives within a particular context at a particular moment in time'⁶². In other words it helps to identify who or what to study and to assess exactly what their concerns and capabilities are. We can also monitor and compare the progress of differing groups or individuals and see whose strategies are more successful and for what reasons. We can also identify what motivates them.

Antonio Gramsci: Hegemony and Counter Movement

In order to achieve a deeper, philosophical understanding of agency I propose to use the work of Gramsci. Gramsci's theory of hegemony including the way that society is stratified and controlled 'provides a deeper understanding of the formation and nature of counter-movements (as well as their failure to materialise)⁶³. Gramsci is also useful in that he considers the potential for collective action, and how this may come about, in order to establish a new ruling orthodoxy or to destabilise an existing one. He discusses 'myth' as a way of generating action. He states that rather than 'cold utopia' being a catalyst for action, myth is a 'concrete phantasy which acts as a catalyst for dispersed and shattered people to arouse and organize its collective will'⁶⁴. The idea of myth as the catalyst for collective action is a useful one in the case of the Philippines. What myths are generated? What do collectives identify

⁶² Marsh and Stoker, *op. cit.*, p. 190.

⁶³ Birchfield, *op. cit.*, p. 40.

with? In what circumstances are myths more easily accepted? This idea will be fruitful in terms of considering ideas such as religion and democracy, and also the way that elites maintain civil obedience. Given the Philippine experience of authoritarianism under Marcos from 1972 until 1986, participatory democracy is delivered through state tolerance of a vibrant and critical civil society. However given corruption and nepotism within Philippine society it is questionable whether functioning democracy is mythical or real.

Gramsci views structures not as abstractions, but rather, intimately tied to human activity. Structural change is seen as historical progress that is shaped by joint human endeavour and consciousness. His view is that social action must be seen within the context of societal structures, however he also argues that 'these structures themselves can be transformed by collective action'⁶⁵. Transformation is most difficult where the bourgeois have attained hegemony over other classes. Gramsci identified this to be the case in Northern Europe where capitalism had long prevailed as a dominant ideology. However, despite capitalist hegemony 'it necessarily involved concessions to subordinate classes in return for acquiescence in bourgeois leadership, concessions which could lead ultimately to forms of social democracy which preserve capitalism while making it more acceptable to the workers and petty bourgeois'⁶⁶. This could possibly be seen as a recipe for Keynesian economics.

⁶⁴ Gramsci, Antonio, *op. cit.*, p. 126.

⁶⁵ Gill, Stephen, 'Historical Materialism, Gramsci and International Political Economy', in Murphy and Tooze, *op. cit.*, pp. 51-76, p. 55.

⁶⁶ Cox, Robert, 'Gramsci, Hegemony and International Relations: An Essay in Method', in Gill, Stephen, (ed.), *Gramsci, Historical Materialism and International Relations*, Cambridge NY: Cambridge University Press, pp. 49-66, 1993, p. 51.

Alternatively, Gramsci explores the idea of 'civil hegemony', which relates to the idea of 'Permanent Revolution' which was coined by Marx⁶⁷. Civil hegemony implies that hegemony or power has transferred from the state to society and it is up to the state to defend against this. He describes this manoeuvring as a 'war of position'⁶⁸, 'the massive structures of the modern democracies, both as state organisations, and as complexes of association in civil society, constitute the art of politics as it were the trenches'⁶⁹. 'Only when a combination of organized social forces strong enough to challenge the dominant power in society that political authority in the state can effectively be challenged and replaced'⁷⁰, is the war of position won. By 'dominant power' Gramsci means the merger of state apparatus and elite classes in society, which were so entwined that 'The hegemony of a dominant class thus bridged the conventional categories of state and civil society, categories which retained a certain analytical usefulness but ceased to correspond to separable entities in reality'⁷¹. From this a complex mix of state, class and family alliances emerge as oligarchic power amongst elites which entrench the nature of hegemonic power, a proposition which will be explored in this thesis in the context of Philippine elites.

Alternately a war of manoeuvre or movement, is where hegemonic power is overthrown before a consolidated level of alternative social organisation is established, this may lead to a tenuous or fragile victory⁷². Therefore for Gramsci, the separation of the dynamics of the economy from the society in which it functions is a mistake. Such an approach results in ahistorical analysis that is misleading. It assumes

⁶⁷ See footnote 49 on p. 80 of Gramsci, *op. cit.*

⁶⁸ *ibid.*, p. 243.

⁶⁹ *ibid.*

⁷⁰ Cox, 1999, *op. cit.*, p. 16.

⁷¹ Cox, *op. cit.*, 1993, p. 51.

⁷² *ibid.*, p. 16. See also here for an elegant explanation of 'passive' revolutions.

that individuals are free to act autonomously, but they cannot, they have to act within the restraints of the societies of which they are part. For Gramsci historical change is seen in a holistic fashion. Separate events or realms of analysis such as the economy or politics are not seen as areas of discrete analysis which are then brought together to explain social change. Rather it is how these processes are defined and linked by their social context, and over time, that explain agency and change.

Gramsci also considers the formation of ideologies and that 'emancipation must begin in the ideational realm'⁷³, here again we encounter the proposition that ideas are the product of the society in which they were formulated. As technological innovation is a product of the society in which it is developed, a man's ideology of the world is also a product of that society. However, Gramsci questions whether man should accept the dominant ideology of his society uncritically or whether he should take time for self-reflection and to work out his own position. There exists the potential for man to be more self-aware of his own place in society, and the social forces that have defined this. For Gramsci an uncritical acceptance of ideology may constitute ideological hegemony, a dominant ideology may hold sway in society that in fact 'serves the dominant few to the detriment of the marginalised many'⁷⁴. For instance it could be argued that the dominant ideology of free trade acts to the detriment of the poor. Are people labouring under ideologies which are detrimental to them, are they conscious of this? For Gramsci perhaps the first step towards agency is self-consciousness, or understanding of the self in society.

⁷³ Birchfield, *op. cit.*, p. 44.

⁷⁴ *ibid.*

In Gramsci's discussion on 'intellectuals' in the *Prison Notebooks*, he defines intellectuals as forming two distinct categories 'traditional' and 'organic'. Traditional intellectuals play 'a vital, if subconscious role in producing and reproducing the hegemony which provides an indispensable buttress to the prevailing patterns of domination within society'⁷⁵. Traditional intellectuals serve to uphold the existing orthodoxy, even if they are not aware of this and see themselves as free thinkers. Organic intellectuals, in contrast, are charged with devising counter-hegemony in order to challenge the existing situation. Organic intellectuals can be found in any class in society, but for Gramsci, it is the lower classes that need to cultivate organic intellectuals. Thus the lower classes would be empowered to devise their own solutions for society rather than to have them imposed from above. Gramsci also states that this process should be a practical one, 'the new intellectuals can no longer consist in eloquence, which is an exterior and momentary mover of feelings and passions, but in active participation in practical life, as a constructor, organiser, "permanent persuader" and not just a simple orator'⁷⁶. For Gramsci the organic intellectual holds the key to emancipatory agency.

The idea of lower class organic intellectuals bringing about social change is an optimistic one, but using Gramsci's own theories we must place this in its social context. It would require at least a fair democratic process and also access to education as a means of empowerment. The question of education is however, problematic, 'be suspicious of the siren call of education and training as the preferred remedy for poverty [...] a crucial, often-neglected question is whether the jobs will

⁷⁵ Wyn Jones, Richard, 'Message in a Bottle? Theory and Praxis in Critical Security Studies', *Contemporary Security Policy*, Vol. 16, No. 3, 1995, p. 305.

⁷⁶ *ibid.*, p. 306.

be there when the poor complete their training'⁷⁷. In other words it is not enough for the poor to be furnished with education, they must also live in a society in which they can use this. However the idea of organic intellectuals provides a useful notion around which to consider the possibilities of the lower classes, or the poor devising their own solutions to their plight. This could involve an investigation into the rise of civil society, in terms of NGOs and the ways that the poor are making themselves heard. Are societal structures in the Philippines allowing for this sort of political consciousness, and practical application of it, or is this inhibited, and if so why? What role do international bodies such as the UN or NGOs play in facilitating political agency of the poor, do they undermine the state?

Gramsci and Polanyi's ideas intersect in some key areas for this thesis. Gramsci and Polanyi are both concerned with the ideology of an organic society. That is, a society that is fluid, dynamic and has the potential to orchestrate change. This is opposed to the 'scientific' approach to ideology. The scientific approach can be accused of being static or positivist as it is based on empirical observation, whilst an organic approach considers agency within a social context. Gramsci also has a normative dimension, grounded in Marx, but also Aristotle's idea of the 'good society', whilst Polanyi's idea of a counter-movement in order to safeguard social welfare has obvious resonances with the normative idea of justice and morality. The idea of a holistic approach to 'sociological' study also finds its roots in Aristotle who 'in mapping out a field of study [...] would relate all questions of institutional origins and function to the totality of society'⁷⁸.

⁷⁷ See: Wilson, Francis, 'Drawing Together Some Regional Perspectives on Poverty', in: Øyen, Miller and Syed, *op. cit.*, pp. 18-32, p. 30.

In terms of studying IR Polanyi and Gramsci are similar in that they have discussed what are effectively domestic cases, Great Britain and Italy respectively, yet link these implicitly to an international context. In the work of both men an understanding of domestic societies aids understanding of the international context. Yet the domestic cannot be understood in isolation, 'the point of departure is "national" – and it is from this point of departure that we must begin. Yet the perspective is international and cannot be otherwise'⁷⁹. Therefore even though Polanyi and Gramsci were not seen as IR scholars their work has been adopted by the disciplines of both IR and IPE.

Polanyi and Gramsci also converge in that they reject the economic determinism of Marxism. Polanyi rejects both Liberalism and Marxism for the primacy they place on market dynamics and the mode of production without situating these in a social context. Gramsci rejects the idea of the base determining the superstructure of society and dismisses "the rigid separation of base and superstructure"⁸⁰. He replaces the theory of false consciousness with one of consciousness, which results in the capacity for human agency. Aspects of the base and the superstructure merge for Gramsci, this means that the mode of production is not distinct from societal relations. Despite rejecting the mode of production as the means of determining social life and the idea that revolution will come through the mass of the proletariat, both men are engaged with socialist dogma. Their ideas are intimately linked to a critique of capitalist market society however this critique is fashioned within the context of a holistic reading of an 'organic' society that Marxism does not broach. In other words opportunities and solutions will not be sought and created by particular classes or

⁷⁸ Block and Somers, *op. cit.*, p. 62.

⁷⁹ Gramsci, *op. cit.*, p. 240.

⁸⁰ Birchfield, *op. cit.* p. 42.

sections of society, they will be devised by society as a whole, in order to benefit society as a whole.

Gramsci is additionally salient for my research methodology because 'what had previously been described as 'marginal' territory – the everyday lives of the impoverished and the illiterate majority of humankind – becomes for Gramsci the centre around which the political world evolves'⁸¹. For my thesis this is a key issue, even though poverty will be considered in terms of existing social reality, I aim to draw it back into mainstream theoretical, political debate. This contention alone suggests an original way to conduct poverty research. Until now poverty has largely been treated as a welfare issue, symptoms not causes tend to be addressed, or it becomes subsumed within the development literature.

'For much of "mainstream" conventional IR and IPE, "the poor" and the conditions of "poverty" either do not exist or are of such low visibility and perceived importance as to be virtually invisible'⁸². It is perceived that the poor are invisible to IPE theory because they exercise little command over resources. It is argued that poverty has not been recognised on an international level by foreign policy elites because 'those at, or below, the poverty line have not been mobilised into a decisive political force to which policy-makers must be sensitive'⁸³. In other words because they have little international political influence, they are irrelevant. Whilst this may be the case, the poor, even if they operate in a non-monetary economy constitute a rich case study if we wish to consider ideas such as emancipation and structure and agency. Even if we

⁸¹ Germino: quoted in *ibid.*, p. 41.

⁸² Tooze, Roger and Murphy, Craig N., 'The Epistemology of Poverty and the Poverty of Epistemology in IPE; Mystery, Blindness, and Invisibility', *Millennium*, Vol. 25, No. 3, pp. 681-707, 1996, p. 681.

find that the poor are inert we will identify structural causes and be able to, at least tentatively, suggest ways to rectify this. Therefore even though issues such as agency and free trade will be central here, it is my intention for the poor to be in focus and to be visible. In this thesis, they will be the centre of attention.

The Researcher and the Researched

It is not the concern of this thesis to provide what Geertz has called the 'thick description'⁸⁴ of ethnography. Geertz describes his own work as 'empirical studies rather than theoretical disquisitions, for I grow uncomfortable when I get too far away from the immediacies of social life'⁸⁵. This is not to say that there is little value in empirical observation of a subject, but that the observer must be aware of their own implicit cultural norms which mean that all observation undergoes some form of subjective interpretation. This also leads on from Gramsci's 'self-consciousness' or the understanding of self in society. Geertz draws on Wittgenstein who comments that people sharing cultural norms may be 'transparent' to each other, as codes of behaviour are understood. But alternatively 'one human being can be a complete enigma to another. We learn this when we come into a strange country with entirely strange traditions'⁸⁶.

My most graphic experience of the entirely strange was viewing a wake, complete with coffin, on the street pavement in Quezon City on my first night in Manila. The

⁸³ Durfee, Mary and Rosenau, James N., 'Playing Catch-Up: International Relations and Poverty Theory', *Millennium*, Vol. 25, No. 3, pp. 521-46, 1996, p. 527.

⁸⁴ See: Geertz, Clifford, *The Interpretation of Cultures*, London: Fontana Press, 1993, Chapter One.

⁸⁵ *ibid.*, p. vii.

coffin was surrounded by people, including young children, and lighted candles and flowers. That this was conducted in the street seemed to me to be strange enough, but my incredulity deepened as I witnessed this process continuing day and night for perhaps a week. When asked why a burial was not underway my hosts informed me that it was bad luck to plan for a death before the event and that money for the internment had to be raised through playing cards. This process seemed so bizarre from my cultural framework that I quietly remained sceptical about it for weeks. However my experience was confirmed by Berner who writes

Wakes are held for nine days, with the deceased lying in a glass-top coffin with heavy makeup, surrounded by flowers, religious items and photographs from better days. Not only the neighbours but everyone the deceased had some contact with will drop in once or more often, have a drink and some food and join in the hours of mahjong sessions. Even the state recognizes the social importance of wakes: They are the only occasions where gambling is legal outside specific premises, such as cock-pits, race tracks and the casino.⁸⁷

The ritual of the wake then serves a social purpose amongst the urban poor, but also solves the problem of financing the burial. The coffin was on the pavement simply because the limited space in shanty housing means that household activities literally spill out on to the pavement. What in the west may seem like a bizarre and even undignified process, in the Philippines forms a positive social function.

⁸⁶ *ibid.*, p. 13.

⁸⁷ Berner, *op. cit.*, p. 91.

My point here is that the researcher cannot abandon her own cultural norms, but she should be aware of them and ideally at some level seek to transcend them. Giddens similarly notes that social reality is unavoidably interpreted through 'frames of meaning'⁸⁸, and that this applies to both the subject of research and the researcher leading to a double hermeneutic. For Giddens an analysis of the sociology informing methodological schemes of interpretation, is as much a part of research as the research subject itself. Yet perhaps most importantly, the poor should to be listened too, as the active participant of poverty research, rather than the object.

In turn it may be the case that the researcher herself may well turn out to be an object of curiosity, and even though ethnic or religious differences may be present other similarities such as gender, parenthood or again religion may help forge common ground. Filipinos are very family orientated and keen to know about a person's domestic situation. Therefore information on marital status and numbers of children is of great interest. Apart from the South, the Philippines is a predominantly Catholic country and in my experience Filipinos have no qualms over asking about religious preferences. Therefore without distorting reality it makes sense for a researcher to 'select those aspects of who you are that make sense in the world of the interviewee and that facilitate conversation'⁸⁹. Also it was the case that 'I discussed situations with my informants that we had all observed'⁹⁰, they wanted to know what I thought. It was in many ways a process of mutual discovery and this is of value as it adds to the texture and depth of the research process.

⁸⁸ Giddens, *op. cit.*, p. 166.

Part of my concern here is to understand the sociological construction of poverty and the agency deployed to remedy this, both in economic and socio-political terms. Here again the cognitive lens of cultural norms must be acknowledged, for if we abandon 'critical self-appraisal of our ideas and results, we fall into pretentious and useless expressions of our personal or national preferences and representations'⁹¹. We are also concerned here with the understanding of the role of society in the formation of structures, and social actors as agents. To posit structure as the determining force of behaviour means that social actors may respond to, for instance; 'gaps between cultural values and institutional rules, or more simply inequality'⁹². Social actors may react to the way that society is structured if they perceive it to be having a negative effect on their interests. However it may well be necessary to do this as part of collective action in order to have any effect, and those whose interests are well served may resist this action. However as a research agenda a subjective assessment of opinions on levels of satisfaction may not indicate the potential for collective action in order to bring about societal change. Rather an assessment of the content and the discontented may be an indicator of structural conflict within a society, whether or not this is acted upon. The distinction between content and discontented could be non-poor and poor, but the methodology behind this categorisation is also problematic.

It can be said that it may be easier to voice discontentment, perhaps through wars of position, in modern and democratic societies, however this may not lead to effective remedial action. The identification of structural conflict does not necessarily explain

⁸⁹ Rubin, Herbert J. and Rubin, Irene S., *Qualitative Interviewing The Art of Hearing Data*, London: Sage, 1995, p. 116.

⁹⁰ Burgess, *op. cit.*, p. 105.

⁹¹ Touraine, Alain, 'An Introduction to the Study of Social Movements', *Social Research*, Vol. 52, No. 4, pp. 749-87, 1985, p. 750.

the aims of social action in any generalised sense. For instance the poor at EDSA III wanted to overthrow the new government, whilst the NGOs merely wanted an improved and more accountable performance from the one that was there⁹³, resulting in an aborted war of manoeuvre, rather than a consolidated war of position. Thus there are inherent problems in the subjective analysis of actor agency. An obvious problem is that the actors themselves are subject to the norms of their given society and this will dictate the way that they act, therefore the researcher could end up attempting to research subjective action in a positive manner.

Post-modernists may take this further and argue that the process of translating observable reality through the epistemological method of research, is a distortion of that reality. The world we investigate is 'not organized naturally into disciplinary compartments'⁹⁴. Similarly postmodernism equates assertions of knowledge with relationships of power between researchers and the researched. Claiming that knowledge is multi-dimensional and subjective, fluid post-modernists find the idea of 'reality' problematic for research. Not least because in the act of research we can only give representations of reality, not reality as it really is, in the process of research reality is 'constructed or shaped in a way particular to the codings of the signifying system'⁹⁵. So interpreting reality, and we cannot do otherwise, as a Rawlsian type 'original position' is unattainable, we are automatically filtering information through the implicit value system of the researcher.

⁹² *ibid.*, p. 765.

⁹³ This is expanded at length in Chapter Six.

⁹⁴ Usher, Robin, 'Postmodern Approaches to Social Research', pp. 27-41, in McKenzie, *et al. op. cit.*, 1997, p. 33.

⁹⁵ *ibid.*, p. 32.

This is further complicated by the practice of writing or discussion, social reality becomes mediated through the form of language and this also itself becomes a distortion of reality. Writing is an active conveying of meaning rather than a passive recreation of reality, mediated by our choice of language. For instance in some countries there exists no words for poor or poverty, so by laying on these contexts alien meanings we are already creating a distortion of social reality.

Interviews

In most cases 'interview by conversation' was the most fruitful means of eliciting personal information and the confidence of those being interviewed. This would perhaps be more problematic if a more formalised approach was adopted. Also in some cases 'interview by conversation' ran over many days. This was possible as I travelled as part of the Food International Action Network (FIAN) fact finding mission in the Visayan Islands. My field work was facilitated by the People's Global Exchange (PGX)⁹⁶ who introduced me to many members of the local NGO community and my accommodation was at ISIS International Women's Centre⁹⁷, in Teacher's Village⁹⁸, Quezon City rather than at a hotel. Teacher's Village is the centre of the NGO community in Quezon City, and this meant that I was also able to interview other female researchers and NGO workers at ISIS.

⁹⁶ See: <http://pgx-phil.tripod.com/depe/>. [Accessed 6 April 2003].

⁹⁷ See: www.isiswomen.org6.4/03/index.php. [Accessed 6 April 2003].

⁹⁸ The area is called Teacher's Village because many of the academic's from the nearby Diliman Campus of the University of the Philippines live here.

Rubin and Irene Rubin have noted that 'for women, unlike men, the way in which the message is exchanged is as important as the message itself [and also that] women may be more likely to give multiple messages at the same time'⁹⁹. This is particularly important in terms of interview by conversation as a conversation has to be comfortable for an interviewee to volunteer meaningful reflections for research. This data then has to be deconstructed in terms of Giddens' frames of meaning', and yet reconstructed in empirical context by the researcher, to be of most value in terms of qualitative research. Certainly it was useful in terms of building a rapport with female interviewees to be also travelling and living with them. This meant that detailed information was volunteered from personal experience as well as technical research data leading to a richer understanding of a culture alien to my own. Indeed Rubin and Rubin also note that it may actually be advantageous for interviewers and interviewees to have diverse backgrounds as 'interviewees strive to explain their ethnic experiences to those who do not share them'¹⁰⁰, leading to very detailed interview responses.

In more formal interview situations such as at the Department of Agrarian Reform (DAR) in Manila the government officials to be interviewed requested a list of interview questions before I arrived and initially were keen to stick with this. However when it was established that I wished to discuss the land reform program generically rather than refer to on-going and specific legal problems, they were willing to volunteer quite detailed information on both the aims, and the problems, of the Comprehensive Agrarian Reform Programme (CARP). This was in some ways the reverse of what was experienced in the Visayas when farmer groups were interviewed.

⁹⁹ Rubin and Rubin, *op. cit.*, p. 112.

¹⁰⁰ *ibid.*, p. 111.

The FIAN group's mission was to explore land reform abuses and the farmers were anxious to give specific details on their problems as these were of the utmost concern to them, often in terms of on-going legal battles. In this context I was not there as an academic but as part of the NGO team which was seeking to further the land reform process. So my identity as researcher was in certain ways fluid. The FIAN research agenda was to investigate the progress and problems of the land reform agenda in specific problematic cases. Through this I was able to glean primary information on the structure of rural society and the capacity of the farmers to actively make a difference to their circumstances. During the FIAN trip we also held a church service, shared meals and had the opportunity to interview members of the farming community individually as well as the group interviews. So the FIAN research agenda complimented and intersected with my own.

Methodological Reflection

The critical theoretical, rather than field-work based, approach here is not an attempt to create distance from the realities of poverty in the Philippines, it is rather an attempt to place poverty in the mainstream of IR. There are also practical considerations attached to this approach. Ligaya Lindio-McGovern's work *Filipino Peasant Women* considers the case of women agricultural workers on the Philippine island of Mindoro. She studies factors such as repression and resistance and states that 'serious involvement in social change also means understanding in detail what we want to change'¹⁰¹. These are similar sentiments to those expressed here. However, whilst we both aim to contribute to the same research field our methodologies are

diverse. Lindio-McGovern spent months living with the peasant women of Mindoro in order to see first hand how they lived. Hers was action research to the extent that she even shared the same sleeping quarters with the peasant women, and as Mindoro is a militarized zone she had to dodge the military and on occasion even faced gun point. This is commendable and resulted in an intimate portrait of both her field work experiences and the lives of her subjects. However Lindio-McGovern is a Filipino of peasant extraction, therefore she speaks the language and is indistinguishable from the indigenous population.

A white, western woman would not manage to adapt to peasant society with quite the same ease. There were also constraints on time and financing for field work, for these reasons, as well as a genuine interest in the approach, my methodology is of a more theoretical nature. This raised a potential problem in terms of the relationship of the researched and the researcher, there are 'a whole set of ethical issues that run as an undercurrent between the relatively affluent researchers and the poor people being studied'¹⁰².

Nevertheless, during my fieldwork, to the extent possible in the period of time available, I did integrate into the NGO community in Manila and in the Visayan islands in ways that I had not anticipated. Due to the opportunity of the FIAN expedition, which forms the basis of Chapter Four, I was able to experience the conditions rural communities live and work. I saw how they lived, cooked, raised their children, the practical problems they faced such as lack of electricity and water and coped in the face of limited resources and harassment. Because I had the

¹⁰¹ Lindio-McGovern, Ligaya, *Filipino Peasant Women*, Philadelphia: University of Pennsylvania Press, 1997.

credibility of being with NGO workers that they knew and trusted I also was trusted and welcomed in a way that an unaccompanied stranger would never have been. However, care had to be taken as there were slight subtleties in body language and dress that have to be respected, as well as the culture of eating and hospitality that one has to be careful to engage with. On the trip to the Visayas I was treated as just another member of the mission and had to sleep on office floors the same as everyone else. This aided the cohesion of the disparate members of the group and to have requested anything else would have been divisive.

Also interview techniques ranged from formal questioning by the FIAN group as a whole, to informal conversation where both the researcher and the researched raised questions. And in the event, I also faced the armed military and private armies in close proximity. Because the objective of the FIAN mission was to compile a report of land rights abuses to present to the Department of Agrarian Reform (DAR) and the Philippines government, the team were greeted not as voyeurs, but rather as the means for the peasants to convey their concerns. So we in a sense served a purpose rather than just exploited the opportunity for research data. This data came together in various ways and the views of the farmers, local officials of both the DAR and local government, PO and NGO workers and central DAR were all available to me. However one important point of contact that I could not access was the opinion of the landlords because of the capacity that I was travelling under. To have approached the landlords we were gathering land rights abuse information on, would have been potentially dangerous for both ourselves and the farmers we visited¹⁰³.

¹⁰² Øyen, *op. cit.*, p. 11.

¹⁰³ However research has been undertaken from this viewpoint see i.e.: Angeles, Leonora C., 'The Political Dimension in the Agrarian Question: Strategies of Resilience and Political Entrepreneurship

In Manila, I was introduced to a worker at a day nursery at the Payatas estate, this led to an invitation to visit the rubbish dump itself and the opportunity to visit the community there. These types of experiences contrasted markedly with interviews in the marble halls of the Asian Development Bank (ADB) and the offices of the DAR. But on reflection the poor (but I use this word with caution as to categorise them as 'poor' and no other adjective seems to rob them of their identity, as these people were many other things apart from poor) I met displayed resilience and hope in the face of often desperate circumstances. Also importantly, many of the NGO workers and government officials that I met in the Philippines have continued to support my research through e-mail correspondence, thus informing and expanding the nature of my primary research.

Conclusion

Quantitative analysis remains the current favoured mode of poverty research in the higher echelons of international power, although this may be disguised by socially responsible rhetoric. However this limited methodology would not go far towards an analysis of the social dynamics I propose here. By choosing to employ the ideas of Polanyi and Gramsci in order to devise a methodological framework my aim is to better understand poverty in its social context. That is, not to approach poverty as a discrete isolated object for study within a fixed context and moment but rather to understand the dynamics and structures that cause and mediate it. By understanding the societal or institutional context of poverty one is better placed to identify

structures of oppression and potential for emancipation. The issues which Gramsci and Polanyi raise, such as the idea of organic intellectuals and the double-movement can be used in order to devise questions which test and reveal the responses of not just the poor but the whole of society to poverty. This informs the domestic case study and also extends to the international sphere to show how international structures and processes impact and interact with domestic ones to create poverty, and also how transnational civil society reacts to the problem.

The role of the state as mediator or perpetrator of these problems is central. Resources are not allocated under a Rawlsian 'veil of ignorance' or a social void and to a certain degree access to resources is determined by birth right. Although Nozick would counter this as access to opportunity is deemed be equal, however to play on Orwell's words, all men are equal yet some societies are more equal than others, with international society perhaps being the most unequal of all. The core question of this thesis will be to view how differing groups within society approach (or ignore) poverty, and the result of their actions. Apart from the obvious motivation to secure a decent standard of living, does the pursuit of wealth, or the equilibrium of the social whole receive priority? A liberal reading of the problem would deem that these are not necessarily mutually exclusive options, but in reality the former is prioritised. But if this is the case is it not achieved at the expense of the latter and is it socially sustainable, in both a national and international sense?

Given my argument for a qualitative and socially grounded methodology which examines social dynamics and inequalities as well as quantitative dimensions of poverty the next Chapter of the thesis will constitute a socio-cultural history of the

Philippines. This will necessarily start some centuries ago as the nature of Philippine land holding and oligarchic family and political relations find their roots deep in the within the Spanish and the United States colonial experience. This has also strongly influenced Philippine religious and cultural life. The Philippines may be one of the most westernised countries in the East but this is tempered by Catholicism, apart from the Muslim South. More recent history such as the martial law of Marcos also informs us of why civil society enjoys the democratic 'space' that it does and the form and nature of this. It can be argued that the current freedom of civil society is a reaction against previous authoritarianism, but even so civil society operates in a space dominated by the entrenched power of a few elite families. The dynamics of these social and political relationships inform attitudes towards the international economy and also the nature of economic distribution within the country. This revealing of the historically grounded nature of Philippines social structures, such as government bureaucracy, will counter the normative accusation of researching structures in a positive fashion.

Building on Chapter Three, Chapter Four is a case study of rural poverty, focussing on the Visayan Islands in the central belt of the Philippines. Specifically this Chapter will test how the Comprehensive Agrarian Reform Programme (CARP) operates and asks whether this can be viewed as a successful example of a counter or double move and also whether the CARP in anyway functions as part of a war of position in the rural Philippines. Given Polanyi's focus on the commodification of land and labour and the disruption of societies given technological change and market mechanisms, the nexus between rural elites and internationally imposed forms of industrial farming and trade becomes salient for the Philippine rural economy. Entrenched local

structures and the pervasive forms of international agrarian economics merge to form a hegemony which the CARP must counter in order in order to facilitate this agrarian war of position. But the CARP is also a product of the society it operates in and the agencies that smooth its path, such as the Department of Agrarian Reform (DAR) and concerned NGOs, have their actions checked and balanced by other sectors of society. However the ultimate aim of Chapter Four shall be to see whether the CARP makes a structural difference to the alleviation of poverty in the Philippines. Does it remedy the causes rather than the manifestations of rural poverty?

In Chapter Five the dynamics of poverty alleviation in the city, in this case Manila, shall be explored. The 1992 Local Government Code (LDC) shall be explored to test whether this facilitates transparent democracy through the devolution of power, and acts as a structural determinant to poverty alleviation and the redistribution of power, or whether this has failed to function effectively in the face of corruption. Here again the dynamics of this process can be examined in terms of an urban challenge to hegemony. At grassroots level community building will be explored to examine how 'society' operates in distinct forms in informal shanty housing in the Philippines. It is indicative that these collections of housing are called 'communities' rather than areas, and they tend to operate in the social collective sense of the word. In often perilous and impoverished circumstances vibrant forms of community flourish despite, or even because of, adversity or economic discrimination. Therefore the ways that the poor strive to maximise their capabilities, and how this is a socially located process, is explored. This also can be seen as a form of double-move as these communities, although not supported by the state are tolerated to some extent, even though they may be illegal.

Meanwhile acting to facilitate grassroots support and organising advocacy programmes, Philippine Peoples Organisations (POs) and NGOs continue the war of attrition against inequality, poverty and corruption. It is within this realm that organic intellectuals are most likely to emerge. The historical development of poverty research in the Philippines by the state and other organisations shall be explored in order to show how the social dynamics of the problem have been revealed. Here again we see that poverty alleviation strategies must be devised to account for the particular social milieu they must function in. Finally Chapter Six will constitute an exploration of the nature of the relationship between democracy and poverty alleviation. This will include an assessment of the ousting of President Estrada in January 2001. EDSA II, as it was known, will be examined to see if this constituted a successful war of position or if this was merely a war of manoeuvre which was initially masked by the appearance of fresh faces at the political helm. Importantly it will be asked whether the change of regime actually made a difference to the prospects of the poor and indeed whether EDSA II was a form of functioning democracy at all.

Recently research has been generated on the nexus between democracy and levels of economic development, especially in the face of economic and cultural globalisation. But research seems to stop short of examining how societal responses to the malfunctioning of these variables emerges on the ground, whilst also drawing direct causal links to both of them, yet also being mindful of specific social contexts. As Dasgupta noted, no research has been undertaken on the political or welfare preferences of the poor given varying levels of economic development. In other

words when does the ballot box take precedence over the stomach? And can the answer to this be anything other than a qualitative judgement? Democracy is desirable for what it can facilitate, not just as an end in itself, such as government accountability and potentially societal equality. Double moves by the state, or counter moves by civil society can be traced as specific responses, or failures, to the realities of inequality and poverty in the contemporary Philippine social environment.

Chapter Three

Locating Hegemony and Counter-hegemony in Philippine Historical Experience

Introduction

A critical understanding of the character, incidence and social formation of poverty in the contemporary Philippines is informed by a consideration of predetermining historical processes. This chapter will aim to identify the historically contingent origins of the poverty and inequality that is characteristic of Filipino society. Its purpose will be to locate the societal forces and economic ambitions that have led to both domestic class stratification¹, and forms of international imperialism which have impacted on the archipelago. This is not a simple matter of economic process or control, it is also concerned with religion, language, culture, geography, politics and wars. This is indicative of the multidimensional nature of the social determinants which form the backdrop for distributive economics and consequent social formations.

The following analysis identifies the way that power, in terms of wealth and political control², has been distributed within Filipino society, and between Filipino society

¹ Cox for instance notes that 'Class is to be understood as a real historical relationship and not merely as an analytical category in the mind of the analyst'; Cox, Robert W., *Production, Power and World Order*, New York: Columbia University Press, 1987, p. 355.

² However, these forms of power may also be upheld by the threat of physical violence. Block and Somers meanwhile assert, with reference to Polanyi, that 'power and compulsion are part of the elementary requirements of social life [and that] the achievement of human freedom will require

and elsewhere. By charting the history of such 'mutual social penetrations and transformations [which] constantly force restructuring on all of the classes, states, and societies interlocked into these competitive/cooperative relationships'³ we can better understand poverty in a historical sociological sense, and be better equipped to assess the chances of empowerment or emancipation for the impoverished in current Filipino society. Methodologically this relates to the social context of qualitative analysis. This applies the Gramscian historical materialist idea that the order or 'structure' of society cannot be discretely quantified, rather 'it has a human(ist) aspect: historical change is understood as, to a substantial degree, the consequence of collective human activity'⁴.

The contemporary rural and urban poverty considered in subsequent chapters of this thesis are informed by the historical origins of hegemony and counter-hegemony. This will serve to emphasize that poverty is part of a qualitative social process, as opposed to the object of positivist quantification⁵. The aim is to reveal the power relations that protect the structural hegemony of the non-poor, thereby informing 'socially situated' or critical prescriptions for agency and the alleviation of poverty. Such agency must be informed by examining social organisation from 'the bottom

conscious action [here in terms of freedom from poverty] to restrain the necessary but dangerous exercise of political power'. Block, Fred and Somers, Margaret R., 'Beyond the Economic Fallacy: The Holistic Social Science of Karl Polanyi', in Skocpol, Theda (ed.), *Vision and Method in Historical Sociology*, Cambridge: Cambridge University Press, pp. 47-83, 1984, p. 78.

³ Gills, Barry, 'The Hegemonic Transition in East Asia: A Historical Perspective', in Gill, Stephen, (ed.) *Gramsci, Historical Materialism and International Relations*, Cambridge: Cambridge University Press, pp. 186-212, 1993, p. 186.

⁴ Gill, Stephen, 'Epistemology, Ontology and the 'Italian School'', pp. 21-48, in Gill, Stephen (ed.), *ibid.*, p. 22.

⁵ Indeed my attention to historical origins appeared justified during field work in 2001. For instance in the Visayan Islands Father Anoran started his interview on land rights abuses with the words '400 years ago.....', so for him, this was the starting point to understand contemporary land holding patterns. Also the historical lineage of the landowners involved in contemporary cases was instantly recognisable from their names, notably the Cojuangco family.

upwards as well as the top downwards [...] with movement rather than management'⁶, being a key variable for forms of redistributive justice.

Also I shall seek to reveal contradictions in historical interpretation, revealing how identity and social and class formations in the Philippines have been mediated, and emerge from, a series of national and international vested interests. The history(ies) of the Philippines, and colonial interventions in the country, have been interpreted through a variety of socio-cultural lenses which reflect the real or imagined traditions of both domestic and international actors

Foreign Interventions and (Re)Interpretations

Philippine history has unfolded against a backdrop of foreign manipulation and control. The Spanish and then the United States (US), interrupted by a brief interlude under Japanese control during World War II, intervened in Filipino society for centuries wielding both colonial and neo-colonial forms of control. The Philippines was named⁷ in 1542, by Ruy Lopez de Villalobos, in honour of Philip, Crown Prince of Spain, regent of King Charles. The identity of the islands, in terms of naming, political organisation and territorial limits were determined not from the islanders themselves, but by Europeans.

⁶ Gill, *op. cit.*, p. 25. Cox also follows this theme, stating that an investigation on the potential for a shift in the relations of production and exchange, in terms of both classes and states, must consider 'what are the forces that are either present in combat or more passively available for mobilization into combat?' Cox, *op. cit.*, p. 357, in other words, where does the potential for agency lie?

⁷ On the cultural politics of naming see: Farrands, Christopher, 'Naming the Unknown: The Language of Ethics, the Language of First Encounters, and the Possibility of Cross-Cultural Conversation Unpublished Paper presented at the International Studies Association Conference, New Orleans, 2002.

In 1898 the Philippines was handed from Spain to the US under the Treaty of Paris⁸. A Republic was declared in June 1898 but this only lasted until February 1899 when the Americans acted to suppress an alleged guerrilla uprising by the Filipinos. This marked the advent of the Philippine-American war which lasted until 1902, which has been described as the 'first Vietnam'⁹ because of the American strategy of 'hamleting'¹⁰, many hundreds of thousands of Filipino deaths and destruction of the environment during the hostilities¹¹. After the Filipino population had been 'pacified', the islands became the tutelary of the US.

By 1935 indigenous calls for Filipino independence resulted in the Tydings-McDuffie Act, which allowed for the creation of a Commonwealth which was to lead to independence after a 10 year transition period. However in 1941 the Philippines was invaded by the Japanese shortly after Pearl Harbor, and by 1942 the Philippines was under their control. The culmination of the occupation was the Battle of Manila from December 1944 to February 1945. In 1946 the Philippines was granted full independence, however this independence immediately became subsumed within the matrix of the Cold War. The US finally left their military bases in the Philippines in 1991, their departure hastened by the eruption of Mount Pinatubo¹².

⁸ The Treaty was belatedly and only narrowly passed by the US congress which held a significant proportion of isolationist sympathisers. See: Schirmer, Daniel B. and Shalom, Stephen Roskamm, (eds.), *The Philippines Reader: A History of Colonialism, Neocolonialism, Dictatorship and Resistance*, Boston: South End Press, 1987, pp. 9-10.

⁹ See for instance: San Juan Jr, E., 'The question of race in the 21st century', *Dialogue and Initiative*, pp. 31-4 Spring 1999, p. 31.

¹⁰ The idea behind this was to confine peasants to armed stockades so that they could not be recruited by insurgent forces, for the Vietnam case see: Karnow, Stanley, *Vietnam a History*, London: Pimlico, 1983, pp. 272-5.

¹¹ See: Blitz, Amy, *The Contested State: American Foreign Policy and Regime Change in the Philippines*, Lanham: Rowman and Littlefield, 2000, p. 43.

¹² For a physical description of the consequences of this see: Kirk, Donald, *Looted: The Philippines After the Bases*, New York: St. Martin's Press, 1998, Chapter Two.

This is the backdrop of international interference that has interacted with domestic Filipino society resulting in a history characterised by 'recurrent peasant rebellions, ethnic and religious secessionist movements, anti-colonial guerrilla warfare, rightwing coup attempts, and everyday modes of oppositional practices among different subaltern groups'¹³. Filipino society has evolved through processes of attempted assimilation and domination by various groups. In turn, the distribution of power and wealth within Filipino society has been mediated by these processes. Karnow has stated that by the late 1980s the Philippines was 'still a feudal society dominated by an oligarchy of rich dynasties which had evolved from one of the world's longest continuous spans of Western imperial rule'¹⁴. An appreciation of this is crucial in gaining a meaningful understanding of Filipino poverty.

Given the Philippines history of Western domination, it is prudent to query the context and prevailing norms through which historical narratives are produced in terms of communicative ethics¹⁵. Is this the history of the Philippines told by Filipinos? Or is it a history told by colonisers? Who has ownership of this history? Even if texts are historically correct are they manipulated by loaded language in order to co-opt the reader into a hegemonic orthodoxy¹⁶? In line with this study's Gramscian approach, deconstructing discourse helps us to locate how the Philippines

¹³ Rafael, Vicente, L., 'Writing Outside: On the Question of Location', in Rafael, Vicente, L. (ed.), *Discrepant Histories: Translocal Essays on Filipino Cultures*, Philadelphia: Temple University Press, pp. xiii-xxvii, 1995, p. xvi.

¹⁴ Karnow, Stanley, *In Our Image: America's Empire in the Philippines*, New York: Ballantine Books, 1989, p. 9.

¹⁵ See i.e. Habermas, Jürgen, trans. Lenhardt, Christian and Nicholson, *Moral Consciousness and Communicative Action*, Cambridge, Mass: Shierry Weber, MIT Press, 1990; Gadamer, Hans-Georg, trans. and ed. David E. Linge, *Philosophical Hermeneutics*, Los Angeles: University of California Press, 1976.

¹⁶ Habermas notes that certain idealizations may be falsely assumed in the action of communication; the ascription of identical meanings, that utterances mean the same thing in varying contexts and that those making claims are genuine and accountable. If histories are produced to preserve or protect the vested interests of dominant actors, or produced by one group to the exclusion of another, then this

became subsumed within¹⁷ the larger drama of the global political economy of American hegemony. It can also analyse how official documentation on poverty accepts and perpetuates the orthodox notion of benign hegemony, a point to which we will return in later chapters. Therefore when considering the history of the Philippines the cultural contexts in which this history was recorded are significant.

Foucault observes that when looking at discourses of knowledge or observation,

*what one must characterize and individualize is the coexistence of these dispersed and heterogeneous statements; the system that governs their division, the degree to which they depend upon one another, the way in which they interlock or exclude one another, the transformation that they undergo, and the play of their location, arrangement and replacement*¹⁸.

In order to move towards a deeper understanding of history and the discourse through which it is represented one needs to appreciate not just individual or contradictory statements, but also their relationship to each other and the social environment in which they were produced. Conflicting histories are not discrete or static, discourses also inform each other, even when they are contradictory, and inform future discourses.

clearly may not be the case. See: Habermas, Jurgen, *Between Facts and Norms Contributions to a Discourse Theory on Law and Democracy*, Cambridge Mass: The MIT Press, 1999, p. 4.

¹⁷ George identifies this problem noting that various forms of social movements in often radically differing social contexts, 'represent also a politics of difference, the articulation of the many world's of people's experiences and aspirations, which cannot and should not be constrained by the dictates of a "particular meaning of humanity"'. By this he means that it is problematic for diverse groups to be similarly subsumed within the same traditional forms of Western dominated explanatory methodologies and language, as the complexity of their struggle and social situation will be lost in the through poorly fitting interpretive discourse. See: George, Jim, *Discourses of Global Politics: A Critical (Re)Introduction to International Relations*, Boulder: Lynne Rienner, 1994, p. 212.

Lefebvre¹⁹ suggests that historical consciousness may lose its coherence because of the disruption of space, which erodes discrete cultural values. Although he locates this problematic in modern times, the 'confrontations and clashes' he identifies can be seen in the history of foreign intervention in the Philippines, which forced open and reconfigured cultural and spatial identity. For San Juan this disruption is characteristic of the Filipino diaspora, 'what is lost is not only temporal-spatial continuity but, more important, the practice and vision of some historical good that informs the unity of character and life-histories of its individual members'²⁰. The history of disruption of Filipino society by colonial interference produced a consequential fragmentation of community and, in turn, reconfigured ideas of identity and the way that history and its narratives are perceived or imagined.

The Spanish

The Philippines did not exist as a cohesive nation-state, in the European sense, in pre-Hispanic times. It had no collective name, and the only documentary references to it are Chinese trading records, which only give vague references to the archipelago. It had no centralised infrastructure or other state apparatus such as a military, therefore when the Spanish arrived to claim the Philippines in 1565 there was no central authority to co-ordinate opposition to this. Indeed previous to this the Magellan expedition, which landed at what is now Cebu, in 1521 completely misread the

¹⁸ Foucault, Michel, trans. Smith, A. M. Sheridan, *The Archaeology of Knowledge*, London and New York: Routledge, 2002 [1962], p. 37-8.

¹⁹ See: Lefebvre, Henri, trans. Nicholson-Smith, Donald, *The Production of Space*, Oxford: Blackwell, 1991[1974], pp. 416-18.

²⁰ San Juan, Jr. E., *After Postcolonialism: Remapping Philippines-United States Confrontations*, Maryland: Rowman and Littlefield, 2000, p. 19.

politics of inter-tribal rivalry when they attempted to convert the locals to Catholicism.

Magellan first named the islands, 'San Lázaro, in honour of Lazarus, whom Jesus had resurrected'²¹ because he feared that his mission to find spices was heading for disaster after more than an unfruitful year at sea. The objective of the Magellan mission was to secure access to spices in East Asia and to challenge the dominant position of the Portuguese in the spice trade²². Over the course of his long journey Magellan, who was Portuguese, but was sponsored by King Charles of Spain, lost many men and one of his four ships, to the ravages of the sea and lack of supplies. He had managed to replenish supplies in what is now Guam, but this was at the cost of the locals robbing the ships. When he reached Cebu he was heartened by the seeming willingness of Humabon, the local chief, to embrace Catholicism. But Magellan succumbed to the manoeuvrings of Humabon who encouraged him to take his side in local rivalries against other tribes who would not convert. The consequence of this was the massacre of Magellan and many of his shipmates by the rival Lapu Lapu²³ tribe.

Humabon meanwhile, revealed himself as a false Catholic, and killed twenty-four of the remaining Magellan officers. Eventually the mission limped home to Seville, 'eighteen of an original crew of two hundred and seventy'²⁴ returned. So the first pioneers from the Occident fell victim to tribal duplicity, in what was to become the Philippines. The next expedition from Spain, organised after King Charles recognised

²¹ Karnow, *op. cit.*, p. 35.

²² See for instance: Milton, Giles, *Nathaniel's Nutmeg*, London: Quality Paperbacks Direct, 1999, for a history of the spice trade.

²³ Now the name of a city on Mactan Island, just off the mainland of Cebu Island.

that attempting to wrestle the spice rich islands of the Moluccas from Portugal was futile, also fell victim to hostile indigenous resistance. Ruy Lopez de Villalobos ran into the same problem on Mindanao

The Philippines was the most remote of Spain's colonies and was in effect ruled from Mexico, which was also under Spanish control. Mexico is approximately ten thousand miles away from the Philippines, so the sheer distance involved made the logistics of imperialism problematic. Few Spaniards settled in the Philippines, apart from missionaries and 'the principle roles of the Philippines in the Hispanic colonial order were as a trans-shipment point for the galleon trade between Mexico and China and as a military outpost'²⁵.

In 1565 Miguel Lopez de Legazpi led the expedition which finally claimed the Philippines for Spain. It landed in what is now Cebu and after initial violence the Spanish and the local chief, Tupas, reached a somewhat uneasy accord. The crucial difference between Magellan and Legazpi's understanding of the local situation was that Lagazpi realised that the quelling of local opposition did not mean that Spanish dominance was secure. He did not fall into the trap of imagining that the locality was representative of 'a general form of consciousness, a type of society, a set of traditions, [or] an imaginary landscape common to a whole culture'²⁶. Each tribe had its own loyalties, therefore there was no centralised Filipino authority that could be dominated by the Spanish, so colonial domination was a piece meal task. However this also worked in the favour of the Spanish, because there was no national cohesion

²⁴ Karnow, *op. cit.*, p. 37. See also pp. 30-7 for a fuller account of the Magellan mission.

²⁵ Riedinger, Jeffrey M., *Agrarian Reform in the Philippines: Democratic Transitions and Redistributive Reform*, Stanford: Stanford University Press, 1995, p. 18.

²⁶ Foucault, *op. cit.*, p. 167.

or common loyalties the Spanish were easily able to 'divide and rule'. Despite the fact that the Spaniards introduced a centralised system of governance, the archipelago had a geography that meant that many of the indigenous peoples remained outside of the influence of expanding Spanish control.

Except for missionaries the Spaniards who did settle in the Philippines were 'prohibited from residing outside of Manila until 1768'²⁷. This, coupled with the remoteness of the Philippines from Spain meant that the Filipino countryside was, more or less effectively, run by the Spanish church. As well as the desire to impinge upon Portuguese monopoly of the East Asian spice trade, the Spanish also sought to spread Christianity in the area. By portraying the Far Eastern adventures of the Spanish as a form of religious crusade, Philip II was able to secure Papal backing for the colonisation of the Philippines.

This presentation of Spanish evangelical intervention in the Philippines was 'more imaginary than discursive, more affectional than rational, and less close to the concept than to desire'²⁸, on the part of the Spanish but also the Italians. By creating this discourse of intervention, the Spanish alleviated opposition from the Vatican and laid the foundation for future discourses of Spanish/Philippine relations. Bear in mind also that at this time, in the sixteenth century, Catholicism in Europe was under pressure from the Protestant Reformation. Therefore the Vatican felt it prudent to 'spread the Catholic version of the gospel overseas'²⁹. This meant that the geo-strategic aims of Spain and the Vatican converged. However in the Philippines local opposition to the sometimes brutal Spanish regime which was imposed, could now be

²⁷ *ibid.*, p. 18.

²⁸ Foucault, *op. cit.*, p. 167.

portrayed as pagan opposition to the Church, rather than legitimate defence against economic and physical violence. The original discourse that legitimated foreign intervention became 'the path from one contradiction to another'³⁰.

Social Reformation under the Spanish

The spread of Catholicism in the Philippines cannot be regarded as a benign process. The *repartimiento* system³¹, was used to enforce Filipinos into bonded labour for infrastructure projects. This was not introduced by the Church but by Spanish officials adopting practices that had previously been used in colonial Latin America. The Spanish churchmen objected to this system, which was by any other name, slavery. Also marauding around the countryside were Spanish troops who terrorised the villages by demanding the belongings of the natives, who did not understand or know how to deal with the propensity to violence of the soldiers. The local Spanish administrators claimed that the natives had the wealth to pay dues to the Spanish colonial administration, and indeed that they should as they were pagan savages. Meanwhile the clergy objected to this violence as it promoted hostility towards the Spanish, therefore inhibiting the teaching of, and conversion to, Christian doctrine. In 1583 King Philip decreed that 'the only Spaniards apart from Friars permitted to enter native villages would be tax collectors and inspectors'³², therefore siding with the clergy and denouncing the Spanish administration as brutal. This effectively left the Spanish clergy in charge of rural areas.

²⁹ Hamilton-Paterson, *op. cit.*, p. 23.

³⁰ Foucault, *op. cit.*, p. 168.

³¹ Karnow, *op. cit.*, p. 50.

³² *ibid.*, p. 51.

In the villages the local bureaucracy was characterised by a collaboration of Spanish missionaries and local *datu* (village chiefs), this was backed up by a locally enlisted constabulary. Under the pre-colonial *datu* custom 'we see the historical origins of leadership tied to reciprocity and indebtedness'³³, meaning that the Catholic Church manipulated these historical practices³⁴ to consolidate their own power base in the villages. The *encomienda* system operated to allow the Spanish, through a system of discreet power bases, to control the rule and administration of localities. This mode of accumulation fits Gills' analysis, who argues that accumulation always consists of 'political, ideological, and economic dimensions, which form a unity of inter-linked societal structures'³⁵. Looking at the accumulation of capital and the role that this plays in the formation of social order, he denotes class relations and a political and ideological environment supportive of the extraction of surplus value as key to the processes of capital accumulation. In turn the form of this capital accumulation dictates the social order and impacts on the nature of the relationship between state and society. Here this reduced Filipinos, apart from 'local chiefs and their eldest sons, to the status of virtual slavery [...] A majority of Filipinos lost control of their labor: it was unpaid, involuntary, and appropriated by foreign masters'³⁶.

The *datu* were charged with organising the practicalities such as collection of local taxes or dues. In return they received 'a proportion of the collection and exemption from labour requirements [...] and during the first two centuries of colonial rule these

³³ Riedinger, *op. cit.*, p. 18.

³⁴ For a brief outline of pre-colonial social organisation see: Caoili, Manuel A. *The Origins of Metropolitan Manila*, Quezon City: University of the Philippines Press, 1999, p. 25.

³⁵ Gills, *op. cit.*, p. 189

³⁶ Lindio-McGovern, Ligaya, *Filipino Peasant Women: Exploitation and Resistance*, Pennsylvania: University of Pennsylvania Press, 1997, p. 27.

local offices were hereditary³⁷. The *datus* now became known as *cabezas de barangay* or *the principalia* (prominent ones) and they frequently abused their power which led to peasant based rebellions. In order to quash these resistance movements the Spanish hired mercenaries from outside the immediate area. This meant that Filipinos were being used by the Spanish to quell opposition from their own countrymen. This aided the formation of regional or fragmented, as opposed to cohesive national identities, amongst the Filipinos. Such a national identity had never really existed but here we see the hindrance of its potential formation. Gills describes this as an 'entropic phase [where] the structure of accumulation becomes increasingly decentralised and outside the regulation of the state'³⁸, thus social power is enhanced, yet diffuse amongst elites whilst the formation of central authority is hindered.

Here we can see a similar pattern to subsequent European experiences, albeit with a significantly more cohesive idea of the unified state, in order to coerce the population into an alien system of wage labour, 'namely, the smashing up of social structures in order to extract the element of labour from them'³⁹. Threats, rather than bribery and deprivation were the best way to keep the population subdued. Polanyi argues that the mediating factor in this is hunger and that 'it was necessary to liquidate organic society, which refused to permit the individual to starve'⁴⁰. A communitarian system would have provided common goods for all and some sense of solidarity, whereas a fragmented, dominated and individualistic one did not. This meant that the threat of hunger was the main fear, and repressive conditions meant that 'an overworked and down trodden labourer [or Filipino in this case] would forego to associate with his

³⁷ Putzel, James, *The Politics of Agrarian Reform in the Philippines*, London: Catholic Institute of International Relations Monthly Review Press, 1992, p. 45.

³⁸ Gills, *op. cit.*, p. 191.

³⁹ Polanyi, *op. cit.*, p. 164.

comrades and escape the condition of personal servitude under which he could be made to do whatever the master required of him'⁴¹. This re-structuring of society translated into power for the Spanish.

Christianity

Despite the fact that Spanish friars had objected to the repressive practices of the Spanish authorities and military, they also had their flaws. In fact Hamilton-Paterson goes as far as to suggest that;

the Philippine revolutionary movements that gathered to a head at the end of the same nineteenth century were initially a reaction to over 300 years of friar abuses, often so brutal and so gross one can only conclude that some of the men concerned must have been shipped from Spain and Mexico as a convenient way of dumping the Church's embarrassing, semi-criminal element in a Far Eastern oubliette⁴².

The Spanish clergy had their work cut out trying to Christianise a society whose familial bonds and social organisation were transmitted through oral culture and understanding rather than through textual records. They also had to overcome pagan animist beliefs and negotiate with a foreign and fragmented dialect. All of this coupled with remoteness from Spain, and indeed Rome, meant that conversion was a long and ultimately an incomplete process, which was alternately implemented through bribery and force. Despite the fact that the clergy did make some impressive

⁴⁰ *ibid.*, p. 165.

⁴¹ *ibid.*, p. 165.

progress towards conversion, and effectively spread literacy amongst the indigenous peoples the high ideals of the church eventually fell by the wayside. Because the military and the Spanish authorities had been impeded from intervening in monastic affairs in the rural Philippines, the Church was able to dictate terms to these groups as well as the local population. This ultimately allowed the Church to lay claim to vast tracts of land. Here we can identify the roots of later inequitable patterns of land holding in the Philippines, which have caused trouble and unrest for centuries.

Not only did the clergy appropriate the land, they also, under the *encomienda* system, extracted large amounts of money from local people. Also some of the missionaries neglected their own vows of celibacy and fathered children with local women, but they could not legitimise these children through marriage. Despite the fact that the fathers of these children had in fact betrayed their vows, the children became Christians through the teachings of their mothers. 'Spanish colonial law helped by assigning these children a distinct juridical status as mestizos'⁴³. These children and their descendants became distinct as 'the "co" suffix to their names betrayed their distant celestial origins'⁴⁴.

However it was the British who helped to consolidate the holdings of the mestizos, a group who held illegitimacy as its common origin. When the British invaded Manila as a reaction to Madrid's entrance into the Seven Year's War in 1762 the local indigenous population and an emerging class of Chinese mestizos, the result of intermarriage between the *principalia* and Chinese merchants, sided with the British

⁴² Hamilton-Paterson, *op. cit.*, p. 25.

⁴³ Anderson, Benedict, 'Cacique Democracy in the Philippines', p.7, in Rafael, Vicenti L., (ed.) *Discrepant Histories: Translocal Essays on Filipino Cultures*, Philadelphia: Temple University Press, pp. 3-47, 1995.

against the Spanish colonialists. But this backfired when the British withdrew, and the Spanish banished the collaborators from the archipelago. The Spanish also banned immigration into the islands for nearly one hundred years. Filipino society was characterised in this period by isolation as there were no new immigrants to create any vibrancy or dynamic. Intellectual development, such as it was, became ossified and fell under the monopoly of the church.

Gramsci claims that the intellectual development of a society reflects its economic structure and intellectual development has historically been led by ecclesiastics. Sharing a close relationship with the landed aristocracy, Gramsci's ecclesiastic intellectuals enjoyed a long historical monopoly over important social functions such as education and moral and religious ideology. This reflects the Philippine situation, however Gramsci notes that eventually ecclesiastics had to fight for control over the intellectual realm, as the progressive monarchy supported a new breed of non-ecclesiastic or technical intellectuals⁴⁵. This process was suspended in the Philippines due to the enforced demographic restrictions. The mestizos became 'a quarter of a million strong in a four million population'⁴⁶ and social intellectual development was effectively ossified.

When the immigration ban was lifted in the 1840s, rather than compete in business with the new influx of Chinese, the mestizos turned to the organisation of large-scale agricultural production. They collaborated with the British and the Americans to take advantage of the emerging international trade in goods. This brought the mestizos

⁴⁴ *ibid.*, p. 7.

⁴⁵ Gramsci, Antonio, *Selections from the Prison Notebooks*, eds. and trans. Hoare, Quinton and Nowell Smith, Geoffrey, London: Lawrence and Wishart, 1971, p. 7.

⁴⁶ Anderson, *op. cit.*, p. 8.

wealth, some of which they used to educate their children abroad, breaking the monopoly on the control of knowledge held by the Spanish church in the Philippines. The mestizos negotiated a complex path between church and Filipino society. What were in effect the children of the Church, emerged to form a class of intelligentsia that, in turn, were able to challenge the dominance of the Spanish and its Church. The mestizos reconfigured themselves to create an intellectual stratum facilitated by their control over the means of production and wealth. If such an intelligentsia evolves then this group gives itself 'homogeneity and an awareness of its own function not only in the economic but also in the social and political fields'⁴⁷. This group becomes self-conscious of its own position in society, and of that society itself. The Church had in effect been the architect of a movement able to challenge its hegemony. Perhaps the most important aspect of this group, known as *ilustrados*, was that it was not afflicted by the fragmented regionalism of previous Filipino society: 'they inaugurated the self-conscious consolidation of a pan-Philippine (except for the Moro areas) mestizo stratum'⁴⁸. This was the first step towards the formation of a Filipino national identity.

The growth of the Philippine economy (see Table 1) also led to fragmented ethnic factions, for the first time, to consider *themselves* Filipinos. Indeed in 1884 this was consolidated when the Spanish authorities abandoned the requirement for identity passes recording ethnic (apart from Filipino) origin⁴⁹.

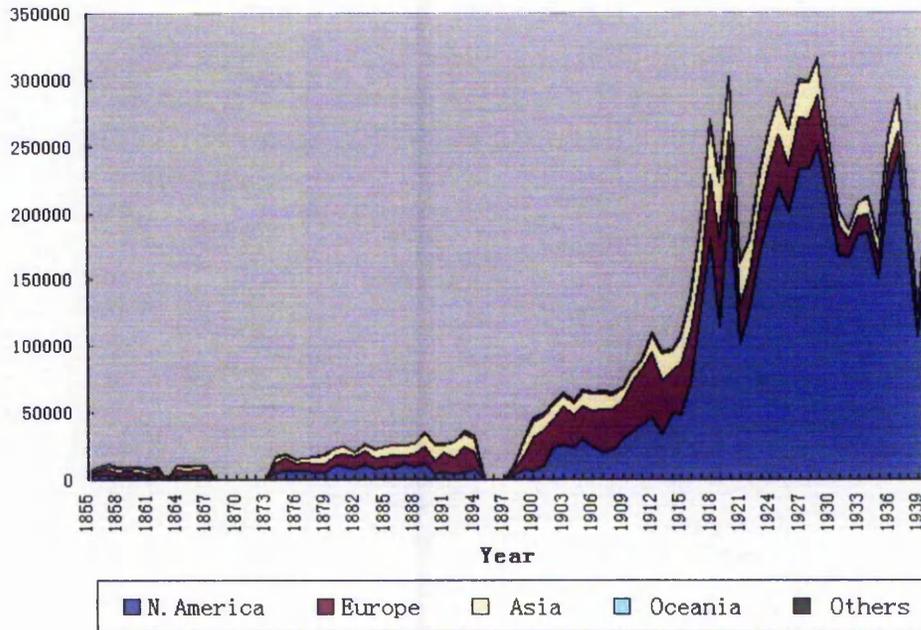
⁴⁷ Gramsci, Antonio, eds. and trans. Hoare, Quintin and Nowell Smith, Geoffrey, *Selections from the Prison Notebooks of Antonio Gramsci*, London: Lawrence and Wishart, 1971, p. 5.

⁴⁸ Anderson, *op. cit.*, p. 9.

⁴⁹ Karnow, *op. cit.*, p. 63.

Table 1. Philippine Exports 1855-1940

1000 pesos

Source⁵⁰

However, the rise of national and political consciousness sat uncomfortably with the political and economic weakness of Spain at the time, therefore the reaction of the colonisers was oppression rather than accommodation. It is for this reason that San Juan argues that Filipino identity should be understood in terms of 'the social relations of lived experience [and] the historical specificity of colonial bondage, alienation and reification'⁵¹. Somewhat inevitably this led to revolutionary activity.

⁵⁰ Nagano, Yoshiko, 'Re-examining the Foreign Trade Structure of the Colonial Philippines: With Special reference to the "Intra-Asian Trade"', paper presented at IV Congreso Interntaional de la Asociacion Espanola de Estudios del Pacifico, Valladolid, Spain, November 1999. See also Nagano's notes on statistical sources. Available at: www.ier.hit.ac.jp/COE/Japanese/discussionpapers/DP97.28/97_28.html. [Accessed 29 May 2003].

⁵¹ San Juan, *op. cit.*, p. 13; although he is also referring here to Philippine-U S relations.

The Philippines' most famous revolutionary is perhaps José Rizal who was born in the 1860s. He was a child of the middle-classes and became a well-travelled medical doctor. Rizal's fame emerged because he took the taboo step of blaming the Catholic Church for the relative backwardness of the Philippines, compared to other areas. Rizal articulated his beliefs in the novel *Noli Me Tangere* which he wrote whilst travelling in Europe and discussing his grievances with other Filipinos in exile in Madrid. *Noli Me Tangere* took the form of a critique of the intellectual repression and abusiveness of the Catholic Church. His next novel *El Filibusterimo* considered more directly the idea of revolution, but was not a direct call for the active demolition of Spanish hegemony. Rather than being an activist, Rizal was an intellectual, but nevertheless his ideas were a catalyst for those sympathetic to direct action.

The Spanish responded to the discontent that Rizal had spawned by making a martyr of him. He was deemed to be a traitor and condemned to a firing squad on 30 December 1896. The pathos of his martyrdom is fuelled by the claim that his last words 'were "Consummatum est", Christ's own last words'⁵², interesting, as it was the condemnation of the church that had resulted in his death. Perhaps it was not God that he objected to, but the abuses acted out in his name. Of course by creating a martyr the Spanish merely served to fuel the revolutionary impetus that they had sought to suppress.

However, yet again the search for a cohesive national movement in the Philippines was characterised by geographical fragmentation. This was compounded by inter-rivalry amongst revolutionary leaders and differences in education, ideological

⁵² Hamilton-Paterson, *op. cit.*, p. 32.

cognition and military ability. Despite this Andrés Bonifacio, who was the founder of a secret revolutionary movement during the 1890s, Kataastaasang Kagalanggalang na Katipunan ng mga Anak ng Bayan, managed to garner support for an attack on the Spanish authorities in Manila. This was suppressed by the Spanish, and in 1897, Bonifacio was murdered by his revolutionary rival General Emilio Aguinaldo. However the Spanish colonial reign in the Philippines was drawing to a close. In 1898 they were defeated by the US and the year after Aguinaldo proclaimed a Philippine Republic. But yet again the Philippines found itself the victim of external oppression.

Initial Spanish interest in the Philippines stemmed from the desire to break the Portuguese monopoly on the spice trade and also to propagate Catholicism, partly as a reaction to the Protestant Reformation in Europe. Neither of these issues were direct concerns of the population of the Philippines, they merely became entangled in wider international processes. Now at the end of the 19th century the Philippines became subsumed within the Spanish-American war. The Americans succeeded the Spanish as oppressors in the Philippines, the route to American domination being opened by Dewey's victory at The Battle of Manila Bay in April 1898.

The American attitude towards the Filipinos can perhaps be summed up by the poem *The White Man's Burden*⁵³ written by Kipling in 1899 about the imperial acquisition of the Philippines. Kipling writes '*Your new caught sullen peoples, Half Devil and half child*'⁵⁴, therefore both demonising and making child-like the colonial subject. William Taft, sent by President McKinley to the Philippines to establish a functioning

⁵³ For a brief discussion of the the idea of 'the white man' see: Said, Edward, *Orientalism*, London: Penguin Books, 1978, pp. 226-8.

⁵⁴ See: Zwick, Jim, 'The White Man's Burden and its Critics'. Available at www.boondocksnet.com/ai/kipling/. [Accessed 22 April 2003]. For full text and critical comments.

government, exemplified these attitudes through some of his comments. In letters home to the US he wrote that Filipinos were 'unqualified for universal suffrage or autonomy. They need the training of fifty or a hundred years before they shall even realize what Anglo-Saxon liberty is'⁵⁵.

The US sought to remake the Philippines into a model of itself, based on American values and organisational principles, whilst distancing itself from the European idea of colonial control, and having self-rule as the ultimate objective of intervention in the Philippines. However US tutelage conformed to Orientalist forms of Western control, 'which puts the Westerner in a whole series of possible relationships with the Orient without ever losing him the upper hand'⁵⁶.

The Muslim South

The Philippines, even though it is unique in East Asia, in being a Christian country, is a religious hybrid. It has traces of Buddhism and Hinduism transported by trading links across Asia, but more enduringly it has a strong Muslim community. Islam came to the Philippines via Indonesia and by the fifteenth century settled in the southern Philippines. The influence of Islam spread north as far as Luzon and in the sixteenth century a Muslim chief, Suleiman, ruled Manila⁵⁷. This movement was stopped in its tracks by the Spanish however, who drove the Muslims back to the South and named the Muslims Moros, 'after the Moors they had expelled from Spain'⁵⁸. Legazpi eventually claimed Manila for the Spanish in 1571, the Muslims

⁵⁵ Karnow, *op. cit.*, p. 173.

⁵⁶ *ibid.*, p. 7.

⁵⁷ See: *ibid.*, p. 40.

⁵⁸ *ibid.*, p. 40.

put up little resistance especially as fighting between the Spanish and the Muslims had resulted in Manila being burnt to the ground the previous year. Suleiman was unable to rally co-ordinated opposition to the Spanish and he is famously quoted as saying 'You must understand that there is no sole authority in this land. Everyone has his own opinions and does what he likes'⁵⁹, which is perhaps indicative of the fragmented nature of Filipino governance.

The Muslim issue has endured as a problematic element of Filipino society. To this day radical sections of the Muslim population cause problems for the Filipino government, by means of counter-insurgency programs and calls for the independence of Mindanao. Most recently the southern Philippines has been suspected as a potential bolt hole for the regrouping of the Al Qaeda network after the atrocities of 11 September 2001. This has led to the return of the US military in the region.

At first the Spanish treated the Muslim areas in the south, Sulu, Maguindanao and Buayan as Sultanates, these areas were so remote that it was difficult to bring them effectively under Spanish jurisdiction. The Spanish church never lost the ambition to convert the Muslims to Christianity, and at the turn of the 19th century it looked as if they might succeed, due to the loss of support from Muslim Malaya and Indonesia who had been colonised by the British and Dutch respectively. Then came the Treaty of Paris, therefore the Muslims became an American problem. Initially the rationale of the Americans was to convert the twenty per cent of Filipinos who remained non-Christians, but apart from religion there was also the problem of non-western administrative systems to contend with. However, over time the Americans shifted

⁵⁹ *ibid.*, p. 46.

from finding Islam 'strange and foreign'⁶⁰ to 'discover that the Muslims had a long and cherished history, well-tried institutions and traditions that were deeply cherished'⁶¹. Certain aspects of Islamic society, such as slavery, were abolished by American officials, but overall they did not interfere with the Muslims. The Christian church however was another matter and they still sought to convert the Muslims to Catholicism through assimilation and also an influx of Christian settlers in the Muslim areas in the south.

The Muslims never joined the pre-1935 calls for an independent Philippines by the nationalist movement⁶². They wanted an independent Islamic state, not rule by the Christian Filipino majority. The Americans however were swayed by the calls of the Christian majority for a unified Filipino state and the Muslims were denied secession and incorporated into the Philippine Republic, which was finally formed in 1946. After the formation of the Republic local Muslim leaders were able to participate in national politics, but by the end of the 1950s the situation in Mindanao deteriorated, mainly because of disputes over land tenure, a problem to which we shall return in Chapter Four.

Colonisation by the United States

In 1898 the Philippines was dragged into the Spanish-American conflict that had initially centred on Cuba. Before 1898 President McKinley and the American people appeared divided over the route that US foreign policy was to take and it was even

⁶⁰ Majul, Cesar Adib, 'The Moro Struggle in the Philippines', *Third World Quarterly*, Vol. 10, No. 2, pp. 897-922, 1988, p. 898.

⁶¹ *ibid.*, p. 898.

⁶² *ibid.*, p. 889.

unclear what they intended to do with the Philippines once it had been wrestled from Spain. Arguably the main objective was to get the Philippines out of Spanish hands and not its subsequent American subjugation. But once the US had the Philippines its value was realised and was aptly expressed by Henry Cabot Lodge, who stated that 'We must on no account let the islands go [...] We hold the other side of the Pacific, and the value to this country is almost beyond imagination'⁶³. This sounded the death knell for the prematurely declared Filipino Republic in 1899, as the Americans were now prepared to fight the insurgents who had expected the expulsion of Spain to result in independence, not annexation by the US.

The battle was a bloody one, with over a quarter of a million Filipinos killed, US forces sought in the process to eradicate insurgent forces that had posed problems for the Spanish⁶⁴. Here though, as later over Vietnam, the Americans also fought for support at home as the Anti-Imperialist League had only narrowly failed to block the Treaty of Paris. Despite initial American estimates that the war would be swiftly concluded in their favour and McKinley's rhetoric of 'benevolent assimilation' the Filipinos put up fierce resistance until the war was declared over in July 1902. Despite US efforts to intercept soldiers mail home telling of the difficulties in bringing the war to a satisfactory conclusion and the brutality of the fighting eventually the truth came out. In a congressional hearing in January 1902 it was revealed that a US Major had been ordered by his superior Brigadier Jacob Smith to

⁶³ *ibid.*, p. 109.

⁶⁴ General MacArthur claimed that the high number of Filipino dead rather than wounded compared to the Americans was because; 'Anglo-Saxons did not succumb to wounds as easily as men of inferior races', this we can relate to the Orientalism of Said. In effect U.S. forces were killing the wounded. See: Putzel, *op. cit.*, p. 51. Also for a comprehensive rebuttal of the idea of the US as benign liberators and the discourses generated by this assumption see *op. cit.*, San Juan, pp. 73-80, San Juan is particularly critical of Stanley Karnow's text, *In Our Image*.

'kill everyone over the age of ten and to make the island of Samar "a howling wilderness"'⁶⁵, thus confirming the worst fears of the anti-imperial lobby.

Colonisation by the US finally brought a centralised political authority to the Philippines, a form of organisation that until now had been illusive, both to the Spanish and the native Filipinos. Whilst many Filipinos suffered as the Americans sought to 'pacify' the archipelago, one group, the mestizos, were well placed to benefit from these administrative changes. Land that had previously been appropriated by the Spanish Church, was bought by the US⁶⁶, who sold it off. (Anxious not to alienate Catholic American voters the US approached the Vatican and eventually settled on the price of \$7 million for the land⁶⁷). It was the mestizos, whose wealth was derived from their international agricultural trading connections, who were best placed to take advantage of this opportunity. Unlike European colonisers, US individuals 'were banned from acquiring large tracts of land'⁶⁸ in the Philippines. So the illegitimate ancestors of the church, who had been unable to inherit from their fathers, as their wealth was institutional as opposed to familial, ended up owning the land anyway.

The mestizos, as landowners and therefore controllers of the means of production, were also able to take full advantage of favourable access to US markets under the provisions of the 1909 Payne Aldrich Act⁶⁹. For instance 'for the decade 1920-1930 Philippine sugar exports to the US rose by 450 percent, coconut oil exports (including

⁶⁵ *op. cit.*, p. 43. See also pp. 32-43 for further details of the war.

⁶⁶ The US agreed to respect the property interests of the church under the Treaty of Paris. See: 'The Hukbalahaps, U. S. State Department Document' in; Schirmer and Shalom, *op. cit.*, p. 71.

⁶⁷ See: *ibid.*, p. 199

⁶⁸ Karnow, *op. cit.*, p. 197. Interestingly Karnow states that the land was redistributed, implying some sort of fairness, but in fact it was only redistributed amongst the rich.

copra) by 223 percent, and cordage by over 500 percent'⁷⁰. The US were not strictly magnanimous when it came to land holding though, for instance in the late 19th century the American Governor-General in Manila circumnavigated the rules to allow the US Navy to procure a large tract of Philippine public land. He then ordered the Navy to sub-let 20,000 hectares to the American based fruit company Del Monte. The scale of this misdemeanour can be seen when it is compared to the 'statute limiting landholding to 1,024 hectares'⁷¹.

These advantages meant that it was in the mestizos own best interests to co-operate with the US regime. This was compounded by the fact that the mestizos were able to secure political power for themselves (albeit under the jurisdiction of the US). The regime US set up an electoral system, similar to that in the US, in the Philippines. This meant that the rural based mestizos were able to gain political office through winning elections in their region, and then converting this local power into influence at the centre through interaction with their peers in Manila. So whereas there had been moves towards creating a national intelligentsia by the mestizos, under the Spanish, this was now consolidated into political and economic power under the fortuitous circumstances created by the Americans. The US benefited from the creation of the mestizos as a ruling class, as they effectively co-opted this potential opposition to their way of thinking. The mestizos would also have a vested interest in quelling insurgent groups.

⁶⁹ See Table 1 for the take off in exports to the United States in the early 20th century.

⁷⁰ Jenkins: 1954, quoted in Rivera, Temario, C., *Landlords and Capitalists: Class, Family and State in Philippine Manufacturing*, Quezon City: The University of the Philippines Press, 1994, p. 23.

⁷¹ Hamilton-Paterson, *op. cit.*, p. 53.

The downside of this turn to export trade was that lands were appropriated from those with insecure land tenure, such as tribal land or subsistence farmers. This meant that whilst export crops such as sugar, coffee and tobacco were rising rapidly, crops for local subsistence such as rice were declining. This relocation into the international capitalist economy had dire consequences for the poor and landless as they were unable to produce foodstuff that they could actually eat, such as rice, and they lacked the means to procure it due to low wages. A situation arose where a, usually absentee, landlord would rent the land to Chinese mestizos or members of the principalia (these 'landlords' were called *inquilino*). The *inquilino* in turn employed landless farmers to till the land. Control over the milling and marketing of the harvest lay with the upper classes. This meant that the landless farmers were alienated from their labour, had no control over the price of the goods that they produced, and were ill able to afford them themselves. Here we see the creation of class stratification due to the intersection of capitalism and colonialism in the Philippines which 'caused greater poverty among the majority of Filipinos'⁷². Polanyi deems that labour and land are both part of nature and that 'life and nature form part of an articulate whole'⁷³, in this sense the expropriation of the land from the masses signified the destruction of society;

Whether the colonist needs land as a site for the sake of the wealth buried in it, or whether he merely wishes to constrain the native to produce surplus of food and raw materials, is often irrelevant; nor does it make much difference whether the native works under the direct supervision of the colonist or only some form of indirect compulsion, for

⁷² Lindio-McGovern, *op. cit.*, p. 31.

⁷³ Polanyi, *op. cit.*, p. 78.

*in every and any case the social and cultural system of native life must first be shattered*⁷⁴.

The emergence of a Filipino oligarchy in the 1920's was aided by the fragile US presidency. Woodrow Wilson's government was undermined by power bases in Congress and administrative structures that hindered presidential autonomy. Woodrow Wilson's government did not have the political capacity to dictate the minutiae of Filipino affairs, meaning that the Philippines were left extensively to their own administrative devices. This was possible as the US knew that the emerging oligarchy would not risk the preferential economic access by which they thrived. The mestizos may have been gaining from the relationship with the US, but it was a dependent relationship. Filipino exports were mainly primary goods, and the Filipino's had virtually only one market place, the US (See Table 1). Filipinos who attempted to diversify into manufacturing mainly did so in the agrarian economy, specifically sugar. However the Philippines was unusual in that native landowners had the wealth to make significant investment in export businesses.

In real terms Filipino wages 'of both men and women during the American colonial period were in fact lower than they had been during the Spanish colonial period'⁷⁵. Many workers were displaced from traditional industries such as textiles due to the influx of American goods. Little progress was made in manufacturing as it was not in US interests to support this, Filipino manufactured goods would compete with US domestic produce. This meant an influx of workers into industries such as agriculture, which served to depress wages and cause unemployment. This also led to out-

⁷⁴ *ibid.*, p. 178.

⁷⁵ Lindio-McGovern, *op. cit.*, p. 31.

migration and the formation of a Filipino diaspora as workers sought employment elsewhere. Filipino society became further fragmented as workers moved abroad, mainly to the US, in order to find work.

Civil bureaucracy in the Philippines was weak, as jobs were frequently procured on the basis of bribery rather than merit. It also served the interests of the ruling mestizos to place members of their own families in the network of government offices throughout the Philippines. This protected their interests away from the metropolis in the fragmented archipelago and formed the 'origin of the political dynasties'⁷⁶, which have characterised Filipino politics for decades. The inadequate nature of Filipino democracy therefore finds its roots in pre-American mercantile practice, which led to a fortuitous set of circumstances for the mestizos. However, even though the mestizos dominated Filipino politics in the American colonial period through a 'form of intra-elite competition'⁷⁷, this oligarchy was in turn manipulated by the US. 'Elected officials were given a great deal of symbolic public space but were denied real power which remained firmly in US hands'⁷⁸.

Even though the Americans were content to let the Filipinos organise their own bureaucratic infrastructure, although the level of autonomy was dubious, they would not countenance allowing Filipinos control of education. The Americans were highly aware that they had replaced the oppressive Spaniards as colonisers and they sought to portray their own regime as more benign, a myth they propagated through education. They sought to deflate the propensity to nationalism through insidiously teaching Filipinos 'to accept an image of the United States as a generous benefactor

⁷⁶ Anderson, *op. cit.*, p. 12

⁷⁷ San Juan Jr., *op. cit.*, 2000, p. 6.

and to forget the national heroes and struggles of the past'⁷⁹. This is akin to what Freire has described as the 'banking'⁸⁰ system of education. Where students act as passive receptacles of knowledge as opposed to critical interpreters of it, 'The capability of banking education to minimize or annul the student's creative power and to stimulate their credulity serves the interests of the oppressors, who care neither to have the world revealed nor to see it transformed. The oppressors use their "humanitarianism" to preserve a profitable situation'⁸¹.

The mestizos had little economically to gain from independence from the US, and the US did its best to quell Filipino nationalism. Neither group fully succeeded in their aim and by the 1930's the Philippines faced unstable times due to tension brought about by low world prices for exports compounded with high birth rates. This meant that large sections of the population were living on less than subsistence wages. 'Out of a population of sixteen million, about three and a half million were classified as "agricultural day labourers" – in short, a dispossessed fourth of the nation'⁸². Many radical indigenous groups were formed in the fragmented archipelago as a reaction against the deteriorating conditions, these included Benigno Ramos's *Sakdal* movement⁸³, the Agumen ding Malding Talapagobra (AMT – General Workers Union), and the Kalipunang Pambansa ng mga Magsasaka sa Pilipinas (KPMP – National Confederation of Peasants in the Philippines). In 1934 the Tydings-McDuffie Act was passed, which agreed to the creation of a Filipino Commonwealth, and full independence after a ten-year transitional period. This Act was passed due to

⁷⁸ *ibid.*, p. 6.

⁷⁹ Schirmer and Shalom: 1987, p. 44, quoted in Lindio-McGovern, *op. cit.*, p. 32.

⁸⁰ See: Freire, Paulo, *Pedagogy of the Oppressed*, London: Penguin, 1993 [1970], p. 53.

⁸¹ *ibid.*, p. 54.

⁸² Karnow, *op. cit.*, p. 271.

⁸³ See: *ibid.*, p. 273.

intensive lobbying in Washington, and also perhaps reflected the prioritising of domestic concerns by President Roosevelt, who came to the American Presidency in 1932. But by now another threat was looming on the horizon for the Philippines, that of the Japanese.

The Japanese Occupation

When the Philippines was made into a Commonwealth in 1935, it was presided over by Manuel Quezon, its elected President. Quezon had previously fought against the US at the turn of the century but was now a privileged member of the Filipino cacique⁸⁴ class, two attributes that made him an ideal figure to co-opt into the American orthodoxy, whilst simultaneously making him acceptable to Filipino nationalists. Quezon also forged a close friendship with American Army Chief of Staff, Douglas MacArthur, whom he approached to advise him on the perceived growing threat from Japan. MacArthur, the son of General Arthur MacArthur who had been the Philippines Governor General early in the century, revisited his childhood home as Field Marshall of the Philippines, a title created by Quezon rather than Roosevelt. MacArthur, whilst enjoying a colonialist existence in the Philippines, enjoyed an uneasy relationship with Roosevelt. He tried to portray the indigenous Filipino army as being able to repel the Japanese, whilst in reality it was a shambles and Roosevelt knew this. Meanwhile Quezon made a surreptitious visit to Japan in 1938, and tried to bring forward the date of Filipino independence to 1940 in an effort to appear neutral and also scaled back the Filipino military; all these manoeuvres can

⁸⁴ 'the cacique, [were] the descendants of the *principalia*, usually but not always landed, who were tax collectors and administrators of local government'. See: Putzel, *op. cit.*, p. 49.

be considered as appeasement strategies⁸⁵. However, the Americans rejected the idea of early independence and refused the resources to defend the archipelago. Consequently ten hours after the bombing of Pearl Harbour, on 7 December 1941, the Japanese attacked the Philippines, and by 1942 the Philippines were occupied by the Japanese.

The occupation by Japan caused the resurfacing of questions of Filipino allegiance. Who did the various factions and classes in the Philippines align themselves with, and were they nationalist Filipinos or did it suit them better to be under the tutelage of colonisers? Either way, where did this leave them in relation to the Japanese? It brought to the fore ideas of identity, and the Japanese played on this by portraying themselves as the liberators of the Philippines from Western oppression and incorporating the Philippines into their self-appointed 'Great East Asia Co-Prosperity Sphere'. The Japanese invasion caused the fragmentation of the upper or landed classes in the Philippines as some collaborated with the Japanese and some did not. Many of the 'hacienda class' found it prudent to migrate to the city where they spent their time profiteering from the war economy. The war crystallised already radical movements, particularly in the countryside, into opposition forces against the Japanese. The brutal nature of the Japanese occupation led to the formation of the Hukbalahap, whose full name was Hukbo ng Bayan Laban sa Hapon, or The People's Army against the Japanese. Other groups also co-operated in the activities of what became known as the Huks, but the extent to which this group adopted Communism as its ideology is a matter for debate⁸⁶.

⁸⁵ Karnow, *op. cit.*, p. 276.

⁸⁶ See: Riedinger, *op. cit.*, p. 48-9.

The effect of World War II on the Philippines was devastating, Manila, 'suffered wartime damage second only to that of Warsaw'⁸⁷, and throughout the country 'transportation, industrial, health, and sanitation facilities were all in ruins'⁸⁸. The agricultural production of the country was decimated, and what was produced had often been appropriated to feed the Japanese. As MacArthur and his men fought their way back across the archipelago in their attempt to liberate the Philippines, the Japanese retreated to Manila. The culmination of the war was The Battle of Manila in early 1945, which resulted in the virtual destruction of the city and was marked by the extreme brutality of the departing Japanese. The entire Japanese occupation, despite proclamations of kinship with their fellow Asians, was a brutal one. An example of this was the Bataan Death March, where 'as many as ten thousand men died from disease, malnutrition and wanton brutality'⁸⁹. Manila was retaken in early March but Japanese troops fought on in atrocious conditions in the remote Filipino countryside until August. The official Japanese surrender came on 2 September 1945.

The legacy of World War II in the Philippines was independence in 1946, with a peaceful period of transition, certainly when compared to the later trials of Vietnam. The end of the war, and the experience of it, despite the new found independence of the Philippines, consolidated class stratification and the maldistribution of wealth within the country. The US, perhaps with its new neo-imperialist role in mind, smoothed over the issue of collaboration with the Japanese amongst sections of the Filipino elite. Bearing in mind also that the man on the ground was Douglas MacArthur who had close pre-war ties with this group. In 1947, President Roxas, the

⁸⁷ *ibid.*, p. 49.

⁸⁸ *ibid.*, p. 50.

⁸⁹ Karnow, *op. cit.*, p. 302.

new President of The Philippines (and crony of MacArthur) declared an amnesty 'for all "political prisoners" (mainly fellow-oligarchs held on charges of collaboration)',⁹⁰.

Arrangements were made that suited both the Americans and the Filipino elite, including access to military bases⁹¹ for the US, in return for continued (for a limited period) preferential access to American markets. The Tydings Rehabilitation Act was also enacted, which 'offered \$620,000,000 to those Americans and Filipinos who could demonstrate that they had lost a minimum of \$500 as a result of the war'⁹², therefore the rich got their money back and the poor got nothing. This may not have seemed a radical departure from the pre-war situation but the elements of Filipino society that had become militarised under wartime conditions, specifically the Huks, turned their attention to the re-emerging domestic elites.

The Huks faced problems as absentee landlords, returning from their wartime sabbaticals profiteering in the city, demanded back rents and refused new loans or demanded inflated interest rates. Ironically Filipino elite collaborators and other guerrilla groups perceived to be non-communist but who had colluded with the Japanese were now left to go about their business, whilst the Huks who had fought valiantly on the side of the Americans were now denounced as communist inspired insurgents. This situation was made more fragile because six members of 'the Pambansang Kaisahan ng mga Magbubukid (PKM – National Peasants' Union), the successor movement to the Hukbalahap and pre-war peasant movement'⁹³, were legitimately elected to the new independent government, but were denied access to

⁹⁰ Riedinger, *op. cit.*, p. 14.

⁹¹ See: Schirmer and Shalom, *op. cit.*, pp. 96-103 for a transcript of the Military Bases Agreement, March 14th, 1947.

⁹² *ibid.*, p. 14.

their seats by Roxas and the manoeuvring of the Americans. Also preferential access to American markets now faced a time limit and the Filipino economy was in ruins, the elites had to find effective and rapid ways of reconsolidating their holdings.

The emerging situation in the Philippines led not only to the poverty of the masses, but militarised poverty. Guerrilla movements had become accustomed to articulating their grievances through means of arms against the Japanese, and now used these means to deal with their own countrymen. The elite response to this was the creation of private armies that 'financed by their hacendado masters, terrorised illegal squatters, peasant unions, and left-wing political leaders, with the aim of restoring uncontested cacique rule'⁹⁴. The private armies also proved useful when it came to 'manipulating' elections, which were now unmonitored by the US (at least when there was no danger of suspected Communists winning). The Huks and the PKM amalgamated to form the Hukbong Mapagpalay ng Bayan (HMB) or People's Liberation Army. This new Huk group demanded the release of political prisoners, the right of the elected PKM officials to take their seats and for changes in the allocation of wealth derived from the land and in land tenure itself. The Huk movement lasted until 1954 and numbered up to 10,000 insurgents, it offered the peasants some sort of protection from oppressive landlords and their private henchmen⁹⁵.

In response to the land based problems in the Philippines the Hardie Report was published in 1952. This recommended radical redistribution of land and access to

⁹³ *ibid.*, p. 50

⁹⁴ Anderson, *op. cit.*, p. 15.

⁹⁵ Riedinger, *op. cit.*, p. 52.

credit in the favour of the tenants or small farmers⁹⁶. Unsurprisingly, this was rejected by the cacique dominated Filipino government. Also US policy altered with the incoming Eisenhower administration. The US felt it prudent to keep Filipino elites on-side, perhaps framing the issue through the lens of Cold War politics and seeing the need to repress 'Communist' elements in the Philippines whilst also securing continued access to their strategically important outpost. This of course was an era of recrimination in the US over the 'loss' of China. Given the atmosphere of McCarthyism no US politician was going to make a target of himself by arguing the case for Filipino land reform.

Colonel Edward Lansdale was sent by the US to collaborate with the Filipino Secretary of Defence, Ramon Magsaysay, and deal with the Huks. Armed with US financial aid, and preying on their isolation and impoverished vulnerability, Lansdale succeeded in quashing the Huks. They were relocated to Mindanao, which was deemed *terra nullis* but was actually populated by Muslims. This led to subsequent clashes between the two groups.

The result of the quashing of peasant based insurgent movements and the official withdrawal of US control of the Philippines left the cacique class able to run the country as they saw fit. This they did in a way that allowed them to plunder the nation's finances under the pretence of modernising the economy, 'policy was subordinated to satisfying material demands of government officials and other influentials'⁹⁷. Whilst their excesses were recorded in a privately owned, but free press, they were never hindered in their activities by the law. By the 1970s the

⁹⁶ For details see: *ibid*, p. 52.

⁹⁷ Thompson, *op. cit.*, p. 19.

Philippines, which had enjoyed advantages over the rest of East Asia, due to its strategic importance to the US and also preferential trading agreements over a number of years, ended up in dire straits due to these excesses. Five per cent of the Filipino population controlled fifty per cent⁹⁸ of the countries' wealth this, coupled with a high birth rate, led to mass poverty.

The Filipino oligarchy arguably resorted to corruption because they did not have a free rein to do as they pleased, under conditions of democracy. Corruption became a surrogate for force. 'When the use of force is too risky and the exercise of moral leadership is problematic, 'corruption and 'fraud' may step in as surrogates of power⁹⁹. A moral community 'not only lays down how its members should act; [and] also provides grounds for the consensual resolution of relevant conflicts'¹⁰⁰, the caciques clearly failed in this regard as well as in the ability to dominate by physical force. Physical force was used but with limited success against the war of attrition or position adopted by counter-hegemonic forces.

Whilst the caciques can be accused of corruption, so can the Americans, who sought to keep the caciques under their control for their own purposes. Gramsci writes that when it is hard to maintain hegemonic control over a situation, corruption and fraud may come into play, 'this consists in procuring the demoralisation and paralysis of the antagonist (or antagonists) by buying its leaders – either covertly, or, in the case of

⁹⁸ See: Anderson, *op. cit.*, p. 17.

⁹⁹ Arrighi, Giovanni, 'The Three Hegemonies of Historical Capitalism', in Gill, Stephen (ed.), *Gramsci, Historical Materialism and International Relations*, Cambridge: Cambridge University Press, 1993, p. 148.

¹⁰⁰ Habermas, Jurgen, eds. and trans., Cronin, Ciaran and De Greiff, Pablo *The Inclusion of the Other*, Cambridge Mass: MIT Press, 1999, p. 4.

imminent danger openly – in order to sow disarray and confusion in its ranks'¹⁰¹. This co-option of elites can be seen consistently amongst the activities of the colonisers. It happened in the Philippines under the Spanish as they co-opted tribal *datus* into operating the *ecomienda* system, and subsequently under American rule as they manipulated the caciques to administer the masses. After independence the US also held sway over Filipino elites through a series of measures, which in turn subdued insurgent (read Communist) movements. Now we shall turn to one of the most glaring examples of the corrupt 'buying of a leader', the US administration's tacit support of the Marcos regime.

Marcos

From 1946 and the declaration of the Republic of the Philippines until 1972 when martial law was declared under Marcos, Filipino politics was dominated by the two main political parties, the Liberals and the Nacionalistas. Although other parties tried to gain office, such as the aforementioned PKM, they failed. Initially six elected PKM members were expelled from the Philippine House of Representatives in 1946 due to false allegations of election fraud contrived by the two main parties. Then the two main groups drew up legislation so that only they 'could appoint government-paid poll inspectors' meaning that 'only their votes were likely to be fairly counted'¹⁰². The nepotism, bribery and regionalism that had operated under colonial administration remained. There was little to choose between the two parties as they were both cross-class, both formed from the same regional cacique family basis, and not only did they not differ in ideological dogma – they didn't appear to have any

¹⁰¹ Gramsci: quoted in Arrighi, *op. cit.*, p. 149.

ideology at all. A pattern formed where the two parties alternated their stints in power, with this rotation of power also being characterised by political actors changing sides to the party that was in power. Given this phenomenon a lack of ideological allegiance could be viewed as a distinct political advantage. 'Local politicians, members of Congress and even two presidential candidates changed sides'¹⁰³. The benefits that could be secured from parcelling out government contracts to party members, the possibility of securing interest free loans from the Bank of the Philippines (even though this led to its subsequent collapse), and access to the spoils of various other forms of corruption would have proved compelling reasons for political promiscuity¹⁰⁴.

In 1953 President Magsaysay came to power, buoyed by the support of the US, secured partly due to alarm over the 1949 elections which brought Quirino to power and were characterised by violence and blatant (even by Filipino standards) corruption. US approval of Magsaysay may well have originated during his time as Quirino's Defence Secretary, when he oversaw a military intelligence operation 'that resulted in the arrest of the Communist Party of the Philippines' entire Manila based politburo'¹⁰⁵. The US intervened in the 1953 elections because they wanted to avoid a further rise in insurgent movements and perhaps the failure of democracy altogether. The way that patronage and nepotism operated was obviously very important in Filipino politics but so was having at least tacit US support. Magsaysay walked a relatively successful line between appealing to both Filipinos and the US, although he

¹⁰² Thompson, Mark R., *The Anti-Marcos Struggle*, New Haven and London: Yale University Press, 1995, p. 18.

¹⁰³ *ibid.*, p. 18.

¹⁰⁴ An assessment of the Philippine political situation by the CIA in 1972 is given in; Schirmer and Shalom, *op. cit.*, pp.126-31. It notes for instance a 'growing popular cynicism with both parties and

was responsible for allowing CIA backed death squads to terrorise the Huks. However his Presidency was relatively short-lived, he died in a plane crash in 1957 aged 49.

Ferdinand Marcos first achieved government office in 1949, as a Liberal. However, the chameleon like quality of the Filipino politician surfaced in Marcos in 1965 when he became a Nacionalista. In the 1961 elections he had agreed with his fellow Liberal, Macapagal, that he would support his attempt for the Presidency on the understanding that, if Macapagal got in, he would only run for one term¹⁰⁶. Macapagal duly won in 1961, but it became obvious by 1964 that he had no intention of limiting his Presidency to one term. If Marcos wanted the Presidency he would have to stand as the opposition candidate, which he did, hence the party shift. A similar pattern of dirty tricks emerged in the elections, but with the backing of the US. 'In 1965 there could have been no doubt in any American reader's mind who the blue-eyed boy was in the forthcoming election in the Philippines'¹⁰⁷, and with the enthusiastic backing of his 'charming' wife Imelda, Marcos won the Presidency by a landslide.

The period of the Marcos Presidency, typified by excess and corruption, is well documented¹⁰⁸. Marcos governed legitimately until 1972 when, loath to give up the trappings of office, he declared martial law. This move was welcomed by some

their leaders, and a feeling that the electorate is offered no real choice between discernable alternatives'.

¹⁰⁵ Hamilton-Paterson, *op. cit.*, p. 160.

¹⁰⁶ The Philippines had adopted an American type system, where the Presidential incumbent could only stay in office for a maximum of two terms, if they were duly re-elected after the first four year period.

¹⁰⁷ Hamilton-Paterson, *op. cit.*, p. 199.

¹⁰⁸ See for instance: *ibid.*, Hamilton-Paterson; Karnow, *op. cit.*; Kessler, Richard J., 'Marcos and The Americans', *Foreign Policy*, No. 63, Summer, pp. 40-57; 1986; Thompson, *op. cit.*; Bonner, Raymond, *Waltzing With A Dictator*, New York: Times Books, 1987.

factions within the Philippines, and it seems to have received tacit, if not outright, approval by the US, who were still occupied with the quagmire in Vietnam. Marcos's rule lasted until 1986 when he was ousted by his old rival Benigno Aquino's wife, Corazon. A situation he would not have foretold as he probably thought that he had dealt with the troublesome Aquino problem when he had Benigno assassinated in 1983. Marcos was also secure in the knowledge that he had the support of President Ronald Reagan, which he did, but this in the end was not enough to save him. Our interest here however is to examine how the Marcos regime further served to entrench the Philippines in poverty.

It is only a partial explanation to say that the Philippines was mired in poverty during the Marcos years because of the regime's plundering of the domestic coffers. Other factors need to be taken into consideration such as the buoyancy of the global political economy and the strength of terms of trade for Filipino exports. What is damning however is that 'the overall growth performance in 1965-1986 was dismal compared with that for developing monsoon Asia, the middle-income developing countries, and the member countries of the Association of Southeast Asian Nations (ASEAN)',¹⁰⁹. Whilst others achieved relative prosperity the Philippines economy stagnated and 'the fact that other countries achieved higher growth suggests that domestic economic structures and policies cannot be absolved of the responsibility for poor economic performance'¹¹⁰. This state of affairs, like the earlier *datu* system, can be attributed to an entropic phase of capital accumulation, entropy being the concentration of wealth in private hands to the detriment of the state. The more pronounced the entropy the higher the likelihood of 'exploitation and immiseration of the producer classes, the

¹⁰⁹ Baliscan, Arsenio M., 'Rural Poverty in the Philippines: Incidence, Determinants and Policies, *Asian Development Review*, pp. 125-63, 1992, p. 128.

growth of social movements, and an increased frequency and tendency of rebellion and civil war'¹¹¹. In this case we can note the increase in inequality and the subsequent overthrow of Marcos. However the entropy did not lead to the collapse of the Philippine state but it did weaken it economically in relation to its neighbours. This was of course complicated by the benevolence of the US towards the Marcos regime.

The scale of the Marcoses' decadence and corruption can hardly be overstated, Kessler claims that 'Marcos's long tenure and the systematic looting his administration carried out virtually bankrupted the country'¹¹². Whilst Marcos's personal fortune amounts to anywhere 'between \$2 billion and \$20 billion'¹¹³, in 1986 Kessler estimated that 'seventy per cent of the population lives in poverty, compared with 28 per cent in 1965'¹¹⁴. How did the Marcos's acquire this fortune? One means was Imelda's blatancy;

"What is the biggest industry in the Philippines"? Began a joke heard frequently after the implementation of martial law. "Mining" was the answer. "That's mine, that's mine, that's mine....." It was a reference to how Mrs. Marcos acquired her wealth. It was as simple as it was brazen: She just went to businessmen and demanded an equity interest in their companies. Before martial law it had been 10 per cent; quickly it became 25 per cent [...] Those who didn't comply found themselves

¹¹⁰ *ibid.*, p. 128.

¹¹¹ Gill, *op. cit.*, p. 191.

¹¹² Kessler, *op. cit.*, p. 41.

¹¹³ *ibid.*, p. 41.

¹¹⁴ *ibid.*, p. 41.

*hounded by the tax collector or the justice department or this inspector or that one*¹¹⁵.

Imelda's shamelessness knew no depths, in 1965 she approached local businesses for donations towards a Christmas party for needy children. But 'all the cheques and cash went not toward the party for orphans and needy children "but into Imelda's pocket's"¹¹⁶. But it was not just Imelda's coercion of local business that netted the Marcoses a fortune.

The US had been anxious for many years to involve Filipino troops in the Vietnam War, along with other countries such as Australia, in order to give the appearance of a joint multinational, as opposed to solely American stance, against Communism. In the end Marcos sent one paltry engineering division but he used this issue to extract vast amounts of money from the Americans, 'next to the South Koreans, he got, mercenary for mercenary, the best price in Asia'¹¹⁷. In 1972 it was realised that 'the \$39 million the United States had given him for the Philippine troops in Vietnam had "disappeared"¹¹⁸, not only that but engineering equipment given to the Philippines for the war effort was in fact used to build roads in the Philippines instead¹¹⁹. The Marcos's also excelled at entertaining lavishly and also travelling whilst spending profligately on the way¹²⁰. Funds, generated at both national and international levels, instead of being distributed throughout Philippine society, were instead being personally appropriated by the Marcoses.

¹¹⁵ Bonner, *op. cit.*, p. 161.

¹¹⁶ *ibid.*, p. 63.

¹¹⁷ Anderson, *op. cit.*, p. 21.

¹¹⁸ *ibid.*, p. 127.

¹¹⁹ See: *ibid.*, p. 53.

The Marcos regime also borrowed heavily, Marcos was one of the first borrowers to take advantage of the petro-dollars invested after the rise in oil prices in 1973. 'During the 1970s the foreign debt rose from \$2.297 million to \$17.252 million'¹²¹, this partly served to shore up Filipino industry which was overly reliant on imported goods. But vast amounts of this money was spent on extravagant and impractical development schemes, such as the Westinghouse nuclear reactor in Bataan which has never been used as it is built on a tectonic fault-line¹²². Inevitably a significant percentage of this money would have ended up in the private bank accounts of Marcos and his supporters. The tragedy of this is that whilst the Marcoses were busy living like emperors, 'the Philippines wasn't just a poor country it was impoverished [...] more than half the country's children under ten suffered from malnutrition [...] only one of every ten children was normal; the rest were seriously retarded because of poor diet'¹²³.

A conjunction of international and domestic forces converged to allow the Marcoses to exploit their position and to perpetuate their activities through the imposition of martial law. The US was so eager to secure continued access to the Philippines as a strategic base against Communism in East Asia it was prepared to ignore what was going on. It can be argued that the poor in the Philippines were victims of the Vietnam War in a similar way to the Vietnamese people themselves. They suffered from poverty, malnutrition, and violence at the hands of private armies, human rights abuses and dispossession from their lands. The US business community in the

¹²⁰ *ibid.*, gives detailed breakdowns of the Marcos's lavishing spending throughout his book, his figures are based on previously classified United States documents.

¹²¹ Pye-Smith, Charlie, *The Philippines in Search of Justice*, Oxford: Oxfam UK and Ireland, 1997, p.

12.

¹²² See: Bonner, *op. cit.*, pp. 264-8.

¹²³ *ibid.*, p. 70.

Philippines welcomed martial law as it meant that Marcos was able to repeal recent legislation, calling for a fairer distribution of their profits. Marcos did want the profits redistributed, but into his own coffers. There was however some support for martial law in the Philippines. The weapons amnesty and curfew meant that civil unrest was forcibly restricted. The Church also approved of some of the measures that Marcos took against gambling and pornography. However the population largely went along with martial law because it had no option. Marcos was able to use the guerrilla activity of the New People's Army, the military arm of the banned Communist Party; the insurgent activity of the Moro National Liberation Front (MNLF), the Muslim group who wanted independence for Mindanao; and unrest and student activism in Manila as an excuse to impose martial law.

Marcos Ousted

By 1986 Marcos was starting to lose US support, his abuses of power were public knowledge and it was becoming clear that there was support in the Philippines for a coup attempt. However Marcos still had friends in high places in the US administration, most importantly President Reagan. Perhaps it was his confidence in this support that led him to announce on the *'This Week with David Brinkley Show'* that there would soon be an election, and importantly US advisers would monitor the electoral process. His decision to announce his intention to hold an election on an American television show is also instructive as his audience was not the Filipino public, but the American. The elections in 1986 proved Marcos' undoing at the hands of his rival Corazon Aquino. Aquino managed to discredit not only Marcos, but also Reagan. She referred pointedly to Reagan's involvement in the Iran-Contra scandal as

evidence of trickery and was scathing about Reagan's comments on the Filipino elections; 'those who are prepared to support armed struggles for liberation elsewhere, discredit themselves if they obscure the nature of what we are doing peacefully here'¹²⁴. Despite Marcos's vote rigging, dirty tricks and refusal to go, Aquino won the day. On 25 February 1986 Marcos made a speedy exit from the country by an American supplied helicopter, and fled to Hawaii, 'leaving behind a country burdened with debt and 3,000 pairs of Imelda's shoes'¹²⁵.

However the idea of Marcos being ejected from power because of a misreading of the political climate by both himself and his American backers is perhaps to deny the effectiveness of the 'counter-movement' that was operating against him. San Juan argues that the ousting of Marcos was 'the fruit of counter-hegemonic mass organising, education, and daily acts of resistance against fascist terror, with thousands of collective individuals sacrificing for the collective effort to redeem the nation'¹²⁶. The nature of Filipino agency, both in terms of the extent of Filipino elite autonomy *vis á vis* the US, and the capacity of the masses to mobilise against the Filipino elite is given different readings throughout the literature. For instance San Juan¹²⁷ posits that the Filipino masses are capable of forming a meaningful counter-hegemony but he sees the woes of the nation as a whole being the fault of the US and not corrupt Filipino elites in particular. Meanwhile Karnow¹²⁸ portrays the Filipinos as a (neo)colonial subject, which therefore only has agency to the extent that US dominated global economic structures allow.

¹²⁴ Bonner, *op. cit.*, p. 432.

¹²⁵ Pye-Smith, *op. cit.*, p. 12.

¹²⁶ San Juan, *op. cit.*, 2000, p. 8.

¹²⁷ See: *ibid.*

Aquino had been portrayed as the housewife of poor origins, turned liberator who freed the Philippines from the reign of Marcos. But this was not quite the truth. Aquino's maiden name was 'Cojuangco', and as we have previously noted the 'co' suffix to her name marks her out as a descendent of the mestizo class, in fact she was 'a member of one of the richest and most powerful dynasties within the Filipino oligarchy'.¹²⁹ Despite her manufactured image Aquino was the product of her lineage, meaning that she had vested interests in perpetuating the *status quo*. Again we can cite Gramsci who states that; 'anyone born into the traditional governing stratum acquires almost automatically the characteristics of the political realist, as a result of the entire educational complex which he absorbs from his family milieu, in which dynastic or patrimonial interests predominate'¹³⁰, the masculine language of Gramsci aside, this applies to Aquino.

Aquino faced serious problems in her early presidency, such as the reassertion of the Muslim claim for the independence of Mindanao, an impossibility given the number of Christians now living there. There was also a decline in financial support from the US who had their own budgetary problems. However she won the 1987 national elections, '23 out of 24 victorious senatorial candidates ran as her supporters'¹³¹. Although more salient for Filipino democracy, or lack of, and the allocation of land and wealth in the country, 'out of 200 House representatives, 130 belong to the so-called "traditional political families", while another 39 are relatives of these

¹²⁸ See: Karnow, *op. cit.*

¹²⁹ Anderson, *op. cit.*, p. 3.

¹³⁰ Gramsci, *op. cit.*, p. 135.

¹³¹ *ibid.*, p. 28.

families'¹³². Control of Filipino politics still lay with a landed oligarchy that could trace its roots back to the Spanish.

Rocamora notes that rather than Aquino having little party loyalty, as in the case of Marcos when he was first elected, she actually refused to become the member of any party all. Then after her election rather than built a progressive party around her, she 'allowed her relatives to build another party, the Laban nanag Demokratikong Pilipino (LDP), which restored to power a lot of old local warlords and "bosses" many of them pro-Marcos'¹³³.

Aquino started her Presidency with honourable sentiments on issues such as 'genuine' land reform under the Comprehensive Agrarian Reform Programme (CARP) and the alleviation of poverty through the Medium –Term Philippine Development Plan (MTPDP), but from the beginning these issues were dogged with problems. Land reform has been implemented only very slowly with landowners and Congress hindering the process. There were also scandals regarding the over-valuing of land ear-marked for distribution, the change of definition of land use, thereby exempting it from the CARP scheme and the continuing abuse of peasant rights. Militaristic peasant groups that were quietened during the Marcos era especially under martial law, now mobilised again as it became clear that Aquino was not an alternative to a repressive oligarchy, but just another version of it. The militarisation of the poor that had manifested itself after the Second World War once more intensified itself. But the Aquino regime was quick to counter this, vigilante groups were 'formalised into the

¹³² *ibid.*, p. 28.

¹³³ Rocamora, Joel, 'Political Parties in Constitutional Reform', 2002. Available at: www.tni.org/archives/rocamora/parties.htm. [Accessed 14 April 2003].

Citizens' Armed Forces Geographical Units (CAFGU)¹³⁴. The rationale behind this counter-insurgency movement operated as follows;

*on the social-psychological level, the war is conducted by labelling people's organisations as "communist", thus discrediting what are legal organisations and warning people off them. It is a way of undermining organisations capacities for mass mobilisation. People who are just beginning to join political organisations would, out of fear, not want to be associated with those that the government had labelled. This is one way of repressing open, mass protest that would, otherwise, have a wider impact on the population as a whole.*¹³⁵

In other words just as democracy¹³⁶ had been restored and pledges had been made towards the redistribution of land and wealth, the Aquino regime chose to repress any countering of its hegemony by force. Although the Aquino regime was not perhaps as overtly corrupt¹³⁷ as the Marcos regime, and it did have to cope with the burden of the previous administration's debt, it did little that was meaningful to redress the circumstances of the poor and marginalised. By the end of the Aquino administration 'the poor remained poor and the landless, for the most part, remained landless'¹³⁸.

¹³⁴ Lindio-McGovern, Ligaya, 'The Philippines: counter-insurgency and peasant women', *Race and Class*, Vol. 34, No. 4, pp. 1-11, 1993, p. 3.

¹³⁵ *ibid.*, p. 2

¹³⁶ For a critique of the Aquino administration and the 'severe limitations' of its attempts at 'redemocratisation' of the Philippines see: Rocamora, Joel, 'Lost Opportunities, Deepening Crisis: The Philippines under Cory Aquino' in Gills, Barry, Rocamora, Joel and Wilson, Richard, *Low Intensity Democracy Political Power in the New World Order*, London: Pluto Press, pp. 195-225, 1993.

¹³⁷ Although Coronel notes that the only the scale of corruption changed under Aquino, 'snouts were still deep in the public trough'; see: Coronel, Shelia S., 'Dateline Philippines: The Lost Revolution', *Foreign Affairs*, Vol. 84, pp. 166-85, 1991.

¹³⁸ Pye-Smith, *op. cit.*, p. 12.

Not only this but the incoming Philippines administration had to cope with a Filipino economy that had grown dependent on the patronage of the US for trade and relied heavily on the industry that had built up around the American military bases. In 1991 the Americans left the bases, this has been variously portrayed either as a deliberate decision by the US to withdraw, or as a result of them being 'forced to withdraw in 1991 by nationalist demand'¹³⁹. Either way, the decision was finally forced by the eruption of Mt. Pinatubo in June 1991. The Philippines was no longer of crucial strategic use to the US due to the end of the Cold War, this meant that by the time the Ramos administration came to power in 1992, the Philippines were without a benefactor, protector or neo-colonial overseer depending on your view.

Conclusion

The aim of this chapter has been to set the scene for an understanding of contemporary Filipino poverty, and deeply rooted socio-cultural as well as economic and political structures. Speaking of the post-base era in the Philippines Kirk comments that 'the countries worst enemies remain as they were before – the leaders of a thoroughly corrupt ruling class far more concerned with their intertwining networks of family and friends rather than the needs of a people in distress'¹⁴⁰. International processes such as the globalisation of trade and economic competition, and the shift from a bi-polar to multi-polar organisation of the state system at the end of the Cold War have had a direct impact on the Philippines. However, the Philippines is still burdened by a domestic society with an oligarchic elite whose power is deeply rooted in historical

¹³⁹ San Juan, *op. cit.*, 2000, p. 66.

¹⁴⁰ Kirk, *op. cit.*, p. 20.

process and nepotism. This raises pertinent questions about Filipino democracy, or rather the lack of it.

Historical processes have contributed to the structure of society and the nature of the economy in the Philippines. However my intention is not just to use this empirical background to detail the dire state of contemporary development and inequality. Rather I have aimed to reveal how political and economic structures in the Philippines are grounded and best understood through an appreciation of the social reality that led to their formation. Social reality is further (re)configured through the functioning of these structures. This reveals the backdrop for an investigation into the capacity for agency of current 'counter-hegemonic' or social groups aiming to bring about change, for our purposes here the alleviation of poverty and inequality. Quantitative analysis is methodologically limited as an explanation of social change, however qualitative analysis finds its roots in social contextualisation. Similarly, poverty is partly historically determined, but as a sole explanation this is inadequate as, 'the will and initiative of men themselves cannot be left out of account'¹⁴¹. We also need to consider the capacity of people to initiate change in the Philippines to bring about the alleviation of poverty. We know of the social context that they have to operate in, but do they command the agency required to alter the social structures that seem to be the cause of the problem? This will be a central question of the following chapters. Later presidential regimes will be analysed in Chapter Six. This will examine the nature of the relationship between consecutive Filipino administrations and economic neo-liberalism, culminating in the events of EDSA 2 in 2000.

¹⁴¹ Gramsci, *op. cit.*, p. 244.

Chapter Four

Rural Poverty: The Case of the Visayas Islands

Introduction

Poverty is caused and entrenched by unequal access to the means of production, specifically land, in the countryside. Because of lingering land tenure disputes and inefficient organisation the Philippines has suffered as an agricultural producer in the face of increasing global competition. In this chapter the record of land reform, drawing on specific cases mainly from the Visayan region, will be examined in order to identify whether it has actually made a tangible difference to the quality of life of the rural poor. These arguments will be placed in the context of Polanyi's critique of self regulating market systems. Polanyi's ideas can be used to illustrate the tensions that exist between societal needs and the demands of the market and this can be conflated with the conflicts between meeting basic needs and facilitating neo-liberalism. Both of these targets are undermined by conflict over agrarian assets. The Comprehensive Agrarian Reform Programme (CARP) fails to emerge as a meaningful 'double move', the reorganisation of society it facilitates is ultimately still organised around the needs of the neo-liberal economy.

In the Philippines different agricultural commodity types have discrete historical and economic patterns of production and exchange. Broadly these can be classified as rice, corn, coconut and sugarcane which form the traditional sector, and banana,

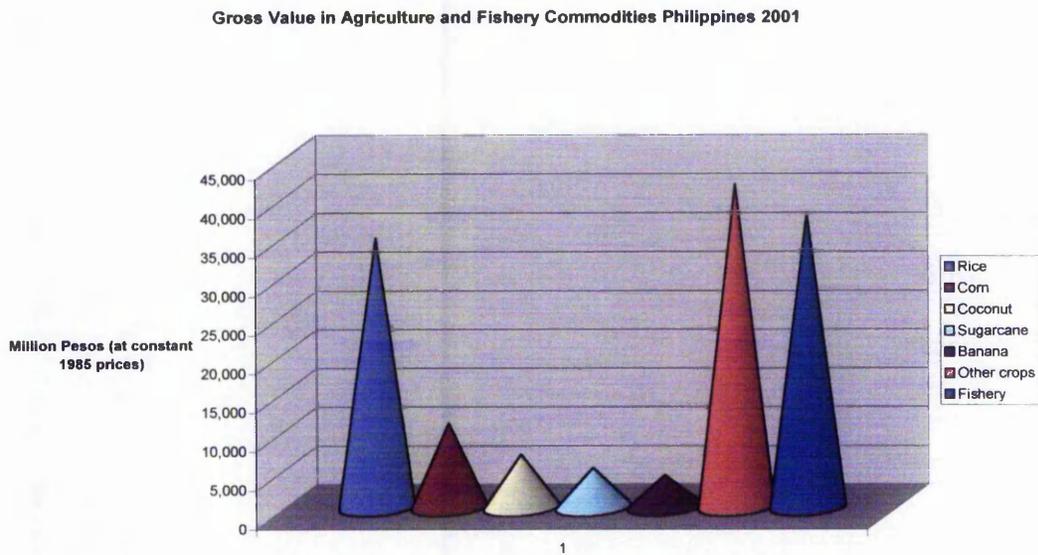
pineapple and fish products which form the non-traditional sector¹. These two sectors display differing yet blurred traits and it may be the case that individual farmers produce crops from both sectors. A contemporary analysis of these productive relations will be expanded upon, building on the historical discussion of Chapter Three.

Evidence in support of the claims made here will be based on fieldwork undertaken by the author in the Visayas Islands in August 2001. This research was conducted in conjunction with an international fact finding mission² studying agrarian reform abuses under the auspices of two international NGOs. La Via Campesina and the Food International Action Network (FIAN). The rationale of these NGOs is to promote and protect the human right to feed oneself. One case in Medellin in northern Cebu, and another in La Carlota City in Negros Occidental will be analysed to illustrate the problems experienced by Farmer Beneficiaries (FBs) and the problematic nature of disputed land claims. Evidence will also be presented from interviews with officials from the Department of Agrarian Reform in Manila and Enrico Cabinet, Chairman of UNORKA Mindanao. This will focus on banana production in Mindanao as this is the predominant crop in the area.

¹ See: Borras Jr., Saturnino M., 'State-Society Relations in Land Reform Implementation in the Philippines', *Development and Change*, Vol. 32, pp. 545-75, 2001, p. 549.

² The Fact Finding Mission operated over ten days and involved three teams, the teams travelled to Luzon, Mindanao and the Visayas. The author participated in the Visayas leg of the mission. The mission attracted some attention in the Philippines press and television, and was duly criticised by the Philippines government as being conducted by foreign 'tourists' and aided by government critics. For further details see www.geocities.com/kmp-ph/strug/landreform/iffm.html [Accessed 5 February 2003]. See especially the undated newspaper article 'DAR assails 'tourists' for attack on CARP' in this article it claims that none of the FIAN delegates checked their information against information from the DAR. This is incorrect, on 28 August 2001 I was granted a two hour audience with four senior DAR officials (see footnote 11) when I consulted them on various aspects on the FIAN research. The DAR officials were extremely forthcoming on generic details but they would not discuss specific cases because of the legal issues involved.

Figure 1.



Source: Philippines National Statistical Coordination Board

At this point it should be acknowledged that the silent voice in this thesis is that of the landlords. As this research was undertaken as part of the FIAN delegation in Visayas which was challenging the intransigent and sometimes violent position of the landlords, there was no possibility of an audience with local landlords. This was due to the sensitive nature of the research and there were also safety and legal issues to consider. However as noted in footnote two the findings of the FIAN research were discussed and developed during an interview with DAR staff in order to get an alternative perspective on the CARP process. Research on landed elites includes that of Angeles, who argues that the agrarian question in the Philippines ‘can be explained by local/provincial studies that gives central, not marginal, attention to the landed class [and that] 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'³. Rivera also gives an insight into the nature of the sugar barons in Negros, arguing that 'sugar planters and millers constitutes the most powerful and socially homogenous grouping [and that] at the root of the enduring power of the sugar-based families is a continuity and concentration of class and familial power spanning more than a century'.⁴ However, it must be conceded that 'there are villains in my biased story, and I shall let them wear the black hats'⁵.

The political, social and economic issues which impact upon, and are caused by sugar production will be used as a specific case study. Sugar production accounts for the majority of agricultural land use in the Visayas Islands, Negros Occidental alone accounts for 55% of sugar lands in the Philippines⁶. The Visayas Islands in the middle of the Philippines archipelago have a historical traditional of being the nation's 'sugar bowl'.

³ Angeles, Leonora C. 'The Political Dimension in the Agrarian Question; Strategies of Resilience and Political Entrepreneurship of Agrarian Elite Families in a Philippine Province', *Rural Sociology*, Vol. 64, No. 4, pp.667-92, 1999, p. 668.

⁴ Rivera, Temario C., *Landlords and Capitalists: Class, Family, and State in Philippine Manufacturing*, Quezon: City: The University of the Philippines Press, 1994, p. 32.

⁵ Dumont, Jean-Paul, 'Ideas on Philippine Violence: Assertions, Negations and Narrations' in Rafael, Vicente L., *Discrepant Histories: Translocal Essays on Filipino Cultures*, Philadelphia: Temple University Press, pp. 259-83, 1995.

⁶ Source, FAO. See: www.fao.org/es/ESC/esce/escr/sugar/fiji/Pages/philipp.htm. [Accessed 7 April 2003].



Map of the Visayas Islands

Negros Occidental⁷ in particular has a history of agriculture dominated by the hacienda system of sharecropping which was effectively a paternalistic system of servitude between the landowner and workers. Sugar is the biggest single agricultural commodity type in the Philippines by bulk⁸ and accounts for the employment of 7% of the total population⁹. Sugar production has a history of oligarchic control by sugar barons whose families have enjoyed easy access to political influence by virtue of blood ties. This will act as empirical evidence to support my methodological claims that analysis of poverty needs to be situated within specific contexts in order to be meaningfully understood. Here this will allow us to consider a specific set of

⁷ For a comprehensive account of the history of the sugar industry in Negros see: Aguilar, Filomeno. V. Jr., *Clash of Spirits: The History of Power and Sugar Planter Hegemony on a Visayan Island*, Honolulu: University of Hawai'i Press, 1998.

⁸ 23,518.5 thousand metric tonnes in 2000, more than twice that of palay (unmilled rice) at 12,389.4 tonnes. Source National Statistical Council Coordination Board; www.nscb.gov.ph. [Accessed 7 April 2003].

⁹ FAO, *op. cit.*

productive relations in a historical materialist sense, and to set the dynamic of poverty alleviation through CARP against this.

The power of the sugar lords was consolidated by the Payne-Aldrich Act of 1909 as this guaranteed access to United States markets for Philippines sugar at inflated prices. The wealth of the planters was further enhanced by the Jones-Costigan Act in 1934 which guaranteed a protected market for 70% of Philippines sugar production¹⁰. Throughout the 1950s, the sugar planters enjoyed boom times but in the 1960s problems emerged as the United States developed a domestic sugar industry of its own based on corn syrup. Now Philippines sugar had to cope in an international market that was highly competitive. By the 1980s the price of sugar sank to an all time low and the result was widespread poverty in the Visayas. Diminished trading concessions, increased international competition and the CARP created a range of restrictions and demands on the landowners to which they were forced to react and adapt. In addition to this, the Philippines sugar industry now has to compete with cheap imports of sugar so they can't even rely on monopoly of the domestic market given their signing up to the GATT in 1996. The possibilities of diversification into manufactured sugar based goods, are also restricted because of unequal terms of trade with industrialised countries. Analysis of the sugar production industry allows us to focus on a discrete set of historical socio-economic relations of production and exchange. Through this we can test the notion of an agrarian war of position, the objective of which is social reform, through agrarian structural reform.

¹⁰ See: Henderson, Clarence, 'Sugar cane, sugar cane, Wherefore art thou?', June 2001. Available at: www.apmforum.com/colmnns/orientseas17.htm. [Accessed 20 February 2002].

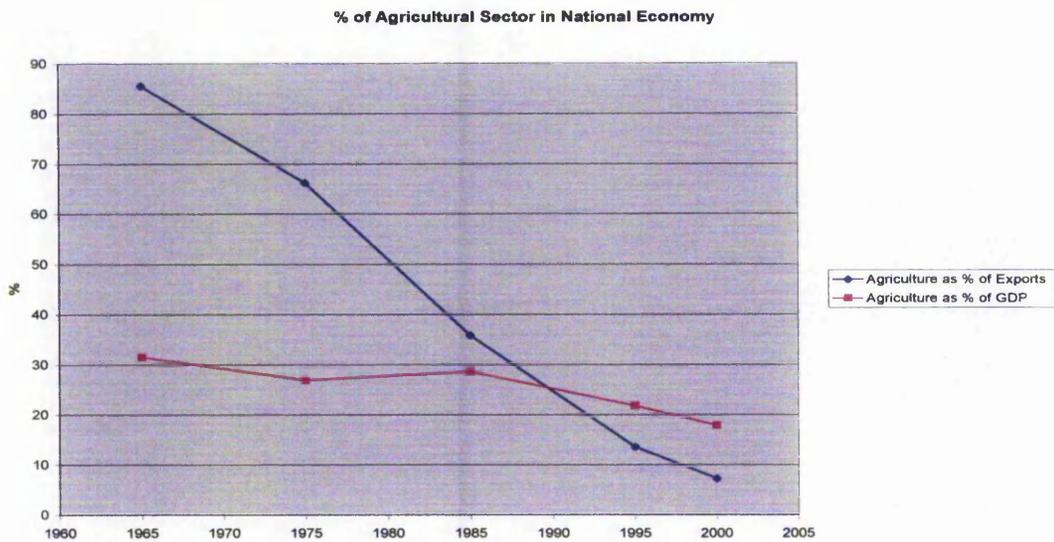
Claims that the CARP is actually a functioning 'social justice programme'¹¹ with the objective of redistribution of wealth will be reviewed. The CARP can be seen as an attempt to deliver productive control into the hands of the rural poor but does this actually translate into a functioning system of socio-economic production? Especially in view of landlord sponsored harassment and international competition. A judgment will also be drawn on whether the CARP, and the social and economic reorganisation it entails, is sustainable by the poor themselves or whether they are dependent on other actors to maintain as well as force through this process.

Agricultural Production and Rural Society

More than 51% of the population of the provinces are classed as poor by the World Bank, compared to 22.5% in urban areas¹². Therefore rural impoverishment is an obvious place to target poverty alleviation strategies. Given that the majority of the rural population depend either directly or indirectly on agriculture for their livelihoods the viability of the agricultural economy is central to the poverty problematic. Agricultural produce in the Philippines, as a percentage of export earnings, has suffered a steep decline since the 1960s as shown in Figure 2, agriculture as a percentage of exports shows a particularly significant decline.

¹¹ This is how DAR secretaries described the CARP. Interview, Undersecretaries Vivqilco R. de los Reyes and Efren Moncupa, Assistant Secretary Roel Eric C. Garcia and Director of Policy for Strategic Research Space Martha Carmel Saledo, DAR Offices, Manila, 28 August 2001.

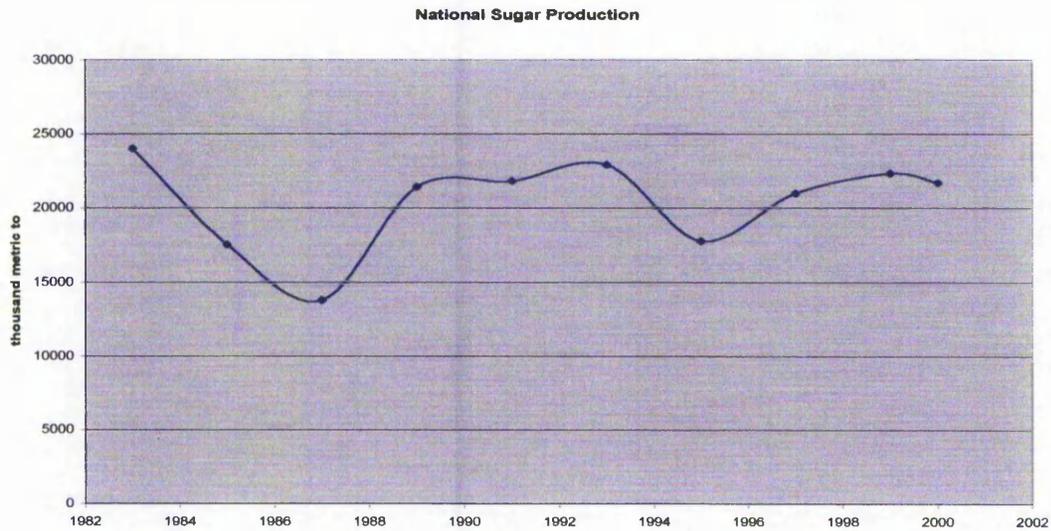
Figure 2.



Sources: Philippines Statistical Yearbooks

Sugarcane production was marked by a sharp decline falling from 6.6% growth between 1970-75, hitting a low of -8.9% between 1980-85 and rallying to 7% growth between 1990-99¹³ as illustrated in Figure 3.

¹² World Bank figures cited in *World Development Report 2000/2001*, Oxford: The World Bank, 2001, p. 281. These figures are based on national poverty lines and on a 1997 survey year.

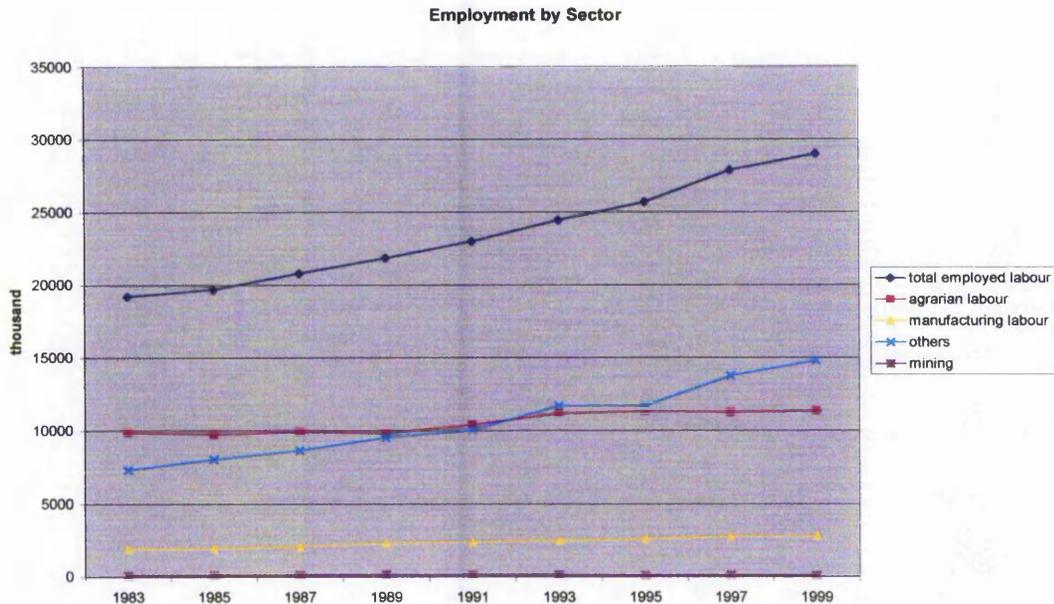
Figure 3.

Source Asian Development Bank Key Indicators 2001

Figures also indicate that employment in agriculture fell from 58.6% of the national total in 1965 to 39.8% in 1999, but absorption of the labour force into the industrial sector did not correspond to this as can be seen in Figure 4 below.

¹³ Figures from the Library of Congress Federal Research Division: Available at;

Figure 4



Source: Asian Development Bank Key Indicators 2001

Whilst unemployment rose from 5.4% to 10.1% between 1983 and 1999, mining remained constant with a slight period of growth in the 1980s. Both the agrarian and the manufacturing sector grew slightly, but note the relatively steep rise in 'other', employment which fits into none of the aforementioned categories. Thus, given the rise in the size of the overall workforce, workers may be now employed in the public sector or services industries. However, it is also likely that they work 'unofficially' either in the agricultural sector or elsewhere, this may lead to insecurity for the worker due to the demand for flexible and short term working patterns. It also becomes unclear where the poor are getting their income from as a range of farm and non-farm activities may be combined in order to maximise family income.

The relative decline of agricultural output compared to other industries, does not necessarily indicate a healthy industrial sector, but rather various forces which have impacted upon agricultural production systems. However, whilst export earnings from the agrarian sector have declined, if we include related 'agribusiness' or directly related manufacturing activities as 'agriculture', then the importance of the sector to the overall economy remains significant. Also, even though manufacturing now accounts for the majority of export earnings, this has to be offset against imported inputs into the production process. Putzel argues that in 1988 if one accounted for the 'wholesale and retail trade, transport and storage, or government and private services'¹⁴, related to agribusiness then the total contribution to GDP 'was probably well over 50 percent'.

However, the figures for agricultural production are perhaps misleading as they start from an unnatural high. The high level of growth in the 1960s can be attributed to the gains brought about through the green revolution¹⁵. Another reason for the deceleration of growth after the 1970s was that less new land was being brought into production. Previously deforestation accounted for increasingly available agrarian lands. Drops in world commodity prices in the late 1970s and 1980s also led to a decline in agricultural revenue, as did natural causes such as drought, or significantly in the 1990s the 'El Nino effect'¹⁶. The years 1995 and 1998 are the harvest years

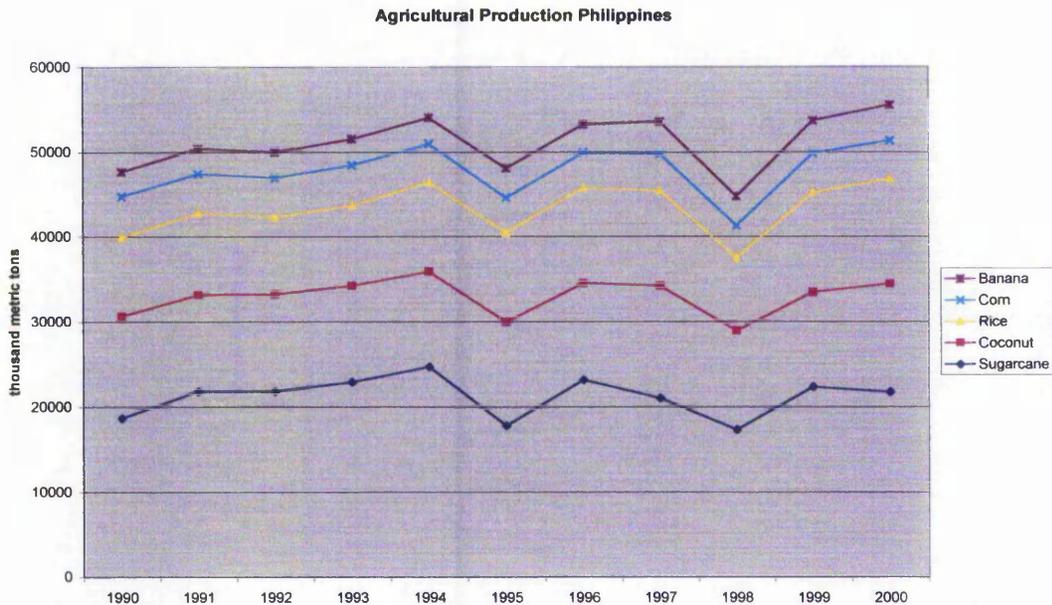
¹⁴ Putzel, *op. cit.*, p. 7

¹⁵ For a discussion of the green revolution in relation to the poor, technology and farm and non-farm incomes see: Otsuka, Keijiro, 'Role of agricultural research in poverty reduction: lessons from the Asian experience', *Food Policy*, Vol. 25, pp. 447- 62, 2000.

¹⁶ Typhoons are relatively unproblematic for sugar which is a resilient crop, but in late 2002 the harvest of the sugar crop has been delayed in Negros Occidental because of the oncoming El Nino weather event. In the province only 705, 137 tons of cane has been milled as opposed to 971,745 in the same period last year. See: Southeast Asia: 'Philippine sugarcane yield down', available at www.sugartech.co.za, [Accessed 6 November 2002]. However a marked pattern of agricultural disruption was seen in the both 1995 and 1998, see Figure 5.

following the 1994 and 1997/98 El Nino events. In both periods significant dips in production output across all recorded crop types can be noted, see Figure 5 below.

Figure 5



Source: Asian Development Bank Key Indicators 2001

Uncertainty over the progress and effect of the CARP, signed into law on 10 June 1988, also led to a lack of confidence affecting private investment in the agrarian sector. Coupled with this the CARP also ‘encouraged non-planting and premature conversion of agricultural land into non-agricultural uses [...] the CARP also diminished the collateral value of agricultural lands by constraining private land sales’¹⁷.

Agricultural output figures are useful in that they track patterns of productive activity over time. However, they do not illustrate patterns of ownership and control over the

means of production. The most significant factor here is ownership of land, although that in itself is no guarantee of affluence as we shall see. Also they do not show whether rural workers are engaged in farm, non-farm or both types of activity. Whilst agricultural production has fallen as a percentage of GDP in many Asian countries 'nonfarm activities are becoming major components of rural incomes'¹⁸. Therefore according to the logic of demand led growth, the growth rate of non-farm incomes may well depend on the level and equitable distribution of farm incomes. If 40% of the rural population are employed in agrarian activity then their consumption of non-farm goods and services is vital. Baliscan for instance states that 'a study of central Luzon villages, for example, showed that a 1 per cent increase in agricultural income generated a 1-2 per cent increase in employment in most sectors of the local non-farm economy'¹⁹. Non farm activity is only going to reduce poverty levels if the rural economy can provide a viable environment for their development.

Hossain argues that the role of agricultural production in reducing poverty should be the ability to increase food supplies in order to meet basic needs whilst keeping prices low. Low food costs, Hossain argues, are the basis for facilitating the 'accumulation of capital and the development of markets for nonfarm goods and services'²⁰. Basically what he is suggesting is that in order to create a buoyant domestic economy individuals need to generate spending power, this will come about only if they have earnings higher than that needed to feed themselves. The surplus can then be spent on

¹⁷ Baliscan, Arsenio, M. 'Pathways of Poverty Reduction Rural Development and transmission Mechanisms in the Philippines', www.adb.org/ [Accessed 12 November 2002].

¹⁸ Hossain, Mahabub, 'The Role of Agriculture in Poverty Alleviation: Insights from Village Studies in South Asia and Southeast Asia', paper presented at *The Asia Pacific Forum on Poverty: Reforming Policies and Institutions for Poverty Reduction*. Asian Development Bank, Manila 5-9 February 2001, p.3. Available at www.adb.org/. [Accessed 10 February 2002].

¹⁹ Baliscan, Arsenio, M. 'Rural Poverty in the Philippines: Incidence, Determinates and Policies', *Asian Development Review*, Vol. 10, No. 2, pp.125-63, 1992.

²⁰ Hossain, *op. cit.* p. 4.

a range of other goods and services. This he argues will facilitate industrial development and increase political and socio-economic stability thus justifying the importance of agricultural production to the alleviation of poverty. But note that it is not simply an increase in production that is important but commodities that are affordable and a more equitable distribution of resources and profits. Merely selling agricultural produce to international markets and the accumulation of profits by elites would not generate the same beneficial socio-economic effects.

Agrarian Reform as Meaningful Change

As discussed in Chapter Three, land holding patterns in the Philippines are extremely uneven. Deeply rooted class, ethnic and religious divisions intersected with foreign interference and endemic nepotism have meant that the vast majority of land in the Philippines became concentrated in a very small number of hands. The problems of data gathering in order to establish the true scale of inequality in land holding are discussed by James Putzel²¹. Putzel argues that census data is to be treated with caution as often the scale of land ownership is either under reported or not reported at all. It also becomes difficult to track total land holdings in cases where landowners have holdings in various different locations or may report it under the names of various different family members. Putzel does however suggest that government data in 1988, as part of a land registration process at the beginning of the CARP, which found that 'not more than 5 per cent of all families owned 83 per cent of farm land'²² may not be too far from being a realistic figure. Similarly Asian Development Bank (ADB) figures show that in 1990 86% of all landowners in the Philippines owned less

²¹ See: Putzel, *op. cit.*, pp. 27-9.

²² *ibid.*, p. 27.

than 7 hectares of land accounting for no more than a quarter of total agricultural land. Whilst 2% landowners held more than 24 hectares accounting for 36% of all farm land²³.

If land holding was left in its skewed state then this may have little effect on the viability of the Filipino agricultural sphere. In fact it could be argued that the economies of scale produced would make economic sense²⁴. Consequently it has been argued that 'land reform is more difficult to implement in the context of a neoliberal setting'²⁵. However agrarian reform is about more than simple profit and loss assessments. Agrarian reform is not just about economics it is about reforming social relations within the countryside, the view of the DAR is the CARP was aimed at 'promoting equitable access to land, increasing productivity and incomes in rural areas and transforming farmer-beneficiaries (FBs) into self-reliant entities'²⁶. This redistribution of productive resources can be seen as Marxian in design, this is exemplified by the language of the 1987 Philippines Constitution which states that the state shall; 'undertake an agrarian reform program founded on the rights of farmworkers who are landless to own directly or collectively the lands they till or, in the case of farmworkers, to receive a just share of the fruits thereof'²⁷ directly or collectively the lands they till. Land is the main, and vital, commodity necessary for agricultural production. If wage levels were improved or rental arrangements for the landless were made more favourable, rather than land asset transfers, these would be

²³ See 'The Bank's Operational Strategy for the Philippines', available at www.adb.org: [Accessed 6 November 2002].

²⁴ Zabaleta, Jose Maria T. raises this point for the Sugar and Beverages Group, Commodity and Trade Division FAO, see 'Will the Philippines Revert to Its Net Sugar Exporter Status?', Available at www.fao.org: [Accessed 5 November 2002].

²⁵ Borras, *op. cit.*, p. 545

²⁶ From: 'An Evaluation of the Fiscal Aspect of the Comprehensive Agrarian Reform Programme (CARP): Executive Summary', p. 1, internal DAR document.

²⁷ (Article XIII, Section 4) of the Philippines Constitution 1987, quoted in *ibid.*, p. 1.

merely agrarian improvements rather than agrarian reform. The latter offers a radical change for the way that socio-economic relations in the provinces are organised. So if we argue that the most sustainable way for the poor to alter their circumstances is for them to have the means to empower themselves, then it would seem that the CARP is a good place to start.

Arguably large scale farming may be profitable yet inequitable, and prone to cause social disequilibrium in countries where agricultural production is central to the economy and the vast majority of the population are landless. Polanyi argues that seeing land and labour inputs purely in terms of market inputs is to 'subordinate the substance of society itself to the laws of the market'²⁸. Polanyi's critique is biting. In exposing the dehumanising process of reducing humanity to labour power he demonstrates the dislocating power of the imposition of market forces upon social relations. He argues that the supposed volatile and unregulated nature of capitalism means that 'the market administration of purchasing power would periodically liquidate business enterprise, for shortages and surfeit of money would prove as disastrous to business as floods and droughts in primitive society'²⁹. So if there is not a stable and relatively constant flow of money through the economic system then businesses are vulnerable, especially at the micro-level. We can compare this to the need to ensure that the non-rich employed in farm work are able to generate enough income to provide capital inputs into non-farm activities through their expenditure. If wealth was concentrated in the hands of the few then this makes it more difficult for small businesses that cater for the needs of the poor such as local craftsmen or transport operators to prosper. As we have seen if non-farm and flexible employment

²⁸ Polanyi, Karl, *The Great Transformation*, Boston: Beacon Press, 1957 [1944], p. 71.

²⁹ *ibid*, p. 73.

is increasing in the provinces then we cannot afford to ignore these issues if we aim to alleviate poverty in a sustainable manner and from the bottom up.

However unequal and large scale patterns of land holding have not just been established because this favours the rational of competitive economics. The rural rich can often trace their land holdings back to fortuitous historical circumstances as discussed in Chapter Three, and when lands have been in their families for centuries they are often understandably loath to give them up. This has lead to ongoing disputes over the provisions of CARP policies, and problems with implementation which will be explored in the next section.

The Promise of the CARP

In certain respects land holding patterns in the Philippines act as a barometer of social relations. Through an analysis of land reform and its failure we can track the vested interests of elites, both those who fell foul of the government and those who found favour. We can also note how wider ideological influences such as the climate of McCarthyism³⁰ in the 1950s in the US impacted upon the process. The Americans were suspicious of any economic processes which appeared to be inspired by socialist doctrines. This attitude hindered land reform even though there was little evidence of communist association amongst the peasantry. Thus land reform, as an economic process, is deeply embedded within the social history of the Philippines.

³⁰ See i.e. McCumber, John, *Time in the Ditch: American Philosophy and the McCarthy Era*, Evanston Illinois: Northwestern University Press, 2001.

Land transfer programmes in the Philippines have a long historical lineage of well meaning rhetoric and inadequate implementation. Successive Philippines governments have walked a fine line between protecting the interests of the land holding oligarchy and paying lip service to demands for change. The first effort at land reform in the 1930s by Civil Governor William H. Taft ended up having the opposite effect of what was intended. Taft acquired '166,000 hectares of friar landholdings to be distributed to about 60,000 tenants'³¹, but the high price of the land coupled with the tenants failure to realize their legal rights meant that the land ended up in the hands of rich Americans. Here we see the origins of the vast United States fruit conglomerates in the Philippines such as Dole and Del Monte.

The Rice Tenancy Act of 1933 provided for loan interest ceilings for tenants, a 50-50 sharing scheme on rice production and legislation to provide security of employment for tenants. A major problem with this though was that the majority of local council members had to vote this into legislation within their region. As it was quite likely that land owners were either also council members, related to council members or able to influence them in others ways this was problematic. The Tenancy Act can also better be described as an agrarian improvement scheme rather than agrarian reform. Next came the Robert Hardie Report³² of 1952, which was never adopted. Then in 1954 the Agricultural Tenancy Act and in 1955 the Land Reform Code. The latter two of these schemes floundered as the Filipino Congress, which was dominated by land holding elites, severely restricted financing, inserted additional clauses and conditions and made sure that the amount of land able to be retained by landlords was raised. This effectively disabled the whole process. All these land reform ventures

³¹ Reyes, Celia M., 'Impact of Agrarian Reform on Poverty', June 2001, unpublished paper received from the DAR.

floundered because of the power and influence wielded by land holding elites which effectively blocked any progress towards social and economic justice.

In 1972 President Marcos passed presidential Decree No. 27, this encompassed Operation Land Transfer and Operation Leasehold Programmes, similar to land reform attempts that had been made in the 1960s but which failed due to poor management and corruption. Presidential Decree No. 27 was again characterised by inadequate and restrictive provisions and complex and prohibitive mechanisms for the actual transfer of land. So it appears that policy makers and Presidents felt it prudent to design policy addressing land reform issues, possibly to quell peasant unrest, but they were not prepared to construct policies that would actually be implemented effectively. Only rice and corn lands were covered under the 1972 Act and ultimately only 3.2%³³ of targeted beneficiaries received their land. Decree No. 27 was also organised so that it 'was mainly directed against Marcos's political enemies'³⁴, so it would not be unreasonable to assume that the 3.2% of land that was redistributed would have been wrestled from the grasp of one of Marcos's opponents³⁵. The main appeal of martial law had been that it would undermine the entrenched oligarchy of the traditional landowners and perhaps lead to a redistribution of resources. But this was a short lived hope, some of the old oligarchy such as the Lopez and Osmena families saw their power bases crumble, 'but the old oligarchy was replaced by a new

³² See Chapter Three.

³³ Reyes, *op. cit.*, p. 9.

³⁴ Borras, *op. cit.*, p. 550.

³⁵ The problematic history of land reform in the Philippines has detailed extensively elsewhere, see: i.e. Putzel, *op. cit.*; Riedinger, Jeffrey M., *Agrarian Reform in the Philippines: Democratic Transitions and Redistributive Reform*, Stanford: Stanford University Press, 1995. My main focus here will be the CARP.

oligarchy and the promised land reform program did not result in a wider distribution of wealth among the peasants and the landless³⁶.

CARP was in effect an updated version of the Accelerated Land Reform Program (ALRP). The CARP actually got underway in 1988, and one of the final catalysts for positive action over land reform was the gunning down of 13 farmers by soldiers during a land reform rally outside Malacanang Palace. The CARP programme made specific and detailed provision for the processes and responsibilities of the land reform process in a way that had been neglected in previous attempts at reform. Responsibility was allocated to the governing bodies that would carry out the process, namely the DAR and the Department of Environment and Natural Resources (DENR). The legalities of land registration, private land acquisition and rates of compensation for land owners were also drawn up. The contentious issue of land retention allowances was left to Congress and the two Houses in Congress, the lower being landlord dominated and the upper reflecting the interests of urban Senators drew up bills which reflected their differing priorities. But between them they managed to compromise and the Comprehensive Agrarian Reform Law was passed.

The CARP covers all private and public agricultural lands whatever the crop under cultivation, it also makes no distinction over differing types of tenure agreements. All workers on the land, not just those classed as farmers are potentially eligible for land although it is more usual for men to receive Certificates of Land Ownership Authority (CLOAs). After the 1st semester of 2002 DAR figures show that 'there were 169,116 female Agrarian reform Beneficiaries (ARBs) which is about 22.57% of the 749,275

³⁶ Lapitan, A. E., 'The Re-Democratization of the Philippines: Old Wine in a New Bottle', *Asian Profile*, Vol. 17, No. 3, pp. 235-41, 1989, p. 236.

ARBs of CARP. Seventy-one (71%) of the total female ARBs or 120, 527 are members of farmers organizations or cooperatives³⁷.

Various retention limits were set for landlords; 'seven hectares for rice and corn lands, five hectares for non-rice and non-corn lands with three hectares for each of the heirs, 15 years old and above, of the landowner given they are actually cultivating or managing the land'³⁸. The CARP also legislates for infrastructure and development support for the Farmer Beneficiaries (FBs), offers various profit sharing and stock options in order to ensure security of tenure and has set up adjudication procedures for disputes. Other complementary policies are also in place under the CARP such as *Leasehold Operation* which protects the rights of tenant farmers and stock and profit distributions schemes.

The rationale behind the CARP can be identified as part of a state-society counter-move against the neoliberal rigours of the agrarian market economy. It marked a move away from man's labour power being quantified in terms of wages and access to land being only granted after the payment of rent³⁹. Now even though the FBs still have to sell the goods that they produce in the market place they are not alienated from their labour or divorced from the means of production. By reallocating land to FBs and providing supportive mechanisms for training and infrastructure the Philippines government is effectively intervening in market mechanisms and

³⁷ Salcedo, M. C. (MarthaCarmelS@dar.gov.ph) 2002. *CARP and Its Impact on Poverty*. 6 November. Email to: Pauline Eadie (Pauline.Eadie@ntu.ac.uk). However equality before the law and equality in practice diverge. See i.e. Polestico, Rachael V. 'Gender Issues in Agrarian Reform', 1998. Available at: www.codewan.com.ph/anihan/arrd_today/analysis/gender.htm [Accessed 31 October 2002]. Amongst other points, this document argues that women are under-represented in both official organizations and cooperatives, despite the fact that the DAR has specific legislation on the role and rights of women.

³⁸ Reyes, *op. cit.*, p. 10.

³⁹ Polanyi, *op. cit.*, p. 131.

productive organisation in order to empower the poor. However the landlords have emerged as a major sticking point in smooth land asset transfer.

..... And the Reality

In 1988 it was anticipated that the CARP would operate over a period of 10 years finishing in 1998, this being seen as a realistic time frame for the land reform agenda. However in June 1998 official DAR figures indicated that only 56%, of a target of 2.7 million beneficiaries were installed in their lands, by September 2000 this figure had reached 63%. Meanwhile the DENR had reached 77% of their target of 1.7 million FBs⁴⁰. Initially the programme was extended until 2004, but DAR officials indicated in August 2001⁴¹ that officially it is estimated to take until 2008 to complete but in reality it will take until 2011, *if budget levels remain the same*. So if the budget is cut then it may well take longer. It was claimed that the CARP had been the centre piece of the Aquino administration but over the years its high profile had declined, along with the budget of the DAR⁴². DAR officials have admitted that they did not realise that land transfer cases would be so numerous or so complex. They claimed that the legalities of the process were currently being rationalised and that DAR workers were undergoing 'para-legal' training so that they could cut through some of the confusion and protracted legalities of some cases.

⁴⁰ Statistics from DAR, Policy and Strategic Research Service. However these figures are to be treated with caution, alternatively FAOSTAT data indicate that by 1999 only 42% of targeted farmland had been reallocated.

⁴¹ See footnote 11, all comments attributed to DAR officials in this section are from the August 2001 interviews.

⁴² Between 1987-1991 (Aquino administration) the Agrarian Reform Fund (ARF) received 0.44% of GDP, between 1992-1997 (Ramos) the ARF netted 0.35% of GDP, and between 1998-1999 (Estrada) only 0.28% of GDP. Figures from 'An Evaluation of the Fiscal Aspect of the Comprehensive Agrarian Reform Program (CARP): Executive Summary', 2001, DAR Internal Document.

There are also problems with the complementary infrastructure and support mechanisms meant to help FBs establish themselves as independent farmers. DAR officials claimed that foreign funding from the European Union, the Asian Development Bank, the World Bank and individual foreign governments namely Japan and Sweden had all supplied funds in order to help cover the post-acquisition costs of the FBs. One of the problems with this however was that the Land Bank of the Philippines which administers this finance, would only lend money to FBs who had organised themselves into cooperatives, and the Bank requires collateral. Given that the only collateral that the FBs would be likely to have is their land, this places them in a vulnerable position if things go wrong. This has been resolved to some extent by NGOs supplying aid and inputs to the farmers. But one of the main problems for the implementation of the CARP, and particularly the FBs, is corruption and harassment amongst the former landlords. In order to illuminate this claim I will now draw on evidence researched by participation in FIAN fieldwork from 17 – 21 August 2001.

Medellin: The LANFABA Case

Despite declining profits from sugar production sugar planter hacienda owners of Northern Cebu are “scaling up” their collective actions and organizations from the hacienda level to the intermunicipal level in order to strengthen their impact on a dragging agrarian reform process⁴³. Because of Cebu’s location at the heart of an official inter-island regional development plan, including the repackaging of the area

⁴³ Franco, Jennifer C., ‘Between “Uncritical Collaboration” and “Outright Opposition” An Evaluation Report on the Partnership for Agrarian Reform and Rural Development Services (PARRDS) and the Struggle for Agrarian reform in the 1990s’, Available at: <http://www.ipd.ph/>. [Accessed 17 February 2002].

as a luxury tourist centre, the sugar planters may now find it prudent to try to keep their lands with the aim of converting them into tourist resorts and golf courses⁴⁴.

The first case to be examined here involves land that previously belonged to the Ada Agricultural and Development Corporation, a sugar estate located in Medellin in the north of Cebu. The FIAN delegation, bolstered by members of the Center for Rural Development (CERD)-Cebu and the Theresian Sisters, and representatives from the DAR, visited the Vice Mayor of Medellin and also the seven FBs involved, and their families, in order to investigate claims of harassment sponsored by the former landlord. Even though the FBs, members of the Lamintak Norte Farmer Beneficiaries Association (LANFABA), had received their CLOAs and were in legal possession of the land, they had had to suffer harassment and violence from the local police, who were allegedly in the pay of the landlord. A building of agricultural materials, seeds and tools that had been donated by NGOs had been destroyed and mixed crops that were half grown in the field and the traditional sugar crop had been replanted by the previous landowner. This is because FBs cannot take possession of land until the last crop of the landowner has been harvested. So by replanting his crops the landlord was obviously attempting to reinstall himself as rightful owner even though CLOAs had already been granted.

The complicity of the police in this process can be at least partially explained by the devolution of government authority to Local Government Units (LGUs) by the Local Government Code (LGC) passed in 1992 by Aquino and discussed in greater length in Chapter Five. Because local authorities are responsible for policing they are

⁴⁴ *ibid.*, p. 19.

vulnerable to coercion from local landowners and officials who may wish them to turn a blind eye to illegal activity. The upshot of this was that the FBs had requested and received protection from the army, who were there when we visited. They had secured a restraining order against the landlord but this was due to run out on 24 August 2001, it was 18 August 2001 when we visited. As feared, the harassment continued after the restraining order ran out. It has been suggested by the Agrarian Reform Community (ARC) that this case is regarded as a test case by the United Cebu Landowner's Association (UCLA) and that they have vowed to 'keep the LANFABA case entrenched with as many cases as possible within their powers to keep the farmers at a degeneracy status'⁴⁵. In other words the landlords will attempt to overturn the CLOAs by filing as many appeals as they are allowed under the law, as well as physical harassment of the farmers. Given the nature of the Filipino legal system this could keep the case in court for years, meaning that the FBs have to endure continuing uncertainty over their tenure. It also now appears that a local judge, Sipacio, was complicit in the harassment as he was summoned to the Department of Agrarian Reform Adjudication Board (DARAB) in Manila to answer all the writs that had been filed against him by both the FBs and DAR. But the compromising of the Judge has not stopped the landlords and allegedly they are 'busy thinking and preparing for another manoeuvring activity and concocting the next move in advance'⁴⁶.

The problems in this case arose because the landlord did not want to lose possession of his lands. Landlords can use various mechanisms to circumnavigate the land transfer process. Landlords and DAR officials have been suspected of being

⁴⁵ 'Update on LANFABA case and farmers struggle in Medellin, Cebu'. 2002, FIAN Document.

⁴⁶ See: *ibid*.

complicit in using Voluntary Land Transfer (VLT) agreements, where land is directly transferred at a price agreed between the peasant and the landlord, to disguise the fact that no land actually changes hands. VLT is distinct from Compulsory Acquisition (CA) which can be equated to a compulsory purchase order. Landowners can also nominate favoured, but not necessarily qualified individuals to receive CLOAs. These individuals are chosen because they are agreeable to selling the land back to the landlord after the CLOAs are granted. Often a price that seems high to a formerly landless peasant is paid, but will be in fact a fraction of the value of the land. Even some genuinely qualified and knowledgeable CLOA beneficiaries may end up agreeing to this scheme because of the length of time for CLOAs to be granted and the level of harassment that they receive from the landlords. The attraction of a quick pay off becomes too much. In Medellin in an attempt to counter the harassment, which tends to happen at weekends or holiday periods such as religious festivals when locals are expected to be less vigilant, the MSSG has organised a rota of people willing to be within the farmers to help defend them.

The FIAN delegation were granted an interview with the Vice Mayor of Medellin, the audience was meant to be with the Mayor but when he heard that the FIAN delegation were arriving he found himself called away to unexpected business in Cebu City. His deputy was drafted in to replace him, despite allegedly not being briefed on why we were coming. The Vice Mayor claimed that the DAR had wrongly identified the seven CLOA holders currently being harassed as the rightful beneficiaries, despite the fact that they and their families had lived on and worked the contested land since 1965. Apparently 90 workers had been identified by the landowner as beneficiaries but these were rejected by DAR. At this point in the interview the Vice Mayor

alleged that 'DAR officials sent to identify qualified FBs have been so incompetent that they identified the local school teacher as a FB because they were stuck for names'⁴⁷. Throughout the interview the Vice Mayor claimed that 'I have no understanding of the processes involved because I am not a lawyer and do not understand the law'. When he was questioned over how agricultural land in his constituency had ended up in the hands of a Korean owned conglomerate as a golf course⁴⁸, even though it is illegal for foreigners to own the land, he claimed 'I do not know because I am not a golfer'. The Vice Mayor also claimed that his concern was for whoever owned the land to keep growing sugar. This was because Medellin was a 'sugar town' and if sugar production fell, then the 350 jobs at the Sugar Central refinery would be lost, which would be a severe blow to the local economy. This is a legitimate point but allegedly it would also be a severe blow to the Vice Mayor's personal finances, because as we later discovered, he is a major shareholder in Sugar Central.

The Vice Mayor also seemed uneasy that our group was composed of both NGO workers and delegates from the DAR. He suggested that 'if FIAN delegates had come alone then we would have been able to sit down informally and discuss the issues, and that "common sense" solutions could be found'. So unconsciously he fitted himself into a Gramscian framework suggesting the perpetuation of current hegemonic norms. The assumption can be made that he would have attempted to explain to us the 'common sense' of recognising the landlord's grievances and the incompetence of the DAR.

⁴⁷ From Interview with Vice Mayor of Medellin, Medellin Town Hall, 18 August 2002, the following quotes from the Mayor in this section are also from this interview.

The practical situation of the FBs is difficult as they live in traditional wood and palm built shacks next to their lands. They have no electricity and the area is reasonably remote, so in a sense they are an easy target for harassment. Families, including older relatives and young children make up this small community. They are not wealthy despite having the CLOAs and have only managed to secure initial inputs including seeds, caribou and a deep water well because of NGO aid. The mothers in the group indicated to me that even though education in the Philippines is free, the older children were unlikely to attend because of the costs of transport, uniforms and because they were needed to work the land. In addition to these problems their viability as farmers may be compromised by the fact that the hostile landlords are part of the rural elite, which 'single-handedly controls the distribution of technological inputs, rural banking, the renting out of farm machinery as well as the storage, transportation, processing and marketing of farm produce'⁴⁹. So even if the FBs manage to successfully farm their land, the landlords retain a monopoly over the local infrastructure. However despite these difficulties the FBs remain determined to stay on the land. The value of their CLOAs was emphasised to us when one of the farmers declared that the day they were granted their land rights was 'like finding a diamond'.

At the time of writing the case in Medellin is ongoing and of a sensitive nature. The DAR officials interviewed were happy to discuss the CARP in general terms but were obviously unwilling to discuss the specifics of this case. This may well have been because DAR officials have themselves been the target of litigation by disgruntled

⁴⁸ This is The Mercedes Plantation Golf and Country Club which spreads over 82 hectares see Tulod-Peteros, Caroliza, *Golf Courses: Are they on a par with human rights?*, Quezon City: Philippine Human Rights Information Centre, 1999, p.39.

⁴⁹ Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC), *Agrarian Reform in the Philippines*, February 1998. Available at: www.fao.org/sd/LTdirect/Ltan0021.htm. [Accessed 21 February 2002].

landlords. The DAR officials also told me that in 1998 the daughter of DAR Secretary Morales was snatched off the street for one hour and told to 'give her father a message', the message being how vulnerable she was to attack. The understanding was that the incident had been orchestrated by a certain landlord from the Bondoc peninsula. The previous week, this landlord has his land physically removed from him under the instructions of Morales including the use of 'two military helicopters and three military armoured personnel carriers brought more than 100 police and a military combatant led by two military generals'⁵⁰. Meanwhile the seven FBs in Medellin are still receiving the support of NGOs and Church groups sympathetic to their cause, but the landlords continue to do everything in their power to either overturn the CLOAs or remove the FBs from the land.

Malibu Agro. Sugar Corporation and the Right of Way

In Negros Occidental, the FIAN delegation was hosted by the Negros Centre for People's Empowerment and Rural Development (NCPERD) just outside of Bogo City⁵¹. NCPERD, which is led by Father Rodrigo Anoran Jr., is a local PO which comes under the umbrella of the PEACE. It also has international support from the Bread for the World Institute a US based Christian citizen's movement against hunger. The rationale of NCPERD includes a Programme for Land Tenure Improvement which aids the organisation of farmers at the community level, in order to deal with the issues confronting them. Specifically they want to secure the redistribution of 1700 hectares of land into the hands of 253 local families through the

⁵⁰ Cabinet, Enrico, 'The Difficult Challenge of Agrarian Reform, Food security and Poverty Alleviation Under the Estrada Administration', 23 April 1999. Available at: www.philsol.nl/fora/NL99-Cabinit.htm [Accessed 18 November 2002].

CARP. To date they have seen 700 hectares secured by the FBs. The NCPERD also has an Area Development Programme which aims to help the sustainable management of the farming of lands already in the hands of the FBs. There is also a gender programme that focuses on the role of men and women in production, specifically the monetary and non-monetary roles that women perform in the productive process. The programme aims to redress gender inequality⁵² and is encouraging women to make applications to DAR⁵³. This push to implement the CARP in Negros Occidental can be seen as an extension of earlier social movements to facilitate the social organisation of the peasantry.

The Catholic Church has a history of promoting such organisation in Negros, in order to counter repressive working conditions under the hacienda system. Progressive Catholic clergy promoted collective organisation as 'a positive, necessary and honourable strategy'⁵⁴ from the mid 1970s. Ironically it was under Marcos's Martial Law that repressed hacienda workers were first able to air their grievances, as the landlords had their violent tendencies checked to some extent by the state. Father Anoran claimed 'because of my work in land redistribution I have had two contracts taken out on my life by the landlords. But instead of attempting to kill me the people contracted instead informed me of the plot'. He also asserted that 'it is common for a landlord's gun to be lying on a table between us, when we meet to discuss the CARP. This was to make me nervous. One of them even told his bodyguard to go and get his

⁵¹ The aims and objectives NCPERD and the background of the cases we were to investigate were explained to us in an interview with Father Anoran Jr., Rodrigo, 19 August 2001.

⁵² See Polestico, footnote 37.

⁵³ More widely on social attitudes to male/female education and land inheritance see: Estudillo, Jonna P., *et. al.* 'Gender Differences in Land Inheritance, Schooling and lifetime Income: Evidence from the Rural Philippines', *The Journal of Development Studies*, Vol. 37, No. 4, pp. 23-48, April 2001.

⁵⁴ Rutten, Roseanne, 'High-cost activism and the worker household: Interests, commitment, and the costs of revolutionary activism in a Philippine plantation region', *Theory and Society*, Vol. 29, No. 2, 2000, p. 245.

gun half way through a meeting because he had forgotten it'⁵⁵. This level of harassment was not unexpected, as Negros Occidental is dominated by 'some of the country's biggest landlord families [...] the province is the bailiwick of one of the most powerful anti-reform and anti-democratic political currents in the country today'⁵⁶.

According to Franco⁵⁷ the local DAR officials in Negros are allegedly characterised by political weakness and ineptitude in the implementation of the CARP. They are also suspected by the peasantry of being complicit with the landlords over dubious 'joint venture agreements' which undermine the rights of the FBs, and appropriate profits back to the landlords even when the land has changed hands. In Negros the alleged arch villain of such schemes is Eduardo 'Danding' Cojuangco, who proposed virtually giving away 4,361 acres of land in the area in 1998. In return for this he advocated the establishment of a 'joint venture', which would allow him 70% control over the land and tie the peasant collective controlling the other 30% into a 50 year deal⁵⁸. Such schemes have been criticised as FBs are 'effectively reverted to their status to that of tenant'⁵⁹, as landlords have regained financial and physical control over the land.

Father Anoran claimed that 'if the FBs have to wait for the DAR to fulfil its commitments in providing support and infrastructure, they will be forced to enter joint

⁵⁵ Anoran, *op. cit.* Interview.

⁵⁶ Franco, *op. cit.*, p. 22.

⁵⁷ *ibid.*, p. 22.

⁵⁸ For further details see: Borrás, Saturnino M. Jr. and Franco, Jennifer C., 'Burning Issues in ARRD Policy'. Available at: www.ipd.ph/pub/polbrief/1999/july/moralesdar4 [Accessed 5 February 2003].

⁵⁹ Mallejor, Ayan, 'CARP Beneficiaries only own the land on paper says NGO', 11 June 2002. Available at: www.inq7/reg/2002/jun/iz/reg_3-1.htm. [Accessed 5 February 2003].

venture schemes or sell the land in the interim, as this takes so long'⁶⁰. Instead NGOs are providing the inputs and services that the DAR should, which is fortunate otherwise the FBs could not farm the land. Some farmers can access credit from the Land Bank but this requires collateral, and they must be in an Agrarian Reform Community (ARC) to qualify. However the NCPERD do not do any organising work in support of FBs who are in a community with less than 50 hectares on land between them. Instead communities are encouraged to form larger groupings to give them collective economic stability. So here we see encouragement to self-organise to generate stability and social capital.

The first case that the FIAN delegation were asked to examine involved 182 FBs who had been installed on the land of Hacienda Esperanza a 564 hectare estate, previously belonging to Roberto S. Bendicto of the Malibu Agro. Sugar Corporation. In 1996 the land was designated for transfer under the CARP and in April 1999 the FBs were awarded their CLOAs by DAR Secretary Morales in a ceremony in Bogo City. The installation, which is a legal process granted after the landowner has harvested his final crop took place in October 1999. 77 of the FBs registered themselves as a cooperative, which they named the Nagasi Agrarian Beneficiaries Multi-Purpose Cooperative (NARBMPC), and with the help of the NCPERD were able to access credit to farm the land. However in November the former landlord filed a *Prayer for the Issuance of Temporary Restraining Order* before the Provincial Agrarian Reform Adjudicator (PARAD) against the DAR personnel who had granted the CLOAs and the legal representatives of the FBs. The appeal was due to the Benedictos refusing to recognise 109 of the 182 farmers as beneficiaries. The FBs

⁶⁰ Anoran, *op. cit.*, Interview.

were then advised not to install themselves on their land until the dispute was resolved.

Some of the FBs spent the turn of the year in Manila attempting to coordinate support and lobby the DAR office but during this time the Estrada administration fell and they ran out of money to stay in the city. They returned home and the next few months were spent in a perilous situation as they had no food and were unsure over their claim on the land. Some were forced to take work at neighbouring haciendas as wage labourers therefore weakening their claim on the land. The following May, Secretary Morales, under the provisions of the CARP, ordered that this ruling be set aside and that the FBs should have their land.

So the FBs planted their first crop of sugar and 11 months later were able to harvest it. But when the FBs attempt to transport their crop by lorry to the local Sugar Central the landlord, who still owned the road blocked their right of way with a barrier and the aid of his private army otherwise known as Blue Guards. The result of this was that some of the sugar crop rotted on the back of the lorries, despite pleas to the local police to facilitate a right of way for the harvest. In addition to this, of the 174 hectares planted by the FBs they managed to harvest only 67, the landlords took the rest for themselves by force. Another appeal was filed by the Malibu Agro. Corp and when the FBs attempted to stop the company harvesting the sugar which they had planted they were shot at. The NARBMPC then took the case back to the DAR and the office of the President and it was ruled that the FBs should receive the entire proceeds from the sale of the harvest. In May 2001 the DAR asked that the FBs receive police protection but the police guard failed to materialise. At the time that

the FIAN delegation visited the FBs they were camped out in the field to stop the Malibu Agro Corp retaking physical possession of the land. They were also unable to plant another crop because of appeals pending by Malibu.

When the FIAN delegation with which I was travelling arrived on 20 August 2001, the Blue Guards had placed a tractor over the road into the area where the FBs were camped in order to block our access. All the guards were armed and had dogs, they made us get out of our vehicles and searched them and also asked us all for proof of identification.



Road Block at Hacienda Esperanza: Author's photograph 20 August 2001.

But this just appeared to be a show of strength and after phoning the landlord on a mobile phone they let us through. But the whole of the time that we spent interviewing the FBs, they watched us. Whole families were out in the fields and had

installed wood and palm houses for shelter. This was not just a male activity; everyone was there from babes in arms upwards⁶¹. Our passage out again was uninterrupted. This experience demonstrated the fact that a combination of legal machination and physical harassment has been designed by the landlord as a war of attrition, in order to dissuade the FBs from continuing with their quest for the right to farm the land unhindered. Even when a senior official from the central DAR offices ordered police protection for the FBs it failed to materialise.



NARBMPC Farmer Beneficiaries on the disputed land: Author's photograph 20 August 2001.

This case however had a happier ending, although matters took a further 15 months to rectify. On 24 November 2002 the farmers were finally installed on their lands with the legal backing of the DAR and the physical backing of the Philippine Army and the Philippines National Police (PNP). However this only took place after personal intervention of President Gloria Macapagal-Arroyo herself after dialogue with the

⁶¹ For an analysis of household relations to political activism in Negros see: Rutten. *op. cit.*

NGO community earlier in November. However FIAN continue to warn that vigilance is needed against the landlords in the area⁶².

In the next section I will turn to the dynamics of the relationship between the DAR and NGO and People's Organisations (POs) in the Philippines. The aims of these two groups are the same, successful land transfer, but at times they operate as a very uneasy alliance.

An Uneasy Alliance the DAR and Civil Society

My first experience of the DAR was witnessing a group of tired and angry farmers laying siege to the office of Secretary Braganza on 14 August 2001. A meeting had been arranged with Jun Borrás of the Philippines Ecumenical Action for Community Empowerment Foundation (PEACE), an umbrella group for Philippines Pos, and we received word that an unplanned sit-in was taking place and this was where we were to meet.

The reason for the disturbance was that delegates from a farming group, Panbansang Ugnayan ng mga Lokal ng Nagsasariling Organisasyon ng mga Mamamayan sa Kanayunan (UNORKA) Mindanao, had travelled 32 hours by boat to meet with Braganza but he failed to grant them an audience despite being in the building. They stayed over night and were being brought in supplies of food from sympathetic NGOs in the city. In frustration the farmers refused to move and barricaded him in his office, taking over the hallway and the DAR board room.

⁶² This updated information was conveyed to me by e-mail: Pineda, Nida (Sister), (fiaphils@pacific.net.ph) 2002. *Negros*. 9 December. Email to: Pauline Eadie



Sit-in at the DAR Offices Manila (Secretary Braganza's office is on the left): Author's photograph 14 August 2001

This they used to give press conferences and further embarrassment was caused to the Secretary because he was meant to be using the boardroom for a meeting with officials from the World Bank (WB) that afternoon. The whole situation was monitored by the private security guards of the DAR and armed riot police were also located outside of the building. This was an interesting example of direct action as the farmers were allowed to continue their protest in a government building in a relatively unrestrained fashion. This may well have been because the eyes of the media were upon them with TV cameras being in evidence. It must be noted though that, even in democratic countries in the developed world, such activities would often be physically stopped.

The end result of the siege was peaceful. It became problematic for the farmers to continue as the police put a food blockade on the building and Braganza agreed to meet the farmers a few days later. The farmers were promised monthly meetings with DAR officials to monitor the progress of the cases, and the Braganza agreed to this in writing. But at the time Borrás believed that this would not be honoured⁶³. It turned out that he was right and indeed the meetings did not materialise, however a breakthrough in dealings with the DAR came on 20 November 2002 at Malacañang Palace.

A meeting was held with many of the NGO groups already identified here and also representatives of member organisations of Partnership for Agrarian Reform and Rural Development Services (PARRDS), the DAR and the President. According to the PEACE Foundation this was a very uncomfortable meeting for the DAR which resulted in important verbal commitments from the President on pushing the land reform process through and calling the DAR to account on their poor record of successful land transfer. The President also accepted the NGO claim that the DAR were guilty of inflating their record of land transfer achievement and said that these would have to be amended⁶⁴. One of the first results of this meeting was the installation of the NARBMPC farmers as noted above.

Interview responses indicated that the impromptu siege was the result of sheer frustration on the part of the farmers. During the press conference the speaker,

⁶³ Conveyed in interview 21 August 2001 at the PEACE Compound.

⁶⁴ See: 'Philippine Agrarian reform Campaign Update: PEACE and UNORKA Bring AR Issues Directly to the President'; also: Pancho, Edwin C., 'Agrarian Reform Advocates Made a Successful First Base to Malacañang: A Summative Report on the Recent Dialogue with President Gloria Macapagal-Arroyo', both received by e-mail. Borrás, J., (BORRAS@iss.nl) 2002. *Seige August 2001*. 4 December. Email to: Pauline Eadie (Pauline.Eadie@ntu.ac.uk).

Angelina Mendoza (Banjay) called for the Secretary to resign as he was in neglect of his duties in failing to push the agrarian reform process through. Examples of the problems and abuses at issue were relayed to me in an interview with Enrico Cabinet, the Chairman of UNORKA Mindanao and vice president of the United Florindo Employees Agrarian Reform Beneficiaries Association Incorporated (UFEARBAI)⁶⁵.

Deferment and Evasion in Mindanao

Under the terms of the CARP recently acquired lands by large landholders, previous to 1988, could be granted a deferment under CARP in order to recoup their initial costs into the land. Cabinet claimed that 'in 1988 farm workers working on banana plantations⁶⁶ in Mindanao⁶⁷, who would have qualified as FBs were made to sign blank forms by the landowners', this turned out to be an agreement to a deferment period. During the initial period the companies conducted a massive retrenchment process in an attempt to strengthen their claim to the land. Part of this process involved removing all the workers who had farmed the land for a significant period of time, and who may have qualified as FBs, and replacing them with new employees who would be unable to prove a length of time on the land⁶⁸. This process was

⁶⁵ Interview held at the DAR offices on the 14 August 2001.

⁶⁶ Bananas are grown widely in the Philippines and the country competes with Columbia as the world's largest exporter. For a discussion see: Tacio, Henrylito, D., 'Banana keeps its strong dollar potential' *The Manila Times*, 31 August 2002. Available at: www.manilatimes.net/national/2002/aug/31/business20020831bus8.html [Accessed 18 November 2002]. For a discussion on the industry and the CARP see Borras, Saturnino, M. and Quiambo, Steve, 'Towards an Understanding of the Difficult Challenge of Agrarian reform in Banana Plantations' *Conjecture*, June 1999. Available at: www.ipd.ph/pub/conjecture/1999/june/bananareform.shtml. [Accessed 5 February 2003].

⁶⁷ Davao del Norte in Mindanao was visited by a separate leg of the FIAN mission, the plantations in question are the Marsman Estate Plantation, First Individual Agrarian Reform Beneficiaries Multipurpose Cooperative, Davao Penal Colony (DAPECOL) and Checkered Farms.

⁶⁸ UNORKA claims that DAR excluded 'close to 100 farmworkers who worked in the plantation for 10-20 years, while it included farmworkers (and many management supervisory level employees) who were employed less than 1 year before the notice of CARP coverage'. See: 'UNORKA Press

continuous even after 1998, when the deferment ended. 'Trade union members or those more aware of their rights under the CARP were simply sacked, blacklisted or harassed'. Cabinet claimed that 'on 11 June 2001, 8 members of his organisation were shot'. As in the case in Medellin, Cabinet claimed that 'plantation owners were able to pay off local government officials, the courts and the department of labour to turn a blind eye to their illegal activities'. The police, he claimed, were 'so complicit in this process that they reported to the company monthly for payment, filled their cars up with fuel at the company pumps and were granted special favours such as roast pigs on their birthdays'.

Cabinet also explained that many of the plantation owners ran their interests *in absentia*. The owner of four banana plantations and a close ally of Marcos, Antonio O. Floirendo, had to leave the country after the ousting of Marcos, but according to Cabinet he now continues to run his businesses from the UK by virtue of IT. His brother-in-law runs operations for him in Mindanao and he also has the advantage of a son in Congress⁶⁹. The company owns 3000 hectares⁷⁰ plus there is access, under the BuCor-TADECO joint venture agreement, to 5500⁷¹ hectares of rented government land which is actually part of Davao Penal Colony (DAPECOL). Penal lands are exempt from the CARP⁷². Cabinet claimed that 'Florindo was able to rent penal lands

Statement', 22 November 2000. Available at: www.philsol.nl/A00b/UNORKA-22nov00.htm [Accessed 5 February 2003].

⁶⁹ Checks also showed that Rodolfo del Rosario (Lakas) of the Tagum Development Corporation (TADECO)/Antonio Florindo Group was Governor of Davao del Norte under Estrada and held the position in the May 2001 elections.

⁷⁰ Checks revealed that this figure is made up of, two sets of 1,024 hectares, totalling 2,048 hectares, this land was granted by a proclamation by President Quirino in the early 1950s. The rest was either bought or forcibly appropriated from settlers and indigenous communities. See: Basilio, Jr., Robert J. A., 'Farmers demand investigation of Florindo landholdings', Available at; www.cyberdyaryo.com/features/f2002_0408_03.htm, p.1. [Accessed 18 November 2002].

⁷¹ This figure is actually 5,212; see *ibid*.

⁷² However part of the problem is that no one seems sure how big DAPECOL is, as the original 20,000 hectares have 'been subdivided, partitioned, and allocated to individuals and business interests by more than twenty presidential proclamations, dating from for time of the Quirino administration of the

for 1500 pesos per hectare per annum and had enjoyed this privilege since 1970 despite the fact that the market rate of rental was 35,000 pesos per hectare annually⁷³. Cabinet's only explanation for this state of affairs⁷⁴ was that 'officials within the Department of Justice were receiving kickbacks'. The situation with TADECO continues to cause problems, in July 2002 President Macapagal-Arroyo distributed land to 2, 513 beneficiaries. However, there is still a court case pending over the distribution of these assets which means that the FBs will have problems resorting to law in order to install themselves in the land⁷⁵. However tensions are not always so high between the farmers and DAR, indeed there has been some positive interaction and support between the groups, this will be explored in the next section.

DAR and the NGO Community

During the initial period of the CARP, from 1988 until 1992 there was little positive interaction between the DAR and the NGO community. The DAR restricted itself to working only with peasant organisations that allowed themselves to be co-opted into the state bureaucracy. Initially the Congress for a People's Agrarian Reform (CPAR), which had formed under the guidance of the *Kilusang Magbubukid ng Pilipinas* Peasant Movement of the Philippines (KMP), reacted strongly against the retention

1950s'. This means that landholders may be claiming that the land is penal colony land and therefore exempt under CARP, but actually they control it. See *ibid*.

⁷³ The year was actually 1969, but the rent was only 250 pesos (about £3.50), which was a quarter of the going rate. See *ibid*.

⁷⁴ However the Corporate Communications Officer for Anflo Management and Investment Corp which owns TADECO had another explanation. He maintains that the DAPECOL-TADECO joint venture operates as a type of rehabilitation program for the Davao prisoners and that they get paid the minimum wage which goes to their families. He also denies UNORKA and UFEARBAI claims that that Japanese importers object to their fruit being grown by prisoners. Anflo export under the brand name del Monte. See: Torres, Theresa, "'Working" inmates at Dapecol reject CARP+', *The Manila Times*, 20 May 2002. Available at:

www.manilatimes.net/national/2002/may/20/prov/20020520pro3.html [Accessed 18 November 2002].

⁷⁵ See: Mellejor, Ayan C. and Escovilla Joel B., 'Macapagal, DAR hit for distributing land titles' 2 June 2002. Available at: www.inq7.net/reg/2002/jul/02/reg-47.htm. [Accessed 18 November 2002].

limits allowed for landlords and their heirs, arguing instead for zero retention. NGOs and POs raised outright objections to the CARP process because of its sluggish implementation record and because landowners with contacts in government were evading the process. Corazon Aquino herself was from a historical land holding family, the Cojuangcos, and she herself evaded the CARP by removing family lands from the CARP remit. 'The Aquino clan's 6,300 hectare Hacienda Luista in Central Luzon escaped the property police. [...] No surprise then that the Aquino government was seen more as a part of the problem than the solution'⁷⁶.

During the Ramos administration, 1992-98, the CARP process stabilised and accelerated somewhat. This was partly due to the confidence generated by Ramos's management of the economy, but also because of the innovative management of the DAR by Secretary Ernesto Garilao. Garilao had been an NGO activist himself meaning that he was able to orchestrate a rapprochement between the DAR and civil society, adopting a more reflexive and inclusive approach to the CARP process. 1993 also saw simmering differences over dogma and practical strategy erupting within the Communist Party of the Philippines (CPP) which led to the disintegration of the Party. The less radical faction that emerged, *Demokratikong Kilusang Magbubkid ng Philipinas* Democratic Peasant Movement of the Philippines (DKMP) took the decision to engage with rather than oppose the CARP. So the process seemed to be moving, albeit slowly, in the right direction. But the CARP has a history, understandably, of completing the less contentious cases first, for instance land held in public rather than private hands encountered less resistance from obstreperous

⁷⁶ Lopez, A. 'Watch Out, Landowners: An ex-communist is taking on agrarian reform', *Asiaweek.com*. Available at: www.asiaweek.com/asiaweek/98/0717/net_4_land.htm. [Accessed 22 February 2002].

private landlords. So as the process continues the DAR are left with the most problematic private cases on their hands.

During the Estrada administration and the period of office of Secretary Morales at DAR, the CARP budget was cut due to national budget problems⁷⁷, and Estrada succumbed to increasing pressure from landlords with contacts in government to exempt their lands from the process. Estrada, who came to power on a pro-poverty reduction platform made an interesting choice in Morales as DAR Secretary. Morales had spent years in the field working on poverty projects. A former pre-Martial Law senior economist to Marcos, he ending up falling foul of Marcos and turned instead to radical Communism. He was subsequently apprehended by the authorities and tortured and imprisoned. For Estrada's purposes, Morales as DAR Secretary had 'credibility down to the Barangay level'⁷⁸ and as such was perceived by civil society as a reliable figure to push forward the land reform process.. However this conflicts somewhat with Estrada's acquiescence to the demands of landlords eager to hold on to their lands⁷⁹. The mire of corruption that Estrada eventually found himself in, which was exceptional even by Filipino standards, eventually led to his ousting from office. The paradoxical nature of the relationship between DAR under Morales and Estrada, who had been a Marcos crony under the previous dictator, clearly inhibited the performance of DAR somewhat during this period.

⁷⁷ The Estrada administration's reversal of the neo-liberal approach to the economy favoured by Ramos are discussed in Chapter Six.

⁷⁸ Lopez, *op. cit.*, p. 1.

⁷⁹ An example of this is the Davao del Norte case discussed in interview with Enrico Cabinet, for more details see: *UNORKA Press Statement*, 22 November 2000. Available at: philso1.nl/AOOb/UNORKA.22nov00.htm. [Accessed 22 February 2002].

Over the period of the CARP polarised relations between the state and civil society have moved from outright antagonism to critical engagement, with the process ebbing and flowing depending on the pressures brought to bear by different players over time. Differences have emerged between and within the state and civil society sectors, with landlords attempting to coerce and influence both groups. Also, as we have seen, individuals may migrate from one group to another as in the cases of Secretaries Garilao and Morales. In turn joint working groups have been established between the DAR and civil society such as the joint PEACE – DAR initiative in 1994 called Task Force 24. This initiative encompassed ‘collective efforts to identify major landholdings or ongoing local land disputes, and joint strategizing on how to defeat landlords’ resistance in order to expedite expropriation and redistribution of land’⁸⁰.

Such umbrella organisations are useful as they allow for extensive and progressive networking, and the ‘NGOs and POs most successful in influencing local political processes are those that have created alliances with Manila-based NGOs and with development-orientated elements of the state on both local and national levels’⁸¹. This works for the benefit of both local NGOs and the state, as NGOs become less vulnerable to the behaviour of local elites and state agencies are able to identify local officials sympathetic to their aims. The NGO community in effect help to counter gaps in the DARs capabilities, they fill the ‘institutional vacuum’⁸², that is characteristic of the corrupt and enclosed nature of Filipino politics. The DAR has a difficult task as its work undermines the vested interests of many of the Filipino elite,

⁸⁰ Borras, *op. cit.*, 2001, p.563.

⁸¹ George, Terrence. R., ‘Local Governance People Power in the Provinces?’, in Silliman, G. Sidney and Noble, Lela Garner, (eds.), *Organizing for Democracy NGOs, Civil Society and the Philippine State*, University of Hawai’i Press: Honolulu, pp. 223-53, 1998, p. 224.

⁸² See: Clarke, Gerald, ‘Non-Governmental Organizations (NGOs) and Politics in the Developing World’, *Political Studies*, Vol. XLVI, 36-52, p. 41.

often with influence in government and it is hindered by a protracted legal system and recalcitrant and devious landlords. When the CARP process falters it is for reasons outside of DAR control. Joint initiatives, although often uneasy alliances, are essential in driving forwards the process of CARP and countering the resistance of landlords and their co-conspirators, who otherwise would be able to play the two sides more easily off against each other. Hence the Vice Mayor of Medellin's suggestion that the FIAN delegation should have come alone.

It is possible that relations between the DAR and civil society will get worse before they get better, given that it is the most problematic of cases that are left to be processed. Despite this the DAR officials interviewed⁸³ argued that their department was the most transparent and most engaged with civil society out of all government departments in the Philippines. They also claimed that, despite the recent evidence of the UNORKA siege, they considered that they had a generally healthy relationship with civil society and hoped for a constructive and reasonable dialogue to evolve. However, they did offer the opinion that NGOs were merely a vehicle for empowerment and 'it is the farmers themselves who *should* ultimately hold the decision making power and control financing', hence the wording of the executive summary calling for the farmers to be 'self-reliant entities'⁸⁴. Some concern was voiced by those interviewed over whether NGOs were 'too concerned with making a big noise' and were using the CARP process as a means to justify their own existence, in terms of attracting financing and media attention, although in the opinion of the author that is unjustified. It would seem though that for two sectors with the same

⁸³ See footnote 11.

⁸⁴ *ibid.*

professed aim, the DAR and the civil society community have great difficulty in balancing their mutual support act.

Assessing Neo-Liberalism and the CARP

As well as the range of socially embedded problems that the Philippines has faced at the domestic level in introducing the CARP, wider economic competition also impacts upon the agrarian sector. If we see the CARP as a meaningful redistribution of assets, agency and autonomy then agrarian reform represents structural reform rather than a problem solving solution to poverty. However, the drive for land reform sits uncomfortably with Gloria Macapagal-Arroyo's current adherence to neo-liberal principles. The liberalisation of international agricultural production, under the Agreement on Agriculture after the Uruguay Round of the GATT/WTO signalled an increasingly competitive market place for agricultural goods. So, as the Philippines struggles to restructure agricultural commodity production, risking what Cox calls 'an agricultural gap'⁸⁵ the FBs must attempt to thrive in highly competitive relations of production and consumption. Overall in the Philippines, exports of primary goods fell from 31 to seven per cent between 1990 and 1999 as a percentage of total GDP⁸⁶.

The domestic politics surrounding the CARP process can be seen as 'local' issues, however questions of Philippine agricultural politics are in fact embedded in a much wider politico-economic dynamic. National and international pressures overlap and 'local agricultural communities may retain a local dynamic, but they must retain

⁸⁵ Cox, Robert W., *Production, Power, and World Order Social Forces in the Making of History*, New York: Columbia University Press, 1987, p. 86.

⁸⁶ *World Bank Human Development Report: Attacking Poverty 2000/2001*, Oxford: UNDP, 2001, p.187. See also Figure 2 for a longer time series.

retention of that dynamic with various "instituted market" processes as the reach of states and international agencies expands'⁸⁷. In other words the process of sustainable agrarian community building must negotiate international forces as well as domestic politics. However this is not just a case of economic competition, international forces also impact of the CARP in terms of donor funding. In August 2001 DAR officials in Manila stated that in total the DAR had received 33 billion pesos over the last six years in international loans to facilitate the CARP process. Donors include the WB, the FAO and the international organisation, Comprehensive Assistance for Rural Empowerment (CARE) which has a project supporting 22 Agrarian Reform Communities throughout the Philippines. The DAR officials stated that an impact assessment on the performance of international funding had been conducted over a period of six years. According to the DAR the international funding agencies had declared themselves satisfied with the performance of the DAR. Most of the money received in international funding is spent on support services for the Agrarian Reform Beneficiaries ARBs, but none of this money is made available for legal costs.

From the character of international funding it can perhaps be argued that, at the macro level, the same tensions exist between neo-liberal economics and the agrarian reform process. Certainly for the World Bank a contradiction seems to exist between structural adjustment policies designed towards increasing export earnings and then their support of agrarian reform. Which may in the short term at least, challenge policies designed to increase export earnings.

⁸⁷ McMichael, Philip, 'Rethinking globalisation: the agrarian question revisited', *Review of International Political Economy*, Vol. 4, No. 4, pp.630-62, 1997, p. 633.

An Uneasy Theory of Collectivity

Over time the fortunes of the sugar barons of the Visayan Islands have ebbed and flowed. This has partly depended on the value of their commodity on international markets and on how favourable their terms of market access have been. The market has, to a certain extent dictated their fortunes, although they have been able to counter assaults on their position by virtue of their oligarchic control of the Filipino political hierarchy. Parallel to the movements of the landlords in reaction to the market a corresponding 'double move' has taking place in rural civil society amongst the non-landed classes. This latter double move is a reaction against the centralisation of the means of production, in other words land, in the Philippines. Over time this double move has evolved in its form and has appeared as violent⁸⁸, and non-violent social mobilisation, and now manifests itself in the legal form of the CARP. Between these two double moves the state has played a mediating role. However the state itself cannot be viewed as a homogenous entity. Differences in policy emerge between government departments, the lower and upper Houses of Congress which have differing allegiances in terms of rural and urban issues, and differing Presidential administrations have displayed varying levels of enthusiasm for the CARP process.

The CARP does not work towards the rationale of market logic but rather towards a more egalitarian rural society through the redistribution of resources and the positive

⁸⁸ Here particular attention is not paid to the sometimes violent nature of state society relations in the Philippines. For details of this see for instance: Dumont, *op. cit.*, Hawes, Gary 'Theories of Peasant Revolution A Critique and Contribution from the Philippines', *World Politics*, Vol. XL, No.2, 1990, pp. 261-298; Lindio-McGovern, Ligaya, *Filipino Peasant Women Exploitation and Resistance*, Philadelphia: University of Pennsylvania Press, 1997; Majul, Cesar Adib, 'The Moro Struggle in the Philippines', *Third World Quarterly*, Vol. 10, No. 2, pp. 897-922, 1998; Rivera, Tamarico, C., 'Democratic Transitions and Armed Social Movements The Philippine Case', in Miranda, Felipe B., *Democratization: Philippine Perspectives*, Quezon City: University of the Philippines Press, pp. 229-40, 1997. For the costs of revolutionary activism to the worker household see, Rutten, *op. cit.*

rebuilding of community. If CARP had never existed and land holding patterns had continued to remain skewed in the Philippines then the prospect of the sustainable alleviation of poverty in the provinces would have been limited. Forms of community already existed in terms of organising a culture of protest and collective action. Now this collectivity can be harnessed in rural cooperatives to help promote the economic, ecological and social sustainability of the farming community during and after the process of installation on their lands. It is for this reason the CARP has provisions which encourage the creation of cooperatives, for instance credit can only be accessed from the Land Bank if farmers are part of such a collective and 'mother CLOAs' may be distributed which are collectively held CLOAs. In addition to this we see NGO schemes which are designed to support sustainable community building. All of these initiatives show signs of Polanyi's double movement against market forces, in this case distorted by corrupted elites. According to Polanyi if market forces were left unchecked 'workers would be exploited beyond the point where they could even reproduce themselves, food would be systematically adulterated to expand profit margins, and the environment would be devastated by pollution and the unrestricted use of resources'⁸⁹.

However this is not a simple distinction between a Marxist inspired redistribution of the means of production and the hegemony of neo-liberal market forces. The CARP is a radical departure for traditional landholding in the Philippines, but cannot be viewed as a revolutionary process as state structures remain intact, despite the experience of EDSA II in January 2001. A more radical critique would also perhaps posit that the CARP is a device to co-opt insurgents and civil society into the neo-liberal hegemony.

⁸⁹ Block, Fred and Somers, Margaret R., 'Beyond the Economistic Fallacy: The Holistic Social Science of Karl Polanyi', in Skocpol, Theda, ed., *Vision and Method in Historical Sociology*, Cambridge:

Arguably radical activism is now diverted into organising sustainable communities on the land, rather than fighting the state for the land. But ultimately they are still operating within the neo-liberal agenda and their revolutionary impetus has been quashed by the appeasement of land holding. Cox views civil society in this way when he asks the question 'is civil society in the late 20th century the surrogate for a revolution that seems unlikely to happen?'⁹⁰. So by allowing civil society some space for manoeuvre a revolution is avoided, but in turn this may compromise both the ethical base of radical ideals and the autonomy of civil society.

So the process of the CARP becomes not a *double move* but part of the *first movement* which provides the economic environment for the 'free' market to operate⁹¹. So in this sense is the CARP self-defeating, or does it serve as a forum for wider and more equitable participation in the economy, albeit a neo-liberal one? Arguably the CARP functions as a means by which the poor are transformed into active stakeholders in the rural economy. So even though land is redistributed 'social relations are [still] embedded in the economic system'⁹². Block and Somers identify this conundrum, arguing that whilst social actors pushed for the protection of society in the face of market forces 'the very market they were exposing, as oppressive as it may have been, was now the material foundation of the society; survival of the new civilization – shaped and organized by market principles – depended on the survival of the market'⁹³. Cox states that this process can be seen as a form of *trasformismo*, in other

Cambridge University Press, pp. 47-84, 1984.

⁹⁰ Cox, Robert W., 'Civil society at the turn of the millennium: prospects for an alternative world order', *Review of International Studies*, Vol. 25, No. 1, pp. 3-28, 1999, p. 4.

⁹¹ For a radical critique of inadequacy of civil society in the Philippines see: Nicolas, S., *CODE-NGO and the Fine Art of Class Collaboration*. From San Juan, E., (esanjuan@msil.wesleyan.edu) 2002. Fwd: [pinoytok] bulatlat.com on CODE-NGO. 25 February. Email to Pauline Eadie (Pauline.Eadie@ntu.ac.uk).

⁹² Polanyi, *op. cit.*, 1944, p. 57.

⁹³ Block and Somers, *op. cit.*, p. 68.

words a type of Gramscian passive revolution, 'a strategy on the part of the dominant power gradually to coopt elements of the opposition forces'⁹⁴. The dominant power can either be seen as neoliberal ideology or the Philippine state apparatus.

Hirtz takes this argument further and questions altogether the methodology of land reform research⁹⁵. He argues that the process of land reform is designed to 'engineer' farmers into adopting 'the logic of a market economy'⁹⁶. He argues that, the new status as land owner dictates the relationship of the farmer to the state and that this is defined by the laws and rules of the process. By extension this process also dictates the relationship of the farmer to the market, as the state has historically created the conditions necessary for the market economy to thrive, in other words Polanyi's first move. As Hirtz's title suggests, 'The Discourse that Silences', this approach pays no attention to 'the social embeddedness of farming operations in their specific milieu'⁹⁷. For Hirtz the process of land reform should be examined in terms of social rather than capitalist relations to the land. His argument is based on the idea that traditional indigenous patterns of land holding are entirely disrupted by the CARP and this in turn impacts negatively on community in some areas. The original land holding patterns may have been based on custom and practice rather than law, and for Hirtz legal tenure of the land is an unnecessary incursion by modernity.

However it is also important that the CARP, having been embarked upon is completed and that the harassment of landlords is resisted because a capitulation at this stage

⁹⁴ Cox, *op. cit.*, p. 16.

⁹⁵ Hirtz, Fred, 'The Discourse that Silences: Beneficiaries' Ambivalence Towards Redistributive Reform in the Philippines, *Development and Change*, Vol. 29, No. 2, pp. 247-75, 1998.

⁹⁶ *ibid.*, p. 250.

⁹⁷ *ibid.*, p. 251.

truly would result in the 'demolition of society'⁹⁸. If the previous land holding system had prevailed, then at least there was a form of community in relation to this, even if it did often revolve around insurrection. Under the current system, if the CARP cannot be pushed through then potential FBs are left in a highly vulnerable position. It is in the landlord's interests to remove them from the land so that their claim to it is weakened, therefore they may find themselves sacked or harassed. If they succumb to this pressure then the result is the fragmentation of community as work has to be found elsewhere. This may be on other haciendas where they have no claim to the land or as unskilled workers such as motorcycle drivers or washer women. It may also result in urban migration in the search to find work. So the previous economic base for their community life, their role of wage labour for the landlord is undermined whilst their new role as FBs may be unfulfilled.

However, we must also view the process of the CARP, in terms of the specific domestic context in which it appears to understand its complexity. The capitalist economy 'is not a monolithic structure but rather one taking on different qualities in diverse domestic settings but reflecting important historical and cultural particularities'⁹⁹. Consequently any analysis of Philippine civil society 'needs really to understand first the complex neo-colonial and really subaltern nature of a "third world" society like the Philippines which, in spite of being "third world", still has specific peculiarities with respect to the former colonial powers, in particular the U.S.'¹⁰⁰. So in terms of the CARP, it can only be understood in the context of Filipino history and the historical reasons for land holding patterns, which in the

⁹⁸ *ibid.*, p. 73.

⁹⁹ *ibid.*, p. 29.

¹⁰⁰ From: San Juan, E. (esanjuan@mail.wesleyan.edu) 2002. Re: [pinoytok] bulatlat.com on CODE-NGO. 26 February. Email to Pauline Eadie (Pauline.Eadie@ntu.ac.uk).

Philippines go back centuries, as discussed in Chapter Three. For only then can we understand the complexity of the relations between the involved actors, and how these relations are played out in the face of the dominant global neo-liberal orthodoxy, to which the current administration subscribes. If we wish to argue that the CARP is intended as a type of Polanyian double movement an understanding of the relations between the various actors involved helps us to understand how competing interests impact upon state action and impede this process. The state facilitates the double movement by, for instance setting up the CARP in the first place, the installation of certain progressive individuals in key posts such as the secretaryship of DAR, and critical engagement with civil society. But the state simultaneously falters and takes actions which hinder the process for instance bowing to the pressure of landlords and restricting the DAR budget. So the state can be seen to alternate between helping and hindering the CARP process as a result of conflicting pressures brought to bear on it, in an often problematic political environment. Thus 'the state is pulled in contradictory directions by the imperatives of private accumulation, and the imperatives of democratic legitimation'¹⁰¹.

But has it Made a Difference? Poverty Alleviation and the CARP Process

Understanding the social dynamics of the CARP as a force for change is important as it tells us much about the nature of Filipino society and the way that different actors accommodate, converge and conflict with one another in the process of socio-economic change. It shows us how seemingly disparate forces can find ways to force change and how democracy, corruption and economic pressures mediate this process.

¹⁰¹ Block and Somers, *op. cit.*, p. 68.

In terms of poverty alleviation an understanding of these interactions is important to identify frameworks that work, and those which serve to undermine them. But the bottom line for the CARP is whether it really has made a difference to the lives of the poor. As a social justice programme, has it been effective?

In 2001 Celia M. Reyes produced a report entitled '*Impact of Agrarian Reform on Poverty*'¹⁰². The statistics in this document are based on data generated by a household survey of the CARP-Impact Assessment (CARP-IA) project 2000, a DAR 1990 agricultural household survey and the 1998 Annual Poverty Indicators Survey. In all 1,854 households were assessed in this survey from a cross section of the rural Philippines apart from the Autonomous Region of Muslim Mindanao (ARMM)¹⁰³. 20 of these households were unable to be included in the survey because of problems with the data. Of the 1,834 households actually assessed 47% were ARB households and the average length of landholding for these households was 17 years. So many of these households held their land before the CARP started which indicates that their might be a problem with the sample households chosen. It is clearly not representative of new ARBs who may be coping with the initial problems of installation. Only 13.5% of the ARBs had held their land for less than five years.

Very briefly Reyes finds in her report that in 1990, 47.6% of the ARBs included in the survey were classed as poor¹⁰⁴, by 2000 this figure had fallen to 45.2%. Of the non-ARBs surveyed, in 1990 55.1% were poor and in 2000 this had risen to 56.4%. So there is a slight decline in poor ARBs and a slight rise in poor non-ARBs. This

¹⁰² See: Reyes, *op. cit.*

¹⁰³ *ibid.*, p. 20

amounts to approximately 11% more non-ARBs being classified as poor in 2000¹⁰⁵. There are wide regional variations within this figure with Northern Mindanao being the worst performing region. Here poor ARBs number 91.7% and non-ARBs, 77.3% in 2000. This is most likely indicative of the volatile nature of this area given the continuing activities of Muslim separatists in the area and the resulting government counter-insurgency programmes. In addition to this, in 1990 72% of ARBs and 69% of non-ARBs derived their income from farm sources, by 2000 61% of ARBs and only 45% on non-ARBs got their income from the farm, which indicates a steep decline in farm income for non-ARBs at 24%, but also an 11% drop for ARBs. So if the number of poor ARBs has fallen slightly between 1990 and 2000 yet 11% less of their income is derived from the farm then ARBs must be earning an increasing proportion of their income from elsewhere. This is magnified in the case of non-ARBs, although their incidence of poverty has increased.

If one wanted to take a pessimistic reading of these figures it could be argued that the impact of land reform has been minimal. But not only this, the programme has also served to generate inequalities within the farming community in the rural Philippines in terms of creating an income gap between ARBs and non-ARBs. However these figures should be treated with caution as the sample of less than 2000 households is relatively small and it is based on monetary income alone. Other forms of non-monetary income or community support could alter the picture entirely. Also there are other variables that come into play, other than agrarian reform. For instance the unstable price of agricultural commodities, access to markets and money that ARBs

¹⁰⁴ 'poor households are defined to be households whose annual per capita income falls below the required annual per capita income to provide for the minimum basic food and non-food requirements', see, p.27 of report.

¹⁰⁵ *ibid.*, p. 28.

may be paying back for their land and initial input costs. Also presumably, the report does not address the status of potential ARBs who are experiencing protracted problems being installed on their lands because of landlord resistance. Neither does it have a category for farmers who are engaged with leaseback arrangements with landlords. So it could be argued that the two categories of ARB or non-ARB are too simplistic. Despite this, of the ARBs interviewed for this report, '57% said their economic condition had improved [and] about half those classified as poor said that they are better off'¹⁰⁶.

Conclusion

The case of the CARP can be used to critique both poverty reduction mechanisms and methodologies. If the aim of the CARP is to facilitate social justice through the redistribution of productive resources then this is a positive move. However, if the programme consequently serves to co-opt the poor into a market dominated society, this can be seen as a victory for neo-liberalism and the state. With 70% of the Philippines rural population being designated as impoverished then the CARP as an example of social justice is hardly a raging success story.

Although strategies have been put in place by both the DAR and NGOs in order to facilitate rural cooperatives, designed at strengthening community, the underlying rationale of these ventures has been to facilitate the smooth transition of FBs into stakeholders in capitalist society. The irony of this is that international capitalism has conspired against the small farmers. Under the provisions of the Uruguay Round of

¹⁰⁶ *ibid.*, p. 29.

GATT/WTO they are now forced to compete in an international market that is prohibitively competitive. Even the large landlords who are trying to retain land that has been designated for transfer may be doing so in order to sell it for non-agrarian purposes, such as golf courses, rather than to continue farming it themselves. The halcyon days of the Visayan Islands monopolising the sugar trade have long gone.

However it is still important that agriculture in the Philippines is viable because the rural non-farm economy, especially amongst the poor, is dependent on the health of the farming community. Without this there is little demand for other rural goods and services. It can be argued that tourism or development zones will bring money in areas such as Cebu, but the profits from these schemes will be appropriated by the already rich. Under the provisions of the CARP, FBs cannot sell their land until 10 years after they first own it, so selling in order to take a quick profit is not an option open to them. This is a useful rule in terms of maintaining the redistribution of the land but it also creates problems for FBs who are unable to use their land as collateral for loans. This has meant that they can only go to the Land Bank for loans, which in turn has strict criteria for lending which perpetuates state aims. It also means that joint venture schemes become attractive, despite unfavourable terms of agreement and effective control of the land being taken out of FB hands.

The CARP also illustrates an interesting set of dynamics which take place between various interested actors at local, national and international levels. But the force of these dynamics has to be located within a specific set of historical relations in order to understand the allegiances and conflicts that are generated. So again we see that poverty reduction strategies cannot be viewed as discrete technocratic processes,

rather they are historically materialistic, socially embedded issues which demand a qualitative research rationale. Rather than being empowered by the process of CARP, the poor may actually be silenced¹⁰⁷, as they become passive objects in the land reform process rather than dynamic actors. Alternative ways of economic organisation that do not involve private ownership are ignored. The poor are bound to rules which favour the neo-liberal aims of the state, only by complying with these can they maintain their position on the land and access credit and technical support. Even when this is lacking the many NGOs that fill the gap still act to the same market rationale. The poor, even when they become the central subject of research or policy, lose their autonomy or even identity to the logic of capitalism. The process of the CARP however de-radicalises the poor and discontented. A war of position takes place between various actors in order to accomplish the land reform process in the Philippines, but the potential for a total war or revolution which would threaten the overthrow of the state is diminished as ultimately the state and civil society are working towards the same goal.

One avenue for rural discontents is to move to the city. And indeed during the CARP interviews villagers indicated that many of the younger members of their family had gone to Manila, but that none had come back. In the next chapter poverty in the urban context will be explored using Manila as a case study, in order to observe poverty within the social dynamics of the metropolis. This analysis will be extended in Chapter Six by looking specifically at the case of People Power II in January 2001 when Estrada was deposed. Here we will revisit the relationship between the Philippine domestic economy and neo-liberalism in order to observe how successive

¹⁰⁷ Hirtz, *op. cit.*, p. 247.

Presidencies have negotiated an uneasy relationship with global economic forces, with the casualties of neo-liberal hegemony, invariably being the poor. This will also allow us to explore the nature of the relationship between poverty alleviation and democratic participation.

Chapter Five

The Urban Poor: Poverty and Coping Strategies in Metropolitan

Manila

Introduction

Manila is situated on the west coast of Luzon, the biggest island of the Philippine archipelago, which is slightly shorter than Japan. Over the last approximate quarter of a century, Manila's population has grown from 2.5 million in 1964 to 12 million in 2000¹. The city is made up of 17 municipalities, including Manila, Quezon City, Pasay, Makati, Pasig and Caloocan. Vast inequalities of wealth are evident in Manila, the impact of which is exacerbated by the intimate spatial coexistence of the rich and poor. Alongside the skyscrapers of the business district of Makati are squatter communities cobbled together from every available resource that the urban poor can get their hands on.

Manila suffers from a chronic shortage of space and affordable housing and this has led to perhaps 40%² of the urban population living in 'informal' housing. On every available piece of land, from railway sidings and grass verges to rubbish dumps, this mass of humanity functions in close proximity to one another. The growth of Manila as a 'mega-city' is indicative of a wider trend of rapid urbanisation, which is more

¹ Figures from the Asian Development Bank (ADB).

² This figure is however contested. The ADB cite a figure of 35% (see: www.adb.org/Documents/Profiles/PPTA/31658012.ASP [Accessed 5 December 2002]) and

apparent in the developing world but also operates globally. In 1950 only London and New York had populations of more than 8 million, by 2000 there were 29 cities which populations this large, 23 of which were in the developing world³.

Within the Philippines, and specifically Manila, various tensions emerge for the national government over the issue of poverty. In this chapter it will be argued that the new regime of Gloria Macapagal-Arroyo is aiming to portray the Philippines as a viable neo-liberal economic player internationally, rather than dealing pragmatically with domestic poverty through the provision of basic needs. This will be informed by a Polanyian critique of the relationship between the state and the market. Polanyi laments that 'nothing must be allowed to inhibit the formation of markets, nor incomes be permitted to be formed otherwise than through sales'⁴. Macapagal-Arroyo has picked up neo-liberal strategies where Ramos, the Presidential incumbent before Estrada, left off. This has been especially salient in the wake of the Asian currency crisis of 1997. The practical effects of this will be examined here, while the theoretical implications will be explicitly addressed in Chapter Six.

Although the Philippines was not as badly hit by the 1997 crisis as other countries in the region, for reasons to be examined later, the Philippines is still heavily in debt and in need of inward investment. This has left the country obliged to embrace the policy prescriptions of international financial institutions, notably the International Monetary Fund (IMF), the World Bank (WB) and the Asian Development Bank (ADB). International institutions including the United Nations (UN) have actively supported

Megacities, a trans-national non-profit network of government and non-governmental actors, cite a figure of 47% (see: www.megacitiesproject.org/network/manila [Accessed 5 December 2002]).

³ See: Editors of Wateraid, 'Mega Cities and Mega Slums in the 21st Century'. Available at: <http://itt.com/waterbook/page80.pdf>. [Accessed 2 April 2003].

the devolution of government, as a means of facilitating more transparent governance, on the basis that local problems are best understood at the local level. However critics have countered that rather than a strategy to encourage democracy and transparency, international institutional support for devolution stems from the neo-liberal desire to check the cohesive power of the state as an actor⁵. Instead international institutions advocate a diffuse, rather than state-wide rhetoric of inclusion, which as well as focusing the attention of the disaffected on the state rather than neo-liberal hegemony also masks institutional failure to address poverty by means of structural change. This chapter will examine to what extent devolved governmental administration operates effectively. Here a democratic space, which can be examined in terms of a Gramscian war of manoeuvre (or ultimately position in the case of EDSAs I and II), exists for non-governmental organisations (NGOs) and civil society actors to monitor and check government activity.

Moving on from governance, which can be viewed as both an institutional structure and a process, I propose to examine the coping strategies that the urban poor devise for themselves. This fits with Polanyi's idea of a double movement to defend society against the rigours of market capitalism, as discussed in Chapter Two. This will incorporate an examination of social networks, how these emerge and their limits, as well as activity designed to generate income. Given the lack of welfare provision, and secure employment in the Philippines, the generation of social 'safety nets' has become a necessary function of community life.

⁴ Polanyi, Karl, *The Great Transformation*, Boston: Beacon Press, 1957 [1944], p. 69.

⁵ See i.e. Pender, John, 'Empowering the Poorest? The World Bank and the "Voices of the Poor"', in Chandler, David (ed.), *Rethinking Human Rights: Critical Approaches to International Politics*, Basingstoke: Palgrave, pp. 97-115, 2002.

Social or informal networks which support the entrepreneurial activity of the poor, in the absence of a functioning system of property rights, will also be addressed. The assets of the poor may enjoy only tenuous recognition under the law, such as informal housing or land tenure, therefore it becomes problematic to use them as collateral. The poor do not lack initiative when it comes to the creation of money-making schemes, but these schemes tend to be limited in scale to an immediate network of kinship and trusted social contacts.

The nature of the relationship between people's organisations (POs) and non-governmental organisations (NGOs), the lines between which may be blurred, will be assessed. Tensions have emerged here, and were evident during EDSA III at the end of April 2001, when the poor mobilised to oust Macapagal-Arroyo without the aid of NGOs, some of which subsequently felt that they had been 'wrong-footed'. So the strategies of agency that the poor deploy in order to meet their basic needs, both physical and social, and to permeate layers of bureaucracy, will be considered. This agency-in-practice can then be used to critique poverty reduction solutions devised by international and domestic bodies. This might in turn enable one to ask if top down and bottom up strategies merge and support or contradict one another.

The urban poor are doubly discriminated against, by the rigours of the global political economy and again by a government which at worst seeks to criminalize⁶ them, and at best does not address their needs in any meaningful way. Nevertheless, a richness of

⁶ For instance Presidential Decree PD 772 passed in the 1970s under Marcos, and discussed later in this chapter, declared squatting a criminal offence. The law was never used until 1987 however, after Marcos was deposed, indicating that the aim of the law was to legitimise eviction and demolition rather than prosecute squatters. See Berner, Erhard, *Defending a Place in the City*, Quezon City: Ateneo de Manila University Press, 1997, p. 28.

community emerges, despite the rigours and disruptions of modernity. But valuable though this community ethic is, I will argue that in order for social capital⁷ to extend beyond the local, it needs to be underpinned by an effective system of law and property rights. This would help the urban poor to capitalise on their ingenuity and potential in a more substantial way. Extra-legal economic activity among the urban poor is indicative of a prohibitively complex and protracted legal system, which it makes practical sense to opt out of, rather than engage with as it stands⁸. There is, after all, an economic as well as a socio-political explanation for the growth of the 'grey' economy.

Informal coping strategies by the poor, most notably squatting, have become implicitly formalised, for instance through the provision of services such as electricity and water, which emerge both legally and illegally. This is not to suggest that squatting is the only coping strategy used by the poor, but that it emerges as one which vividly illustrates the socio-economic dynamic of how the poor remain poor on the one hand and how they struggle and seek to improve their position, and how they have agency, on the other. Coping strategies entered into by the poor, and in certain ways capitalised upon by those in authority, also fit the needs of the state in so far as they reduce the onus on government to tackle the problem. In the face of government inadequacy, the poor devise their own solutions to welfare issues, and it follows that to undermine these would throw the problem back at the feet of the state. So formal and informal society coexist, and in some ways depend upon each other. However, if the problem of the poor becomes too glaring a burden then the government has

⁷ The idea of social capital is discussed in greater length in Chapter Six.

⁸ See De Soto, Hernando, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, London: Black Swan, 2000, esp. pp. 18- 24.

previously simply built walls round the poor, so as not to offend the sensibilities of the rich⁹.

One of the main threats to the urban poor, through insecurity of tenure, is demolition. Land is at a premium in Manila. This means that illegal squatters, or even those who pay rent or own the houses, but not the land upon which they are built, may be forcibly displaced by landowners. Absentee landlords find that they can capitalise on the desire of government to supply infrastructure such as roads and new buildings in order to attract inward investment. Thus land is a sought after and contested commodity. The tension between neo-liberal poverty alleviation strategies and the basic needs approach emerges also as a spatial conflict in the city. In the rural context, as detailed in Chapter Four, poverty alleviation strategies are closely related to control over land as a means of production. In the urban context the issue of land tenure is also linked to poverty. The spatial conflict between secure housing for the poor and the need for land to provide the infrastructure for economic growth reflects the tension between welfare based and neo-liberal poverty alleviation strategies and also Polanyi's critique on the commodification of land at the expense of society. For Polanyi land is 'tied up with the organization of kinship, neighbourhood, craft, and creed – with tribe and temple, village, guild and church'¹⁰ in other words social order and if land is appropriated by market mechanisms then society is disrupted.

⁹ This was the strategy employed by Imelda Marcos in 1970 when she attempted to hide areas of the Tondo foreshore squatter communities from the visiting Pope John Paul I. He however discovered the ruse and insisted on visiting the hidden villages of Barrio Magsaysay and Magsaysay village. When he returned to Rome he 'assigned an Italian religious congregation in Magsaysay Village to work with the poor, to be the Church of the Poor. A few years after Marcos deported these religious priests one by one'. See: Buenaventura, E., (peace@csi.com.ph) 2001. *Stakeholder for the Urban Poor*. 21 September. Email to: Pauline Eadie (Pauline.Eadie@ntu.ac.uk).

¹⁰ Polanyi, *op. cit.*, p. 178.

Estimates of the percentage of Manila's population that qualify as poverty stricken vary widely, depending on the assessment criteria employed. The initial task of this chapter will be to clarify the limitations of quantification in order to illustrate how defining poverty is a problematic and often subjective process, especially when wealth of community or support networks are taken into consideration as well as financial status. As far as the poor themselves are concerned, it may be 'well being' that is important, and in this sense the criterion used is not simply financial. The idea that poverty can be framed in differing ways, by different actors, may mean that alleviation strategies are flawed because the perceived nature of the problem, and its solution, do not match with empirical reality. I will use the case of Manila to illustrate how issues and processes, which are treated as part of the mainstream in International Relations and International Political Economy such as globalisation, democratic governance and security, feed directly into the poverty problematic. However the consequence of these processes, poverty, does not merit as a 'high' political issue in the discipline of International Relations. This also applies to Filipino politics, apart from pre-election periods when a numerical majority guarantees the poor sympathetic political rhetoric, at least in the short term.

So where does the poverty line really lie?

Different organisations and actors will cite vastly different statistics on the poor. So a question emerges over how these figures are arrived at and what variables are taken into consideration. There is also a question over 'self-assessment', what is the value of the poor's subjective assessment of their own situation? Simply put, in order to address the problem of poverty effectively, we need 'information about the poor and

their circumstances – who they are, where they live, what social and economic conditions they face, how they respond to programs and projects intended for them'¹¹. In order to quantify this problem, the United Nations Development Programme (UNDP), cite 36.8% of Filipinos living below the national poverty line¹². The Asian Development Bank and the World Bank accept this figure¹³, based on the year 1997. However the Philippines National Statistical Coordination Board gave a figure of 34.2% for the year 2000¹⁴. Meanwhile the Bread for the World Institute¹⁵ gives a figure of 54%, which rises to 71% for rural areas¹⁶. The Filipino PO, LUPA (which means land in tagalog), gives a figure of 70% living below the national poverty line¹⁷. Clearly, then, a judgement on the value of these figures must involve an investigation into how they are arrived at.

No statistical evidence was gathered on poverty levels in the Philippines until the 1970s. Even then, national income and expenditure surveys were only undertaken every five years. In 1972 Marcos justified his declaration of martial law as being 'a necessary response to the "rebellion of the poor"¹⁸, but he never implemented any method of measuring the incidence of poverty despite, by now readily available,

¹¹ Baliscan, Arsenio, M., *Poverty Comparison in the Philippines: Is What We Know about the Poor Robust?*, Paper presented at the Asia and Pacific Forum on Poverty: Reforming Policies and Institutions for Poverty, Asian Development Bank, Manila 5-9 February 2001. Available at: http://www.adb.org/Poverty?Forum/frame_datt.htm [Accessed 27 November 2001].

¹² See: *UNDP Human Development Report 2001*, available online at: <http://www.undp.org/>.

¹³ See: <http://www.abd.org/> [Accessed 3 February 2003] and <http://www.worldbank.org/> [Accessed 3 February 2003], respectively.

¹⁴ See: <http://www.nscb.gov.ph/>.

¹⁵ Bread for the World is a United States based Christian NGO which has been operating for 25 years. Its rationale is to lobby the US government over food security issues. Its partner organisation the Bread for the World Institute is active in research and education on these issues.

¹⁶ See: Bread for the World Institute, *The Changing Politics of Hunger, Hunger 1999: Ninth Annual report on the State of World Hunger*, Maryland: Bread for the World Institute, 1998. Figure covers the period from 1984-1996.

¹⁷ From interview with Millet Morante (KPD), Jess del Prada (Chairman), League of Urban Poor for Action (LUPA), Primo Amparo, Manggagawa para sa Kalayaan ng Bayan (Workers for the Liberation of the Motherland), Joint Office, Cabao 30 August 2001.

academic research on the subject. It seems that poverty was used to justify Martial Law, but that no targets were to be set on its reduction, therefore avoiding accusations of failure or lack of action. Poverty monitoring became more regulated under the private research institute called 'Social Weather Stations' (SWS) in 1985, which originated in the Social Weather Stations project of the Development Academy of the Philippines (DAP). The DAP undertook self-assessment surveys of the poor in the early 1980s, but these were eventually stopped by the government as it was claimed that the questions they were asking were of a politically sensitive nature. After 1985 the SWS followed a policy of *enlightened* rather than *technocratic* poverty research. In other words they sought to provide data that places 'quality of life issues on the political agenda by supplying data for public debate through the mass media'¹⁹, rather than a technical approach to poverty which may have taken less account of social context. From 1986 onwards, the National Statistics Office (NSO) produced poverty line figures every 3 years, which were based on 'Family Income and Expenditure Surveys' (FIES). Then in 1998 a more comprehensive survey named the Annual Poverty Indicators Survey (APIS) was introduced, but as yet no figures have been released.

In the Philippines the government uses a representative sample of household incomes to define poverty lines. It compares this to the cost of 'basic needs', the household expenditure that is essential to secure a decent quality of life, such as housing, food, clothing and educational expenses. This is the 'objectivist' as opposed to the 'relativist' approach; the latter simply defines the lowest 30 to 50 percent as 'the poor'. But it is clear that both these methodologies are subjective, they are 'definitely

¹⁸ Mangahas, Mahar, *Monitoring Philippine Poverty by Operational Social Indicators*, p. 1. Available at: <http://www.sws.org.ph/op062001.htm>. [Accessed 26 November 2001].

arbitrary and dependent on political, rather than analytical decisions'²⁰. One of the basic needs assessed is food. This is done by working out the cost of a basket of food that represents the type of food commonly eaten in a given region by a person with a low income. The contents of 'affluent' food baskets would differ because as income rises, consumption patterns move up the 'protein ladder', moving towards resource intensive food types, namely meat. According to the United Nations Food and Agricultural Organisation (FAO), daily calorific consumption should add up to 2350 calories, roughly the requirement to maintain body weight.

However, measuring earned income as the sole variable is inadequate for a variety of reasons. For instance it takes no account of savings, ability to access credit, income in kind or activities that reduce expenditures, such as barter or keeping livestock for family consumption. Social capital²¹ may also reduce the cost of goods or services and may operate on the implicit understanding that this is a reciprocal arrangement. For instance Edgar Buenaventura, a Stakeholder for the Urban Poor, described the building of his house in the following way; 'we pay for carpenters and masons. And they are our neighbours so they charge us only a bit'²². Obviously a nexus of trust exists here, and this can generate goods, services or loyalty that are not dependent solely on the exchange of money. Favours may be done the world over, but in conditions of scarcity they take on an extra significance.

¹⁹ *ibid.*, p. 1.

²⁰ Erhard, *op. cit.*, p. 23.

²¹ The issue of social capital is expanded upon in Chapter Six.

²² Buenaventura, E., (Peace@csi.com.ph) 2001. *Stakeholder for the Urban Poor*, 27 November. Email to: Pauline Eadie (Pauline.Eadie@ntu.ac.uk). A Stakeholder for the Urban Poor is someone who has recognition within POs as having a legitimate claim to land or assets which have not been formalised under law. In this case Buenaventura owned his house, but not the land it was built on, resulting in a rather tenuous situation. This issue will be revisited later in this chapter.

When data gathering, stated household incomes may also be wrong. For instance it is unlikely that income derived from illegal activity is going to be declared. Alternatively income may be intermittent or fluctuating, and therefore difficult to judge. Baliscan²³ rejects income as an adequate welfare indicator and instead suggests consumption levels as a more reliable and meaningful variable. Those that have no income, because for instance they are old, young or temporarily unemployed, will still consume. Consumption may be provided for by savings or loans, support by social networks or other non-monetary income, and these variables are not accounted for by monetary income.

Social capital is however problematic to quantify; how can a monetary figure be put upon kinship and neighbourhood support systems? Even within the accounting of the UNDP's Human Development Index, community ties are not a variable. A person may be poor in income, but rich in community, and this may be one of their most valuable assets, community networks can be seen to enhance a person's 'capabilities'²⁴. For instance it may not make practical sense for a family to move to a better house or nearer employment if this means that they become dislocated from their social network. This network may embody an extended family, godparents²⁵, regional ties, if there has been migration from the provinces, and long-standing neighbours. In times of hardship or threat, for instance from demolition, these networks are invaluable. Social networks also incorporate informal policing systems or childcare arrangements. When a neighbour goes out, their neighbours will watch their house, otherwise these shanty houses are easy targets for thieves. Similarly the

²³ See: Baliscan, *op. cit.*

²⁴ See discussion on Sen in Chapter Two.

²⁵ Important relations are built between godparents as well as between adults and children. See Berner, *op. cit.*, pp. 93-5.

women will look after each others children. Poverty of community can be as crippling as financial poverty in a country where welfare systems are near non-existent. These networks may be weaker in new settlements, however, and they may also mobilise only in the face a common threat, i.e. eviction. It may also be the case that allegiance to one's original province, when living in the city, can lead to factionalism rather than co-operation, and given the scale of urbanisation this factionalism may be inevitable.

In 1975, the urban population of the Philippines was 35.6% of the total population; in 1999 it was 57.7%, and it is estimated that by 2015 the urban population will have reached 67.8%²⁶. This reflects global patterns of increasing urbanisation. People migrating to the cities are often welcomed and supported by already urban family members and their friends, at least until they establish themselves. The city acts as a magnet for those who are unable to support themselves in the rural areas. But the salient question here is how can trust, community and social capital be quantified by researchers of poverty? One would suggest with great difficulty, because it may be problematic to generalise, replicate or extrapolate. The task of quantification becomes more elusive if one considers that liberty, autonomy, dignity and inclusion are variables that define freedom from poverty. Contributory factors to the condition of poverty therefore can be seen as inter-connected, cumulative, and mutually reinforcing, which results in a necessarily complex reading of poverty.

This presents a great problem for top down solutions to poverty that 'place a strong emphasis on technical expertise and the production of generalised, universalisable

²⁶ See: *UNDP Human Development Report 2001*, New York: UNDP, 2001, p. 155.

statements²⁷. This is the technocratic approach previously mentioned, which addresses poverty as a technical rather than a social problem. But it will be argued here that poverty cannot be reduced to easily measured data even if this is more easily digested and justified by policy makers who may be more akin to economists than sociologists. McGee and Brock argue that powerful policy actors dictate the way that knowledge is constructed and thus how poverty methodologies are developed. This methodology allows an appropriate 'reality' of poverty to be constructed²⁸. In order to address this, dominant power relations need to be addressed 'in order to make policy processes more responsive to complex, local realities'²⁹. So potentially, when assessing poverty alleviation strategies, one should test whether they are devised to serve the ideological preferences and needs of policy makers and institutions rather than the poor themselves. This is illustrated by an examination of approaches and responses to the Philippines national debt problem in the following section.

The Burden of Debt

To conclude that one of the contributing factors for Philippine poverty is debt is unavoidable. The Philippines was one of the first countries to suffer under the weight of a 'third world' debt burden, beginning its relationship with the rigours of structural adjustment as early as 1969. This early entry into dependency was facilitated by the neo-colonial nature of the Filipino-US relationship, which found its basis in the strategic importance of the Philippines for the US during the Cold War.

²⁷ McGee, Rosemary and Brock, Karen, *From poverty assessment to policy change: processes, actors and data*, World Bank Working Paper 133, p. 3. Available at: <http://www.ids.ac.uk/ids/bookshop/wp133.pdf>. [Accessed 29 November 2001].

²⁸ *ibid.*, p. 5.

When Marcos left the Presidential office of the Philippines in 1986 the national debt burden stood at \$26 billion; in 2001 it stood at around \$52-55 billion³⁰, but the nature of official accounting may well conceal the true scale of the debt.

The Automatic Appropriations Law, or Presidential Decree No. 1177, was instituted under Marcos and upheld when Aquino came into office. This effectively guarantees that the Philippines will honour its international debt. Aquino took this step because during the first years of her administration 'multinational creditors and commercial banks refused to extend credit, due to the bad debts of the Marcos regime'³¹. Indeed it was not until the Estrada regime came to power in 1998 that multilateral lending institutions were prepared to open their coffers to the Philippines, in the form of assistance programmes³². At the end of the 1980s debt accounted for 25% of the national budget today the figure stands at 40%³³. In effect, the Philippines government has only 60% of its national budget with which to meet its remaining financial commitments.

Migrant Workers

The only reason that the Philippines maintains a positive balance of payments is because of the receipt of remittances from migrant workers sending money back to

²⁹ *ibid.*, p. 5.

³⁰ Figures provided in interview with Francisco Pascual and Alice Raymundo, Resource Centre for People's Development (RDPD), Manila, 13 August 2001. However ADB figures indicate that 16.4% of the total value of exports of goods and services was spent on debt servicing in 2001, which accounted for 69.2% of GNP; see: www.adb.org/documents/books/ado/2002/phi.asp; [Accessed 3 December 2002]. The total external debt of the Philippines stood at 50062.9 US\$ million in 2000; see: www.adb.org/docu.emts/books/key_indicators/2002/rt26.pdf; [Accessed 3 December 2002].

³¹ Arroyo, Jaime C. N., 'Foreign debt is alive and growing', 19 July 2001, p. 2. Available at: www.codewan.com.ph/CyberDyaryo/features/f2001_0719_02-htm. [Accessed 4 December 2002].

³² *ibid.*

³³ Figures in interview with Egoy Bans, Freedom from Debt Coalition (FDC), Manila, 15 August 2001.

their families. \$8 billion³⁴ a year is sent home which represents one of the biggest sources of foreign exchange for the country. 2000 migrant workers depart from Ninoy Aquino International Airport (NAIA) in Manila every day, even though workers can only afford to visit their families perhaps once every year or two. In 2000, 841,628³⁵ workers left the Philippines for work overseas, including those leaving for the first time and returning workers. Of these workers, 45% were destined for Asian countries such as Hong Kong, Japan and Taiwan, and 44% for the Middle East³⁶.

Migrant workers tend to be employed in manual jobs, for instance of the 170,000 housemaids in Hong Kong, 80% are Filipino³⁷, although more recently opportunities have arisen in nursing and IT. However the issue of migration is not unproblematic and in 1995 the Philippines government passed the 'Philippines Migrant Workers and Overseas Filipinos Act of 1995'³⁸. This was a response to increasing problems over human trafficking, especially women and children and instances of abuse of female migrants³⁹.

The Gulf War in 1990 and the more recent war in Iraq have also had significant consequences for the Philippine migrant workers in the area. The Philippines sends more migrant workers to the Gulf region than any other East Asian country. After the

³⁴ RCPD, *op. cit.* This figure applies to the year 2001 and was also cited by President Gloria Macapagal Arroyo in a state visit to Singapore in August 2001.

³⁵ See: www.scalabrini.asn.au/atlas/philippines00.htm. [Accessed 4 December 2002].

³⁶ *ibid.*

³⁷ See: 'Unemployment hits Southeast Asian migrant workers', *Le Monde Diplomatique*, April 1998. Available at: [//mondediplo.com/1998/04/06asia](http://mondediplo.com/1998/04/06asia). [Accessed 4 December 2002].

³⁸ Full text available at: www.globalmarch.org/virtuallibrary/ilo-natlex/philippines-migration. [Accessed 4 December 2002].

³⁹ See: 'Philippines Approves New Migrant Worker Act', *Migration News*, Vol. 2, No. 7, July 1995. Available at: [//migration.ucdavis.edu/mn/archive_mn/jul_1995.16mn.html](http://migration.ucdavis.edu/mn/archive_mn/jul_1995.16mn.html). [Accessed 4 December 2002].

Gulf War, Iraq was obliged to provide compensation to all governments, companies and individuals suffering damages. This was to be processed by the United Nations Compensation Commission (UNCC), the local arm of which was the Philippines Compensation Claims Committee (PCCC), however this process has been dogged by lack of transparency and inefficiency meaning that many workers and their families were left impoverished⁴⁰. More recently, contingency plans were put in place by the Philippine government for a camp in Southern Kuwait for the 60,000 Filipino workers in there in case of an Iraqi attack on Kuwait during the 2003 hostilities. Notably the plan was to keep Filipinos safe within Kuwait so that they could return to their jobs quickly, rather than evacuation⁴¹.

Cavite Export Processing Zone

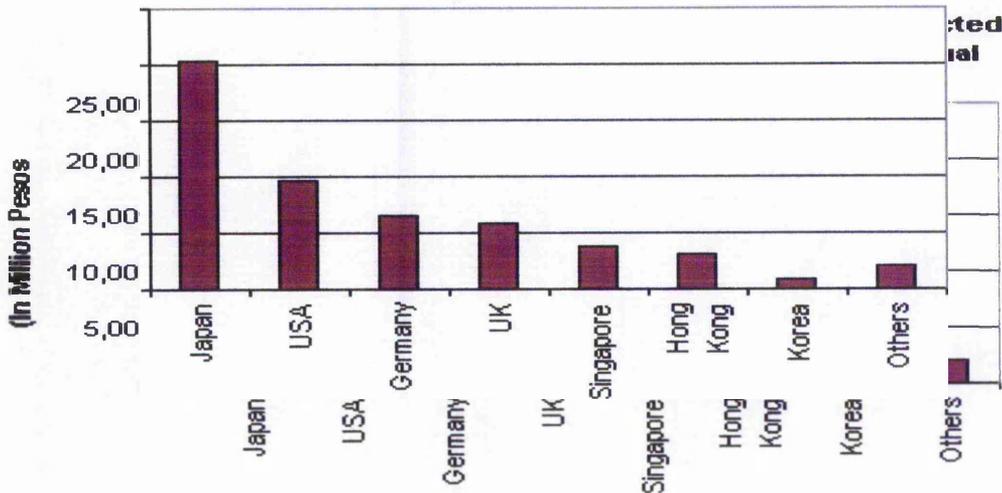
The government maintains the Automatic Appropriations Act in order to project an image of financial credibility to international investors. This follows the rhetoric of the 'Philippines 2000' scheme which advocated liberalisation and deregulation as the way forward for the economy. But the perceived political instability of the country, coupled with the protracted nature of the legal system and worries over corruption, means that inward investment has been limited. The government has attempted to rectify this by establishing Export Processing Zones (EPZs) such as those in Cavite, an area of reclaimed land snaking out from the curve of Manila Bay. But only a few large manufacturers have been attracted here. Computers firms such as Intel and Acer

⁴⁰ See: Pabico, Alecks P., 'Gulf War Worries', *Follow Up*, Vol. IX, No. 1, 2003. Available at: www.pcij.org/imag/Followup/gulfwar.html. [Accessed 4 April 2003].

⁴¹ 'Manila prepares for war in Gulf', BBC News World Edition, 17 March 2003. Available at: <http://news.bbc.co.uk/2/hi/asia-pacific/2856507.stm>. [Accessed 4 April 2003].

have established production here, the attractions being low wage levels and weak labour legislation.

Table 1.



Source: Virtual Asia

According to the International Labour Organization (ILO) there is a virtual ban on trade unions in Cavite and short-term contracted labour is legalised; in others words flexible and short term working is the norm. This is a problem that has been recognised on an international scale by the ILO in relation to EPZs, who note that in the Philippines labour law is only partially applied⁴². It has also been recognised that the majority of workers in EPZs are women as;

EPZ companies consider female labour to be more docile and subdued than male. Young women who come fresh from school are preferred especially in the electronics factories, because employers believe they are more likely

to take orders, to embrace company ethics, to accept lower pay, and to have less "bad habits" such as tardiness. They are also seen as being less inclined to join trade unions and better able to perform monotonous, repetitious work. Single women are considered as more productive due to less household responsibility. Such young women are described as "docile and cheap workers with nimble fingers"⁴³.

However despite these sentiments The Trade Union Congress of the Philippines (TUCP) has been active in organising workers in EPZs, including Cavite. Similarly the Federation of Free Workers in the Philippines has facilitated the establishment of a network of female trade union organisers. In addition to consolidating an awareness of workers rights, initiatives such as credit unions and health care schemes have been established⁴⁴. This is important as although the 'links to the market have been historically different for men and women, with consequences for their choices and behaviour'⁴⁵, women tend to have a higher share of family responsibility and unpaid work. However, more recently, 'we have witnessed the rapid formation of a female labour force in many countries. This labour force is often tied to the service sector and to production for export [resulting in] the need for women to increase their financial autonomy, bargaining power, and control over their lives'⁴⁶.

⁴² See: 'Export Processing Zones (EPZs) The Impact of Export Processing Zones on the Labour Market'. Available at: www.ilo.org/public/english/dialogue/actrav/enviro/trainmat/satucc4.htm. [Accessed 4 December 2002].

⁴³ *ibid.* On women workers in Philippines EPZs see also: Dapulang, Melai, 'Globalization Fuels Women Workers' Struggle in the Philippines', *Bulatlat*, Vol.2, No.37. Available at: www.bulatlat.com/news/2-37/2-37-womenworkers.html. [Accessed 2 December 2002].

⁴⁴ See: 'Assessing the impact and potential of EPZs in a global economy: Responses by worker's organizations', International Labour Organization. Available at: [//www.ilo.org/public/English/dialogue/govlab/legrel/tc/epz/reports/epzrepor_w61/3_7.htm](http://www.ilo.org/public/English/dialogue/govlab/legrel/tc/epz/reports/epzrepor_w61/3_7.htm). [Accessed 4 December 2002].

⁴⁵ Beneria, Lourdes, 'Globalization, Gender and the Davos Man', *Feminist Economics*, Vol. 5, No. 3, pp. 61-83, 1999, p. 69. Note: Beneria argues that Polanyi is gender blind.

⁴⁶ *ibid.*, p. 72.

The central government has also invested widely in infrastructure such as roads, water and even buildings in order to attract inward investment. Tax incentives are also offered. This would all seem to be attractive for the international investor, but in reality firms have closed up and left when initial incentives end. The opportunity cost of targeting government funds towards neoliberal investment strategies in this way is the neglect of domestic welfare needs. The need for land for these projects may also mean the demolition of inconveniently located urban poor housing. In the Philippines we can see the disruption of society observed by Polanyi, caused by allowing land to become a commodity to be traded on the market rather than valued as the physical base of society.

Structural Adjustment Conditions

Since 1999, the Freedom from Debt Coalition (FDC)⁴⁷, which is part of the Jubilee South Initiative⁴⁸, has run a campaign in order to get the Automatic Appropriations Law repealed. It managed to attract a level of support in the Philippines Congress, Bans claimed that 'certain sympathetic Congressmen disenchanted with government policy over debt repayment, were willing to leak government information and in return the FDC helped to draft proposed legislation'. However the alliances that the FDC had forged were lost as their friends in Congress succumbed to bribery over the Omnibus Power Bill for the privatisation and deregulation of public utilities.

⁴⁷ Claims made by the FDC here are from an interview with Egoi Bans (FDC), FDC Office, Manila, 15 August 2001.

⁴⁸ Jubilee South is a network and emerging movement of more than 80 debt campaigns, social movements and people's organisations from more than 40 Southern countries. For fuller details of Philippines involvement, see: www.philsol.nl/org/flyers/JubileeSouth.htm. [Accessed 4 December 2002].

The privatisation of utilities was a condition of structural adjustment programmes from international lenders and follows the market, rather than state supported, rationale of right-wing neoliberalism. The FDC had aimed to block the Omnibus Power Bill, and did manage to delay its ratification for five years. However Bans claimed that 'a scandal resulted as it became clear that the Omnibus Power Bill was only ever passed because of bribery'. It was fast tracked to go through before the Congressional elections in June 2001 otherwise more bribes would have had to be targeted at a new set of Congressmen. It also appeared that the government was galvanised into action over the Power Bill after receiving letters from the IMF and the ADB pressurising them over the issue⁴⁹. The sympathy in the previous Congress that the FDC had cultivated was now lost to a mix of corruption and neo-liberal hegemony.

The position that the Philippines government takes over the debt issue, that it is a reliable debtor, fiscally sound and therefore worthy of inward investment, makes it highly problematic to review structural adjustment conditions. For instance during the 1997 initiative by the WB to assess the impact of its structural adjustment programmes in eleven countries, the Philippines was one of four countries (the others were Mexico, Argentina and Brazil) who had no government involvement in the review. This was because of the resistance of the head of the Philippines Finance Ministry, a former WB official named Roberto de Ocampo. Despite claims that the Philippines structural adjustment programmes were performing well, de Ocampo

⁴⁹ See Arroyo, *op. cit.*

allegedly did not want the policies coming under scrutiny as this could have undermined his aspirations of Presidential candidacy in the 1998 elections⁵⁰.

The review was carried out at the level of civil society, but because this was not supported by the state, the WB refused to respond to the findings. Despite engaging with civil society in eight of the target countries during the data gathering process, none of these findings were used in the final report to the Commission on Social Development. This is allegedly because 'the institution, despite its stated interest in consultation and partnership, has not been accustomed to working in equal relationships in which it is not dictating the terms of engagement'⁵¹. The refusal of the state to admit that its international debt is a problem means that the Philippines is excluded from any provisions or concessions that may be given to other states seeking to work out a compromise over financing. But the burden of this strategy falls on the people themselves, specifically the poor.

Egoy Bans also argued that 'the recent Poverty Reduction Strategy Programme (PRSP) of the ADB is flawed because it is also characterised by preoccupation with structural adjustment rather than the meeting of basic needs' and alleged that 'the ADB were complicit in bribery over the Omnibus Power Act'. The reason for this, Bans claimed, 'was that the power companies, which were in debt to the ADB, would be in a better position to repay their loans if they were privatised'. But whilst this may have meant that the utilities companies may have become financially viable, it

⁵⁰ See: 'World Bank Launches Review of Structural Adjustment'. Available at: [//library.wustl.edu/~listmgr/devel-1/Jul1997/002.html](http://library.wustl.edu/~listmgr/devel-1/Jul1997/002.html). [Accessed 4 December 2002].

⁵¹ This is the view of the Structural Adjustment Participatory Review Initiative (SAPRIN). See: 'Adjustment Debate Leaves the World Bank Behind'. Available at: www.socialwatch.org/2000/eng/thematicreports/adjustmentdebate_eng.pdf. [Accessed: 4 December 2002].

says nothing about the delivery of basic services. Also according to Bans 'the ADB survey proposed ethical standards for loan recipients before the loans are granted. But after the money is given out the implementation stages of projects are not monitored at all'. Bans also discussed 'behest loans', a form of domestic financing supplied by the government. He claimed that these may be unsecured, 'and granted to companies that are not financially viable as a result of nepotism. Ultimately if the companies default it is the general public that is left to pay'.

Opaque Governance and Financial Anaemia

Systems of governance, as a function of social life, naturally impact upon poverty. Metropolitan Manila, as a political entity, came into being in November 1975 under Presidential Decree 827, of the then President Marcos⁵². The aim of Decree 827, which created the Metro Manila Commission (MMC), was a centralised system of government, intended to revitalise the management of the Philippines' largest city. However after the ousting of Marcos in 1986, the functionally inadequate MMC, was tarred with vestigial authoritarianism. President Aquino replaced the MMC with the Metro Manila Authority (MMA). By 1992 the MMA, which was formed as an apolitical council of the municipal mayors and never enjoyed legislative hegemony over the city, had its limited powers devolved to the municipalities under the Local Government Code (LGC). This was part of a wider congressional process, which decentralised governance and the administration of key public services to local government level. The smallest administrative unit in the Philippines is the barangay, which is presided over by a small council, and which operates as a subdivision of the

⁵² See: Berner, *op. cit.*, p. 10.

devolved municipal government. Barangay is the old tagalog word for village, a term first used by early Malay settlers for their new communities in the Philippine islands. The term was appropriated by Marcos in the 1970s, and referred to delimited areas of basic administration.

The passing of the Local Government Code, in October 1991 meant that primary responsibility for the provision of basic social services now lay with Local Government Units (LGUs). Funding was transferred from central to local government and the expectation was this would lead to 'better targeting of government interventions, lower transaction costs, the rapid adoption of efficiency-enhancing innovations and the improved matching of resources with needs'⁵³. LGUs were now to be broadly responsible for services such as road and bridge maintenance, health care, water supply, flood control (important in a country with a lengthy monsoon season), drainage, community welfare programs, and refuse disposal. In the countryside environmental programs and agricultural and marketing support services also came within their remit⁵⁴. All of these activities are obviously expensive, but studies have shown that more national government money is allocated to richer areas than poor ones, meaning that poorer areas have ended up with a greater fiscal burden due to the process of devolution.⁵⁵ LGUs are however also empowered to generate their own revenue, for instance through local business and property taxation.

The potential advantage of devolution and its attendant subsidiarity, is that local problems have solutions conceived by those closest to, and thus most familiar with,

⁵³ Alonzo, Ruperto P., 'Local Governance and Poverty Alleviation', in Baliscan, Arsenio M. and Fulisaki, Shigeaki, (eds.), *Causes of Poverty: Myths, Facts and Policies*, Quezon City: University of the Philippines Press, pp. 197-228, 1999, p. 200.

⁵⁴ See Chapter Four for a discussion of problems associated with this in the rural context.

them⁵⁶. Also the activities of officials are perhaps more transparent. For instance poverty mapping projects have taken place that monitor and compare government expenditure between different barangays and between the same barangays under different administrations. By comparison it can be established whether public funds are being misappropriated⁵⁷. Unfortunately it would seem that they are, Rocamora states that ‘anecdotal evidence strongly suggests that corruption is common practice from Malacañang – to all parts of government and surrounding society. Like cancer cells, corruption has spread – metastasized – to all parts of the government and surrounding society’⁵⁸. Thus it can be concluded that corruption as well as governance has been devolved. Pio Sales, an NGO worker for Task Force Detainees and FIAN Philippines has commented that ‘any anomalies or crime committed by local officials are easily whitewashed and covered up especially when you have control with the police force, local government agencies and local judiciary’⁵⁹.

Opportunities for corrupt activity are present under authoritarianism due to the absence of accountability, but they also emerge as a by-product of the market economy. The allocation of contracts for road building or garbage collection for instance may be guided more by illicit kickbacks than judgements of best value. Here we can gain insight from Polanyi who critiques the market economy ‘not because it

⁵⁵ Alonzo, *op. cit.*, p. 203.

⁵⁶ See for instance; Gonzalez, Eleanor M., ‘Decentralization and Political Participation in the Philippines: Experiences and Issues in Societal Transformation’, Institute for Popular Democracy Occasional Paper No. 8, September 1997. This paper looks at the potential for collaborative NGO-LGU interventions.

⁵⁷ The Institute for Popular Democracy in Quezon City is currently working on a poverty mapping project. Including the work of Ferer, Carmilla Grace S., who is working on a project called ‘Corruption in Local Government Procurement’. See: www.ipd.ph/. [Accessed: 4 December 2002].

⁵⁸ Rocamora, J., ‘Introduction Corruption in the Philippines: A Beginner’s Guide’, in Coronel, S. S. (ed.), *Pork and Other Perks: Corruption and Governance in the Philippines*, Manila: Philippine Centre for Investigative Journalism, pp.7-31, 1998, p. 11.

⁵⁹ Sales, P., (bian@skynet.net). *From Pops*. 29 November. Email to: Pauline Eadie (Pauline.Eadie@ntu.ac.uk)

was based on economics – in a sense, every, and any society must be based on it – but that its economy was based on self-interest’⁶⁰. This self-interest may be served by the legitimate creation of profit but it can also be done through corruption. Polanyi’s point here is that markets are not free but manipulated by various actors, including governments, in order to secure the greatest proportion of the spoils of capitalism for themselves. Following Polanyi then, governments manipulate the economy to gain political power, but government officials may manipulate the economy to further their personal economic interests. This would be difficult to change as corruption is so manifest in the Philippines and officials would arguably only seek to alter this state of affairs if ‘the benefits to individual politicians from having an efficient bureaucracy outweigh the benefits from having the ability to dispense patronage and particularistic goods’⁶¹

In October 2001 governmental decentralisation through the LGC was 10 years old. The Department of Interior and Local Government (DILG) marked this occasion by holding a series of meetings and activities to review the progress of devolution. It optimistically named this series of events, Project 10.10.10, as the tenth anniversary of the Code fell on the 10th of October 2001, but also a rating of 10 is seen as synonymous with excellence. On this anniversary a Poverty Partnership Agreement was signed between the ADB and the Government of the Philippines. One of the causes of poverty in the Philippines that this document recognises is, ‘the lack of effective political participation by the citizenry that encourages stop-gap measures rather than the fundamental policy reforms that have long-term poverty-reducing

⁶⁰ Polanyi, *op. cit.*, p. 249.

⁶¹ Montinola, Gabriella R., ‘Politicians, Parties, and the Persistence of Weak States: Lessons from the Philippines’, *Development and Change*, Vol. 30, No. 4, 1999, p. 740.

impacts'⁶². So this would imply that despite the process of decentralisation there still exists a democratic deficit that is hindering the development of sustainable poverty alleviation strategies. This emerges as a major problem as according to Alonzo, 'a basic premise underlying any local development effort is the primordial importance of community participation in the decision making process. People's preferences are better met if the people themselves are involved from the very start in the design of any intervention'⁶³.

Steve Pollard, Senior Economist at the ADB in Manila who was interviewed for this thesis, has expressed the view that the ADB has great difficulty dealing with the institutional regime in the Philippines⁶⁴. Pollard described the Philippine economy as 'anaemic' meaning that the level of finance flowing through the system is depleted as money is systematically siphoned off through corrupt practices at all levels of government. He went as far as to say that government officials operate 'self-service rather than public service', and that there are 'big problems with lending money to the government as it just disappears'. He also indicated that the system suffered from a lack of investment because the legal system tended to operate on custom or trust rather than secure property rights⁶⁵.

As already discussed, trust does not operate for the poor outside of their immediate social network. For the rich these problems are not so significant as they can either invest their money abroad, where more effective legal systems operate, or they can

⁶² *Republic of the Philippines – Asian Development Bank Poverty Partnership Agreement*, 10 October 2001, p.2. Available at: <http://www.adb.org>. [Accessed 28 November 2001].

⁶³ Alonzo, *op. cit.*, p. 203.

⁶⁴ Interview with Steve Pollard, ADB, Manila, 28 August 2001.

⁶⁵ Pollard elaborates on this claim in: Duncan, R. and Pollard, Steve *A Framework for Establishing Priorities in a Country's Poverty Reduction Strategy*, paper presented to The Asia and Pacific Forum

buy their way through the legal system in the Philippines. Pollard stated that often in any business transactions in the Philippines 'bribes all the way down the line', are needed in order to oil the wheels of the process. Corruption may limit the amount of foreign investment that a country receives because potential financiers are likely to be unwilling to risk their money in such an uncertain environment. This is detrimental to the country as a whole, but ultimately it is the poor that bear the burden of endemic corruption. Funding that is meant to be targeted to their needs may never reach them as it is filtered out of the system before it can get near them. They also lose out because they have no wealth to use to procure services. Basic infrastructure projects may never be implemented. Corrupt officials devising infrastructure projects, will not direct investment towards the poor but towards those from whom maximum receipts from kickbacks can be procured. These projects may also be large and protracted in order to render them difficult to monitor, this may lead to a further waste of public money⁶⁶.

In 2001, Transparency International, an international organisation working against corruption ranked the Philippines the eleventh most corrupt state out of 102 assessed. The Philippines was graded at the level of 2.9, ten being corruption free, eleven surveys were undertaken in the ranking process⁶⁷. A recent survey by Procurement Watch Inc (PWI), a Philippines NGO, also reported that estimates indicated that 21 billion pesos was being siphoned out of government funds through the procurement

on Poverty: Reforming Policies and Institutions for Poverty Reduction, Manila 5-9 February 2001. His work follows that of, De Soto, *op. cit.*

⁶⁶ See i.e.: Gutierrez, Eric 'The Public Purse', in Coronel, *op. cit* pp. 56-81 and; Rocamora, Joel and Danguilan, Vitug, 'Highway Robbery', pp. 186-215 in the same volume.

⁶⁷ See: www.transparency.org/cpi/2001/cpi2001/html. [Accessed 4 December 2002], for the full report and details of methodology.

process⁶⁸. Concurring with this the previously mentioned SWS, estimates that 15% of the value of all government contracts is lost through corruption⁶⁹.

Pollard's view of poverty alleviation is that it should be run on two tracks; one to provide for immediate basic needs and the other focussed on long-term strategies, the latter being based on the neo-liberal strategies that the ADB and other international lending institutions advocate. The Macapagal-Arroyo regime are anxious to raise the international profile of the Philippines in order to encourage foreign investment, and they are committed to following neo-liberal economics in order to achieve this. Their creditors also require this of them. The provision of basic needs may be necessary but it is short-termist and will bring about no structural change⁷⁰, neither will it finance debt repayment. If we accept that poverty is partly a consequence of the requirement to follow neo-liberal economics, then action to protect against the rigours of this is akin to Polanyi's double move.

The double move has multiple identities in the Philippines. The state itself, despite political rhetoric, does little to protect the welfare of the masses. But the double move may emerge in a corrupt form amongst certain power brokers in the Philippines, as they use their position to protect their own interests. The list is long on such activities but recently Gloria Macapagal-Arroyo noted that the Public Estates Authority, officials involved in an extension to NAIA (Manila Airport), the Manila Electric Company (accused of \$528 million in over-billing) and her own Justice Minister Hernando Perez (who received \$2m for a favourable court decision) would

⁶⁸ Cited in: Batino, Clarissa S. 'Corruption in RP perceived worsening', 21 October 2002. Available at: www.inq7.net/bus/2002/oct/21/bus_1-1.htm. [Accessed 4 December 2002].

⁶⁹ *ibid.*

⁷⁰ This point is expanded upon in Chapter Six.

all be brought to account⁷¹. Corruption is manifest alongside the formal economy, operating as a persistent undercurrent through economic and political transactions. The powerful in the Philippines have not turned to fascism as a reaction against the rigours of the market economy, although Marcos turned the country into an authoritarian state for 16 years. Rather they have engaged with it and adapted strategies of self-interest to market mechanisms. Long standing polarisation between the rich and the poor, and a class system pervaded by nepotism, acts as a fertile breeding ground for corrupt market interventions. So in the face of competitive globalisation, a government regime with other priorities and a corrupt elite, how do the poor cope?

Identifying the Counter Move: The Character of Civil Society in the Philippines

Arguably one of the strengths of Filipino political life is that civil society is characterised by a vibrant NGO community. The term NGO is used loosely here, as it tends to get used as a blanket term for all types of domestic and international civil organisation⁷². In the early 1970s various ideologically charged movements emerged in the Philippines that were indicative of wider influences, such as Maoist forms of Communism, anti-colonialism and movements for civil and women's rights. At the same time traditionally aligned groups shifted their allegiances, most notably the Catholic Church altered its position of automatically siding with the State against Communism. But as well as religious based activism, including peasant based

⁷¹ See: [//news.bbc.co.uk/1/hi/world/asia-pacific/2530125.stm](http://news.bbc.co.uk/1/hi/world/asia-pacific/2530125.stm). [Accessed 3 December 2002].

⁷² The merits of the term NGO and the history of the movement in the Philippines are covered in: Carroll, John J. 'Philippine NGOs Confront Urban Poverty', in Silliman, G. Sidney and Garner Noble, Lela, *Organizing for Democracy: NGOs, Civil Society, and the Philippine State*, Honolulu: University of Hawaii Press, pp.113-37, 1998. And Constantino-David, Karina, 'From the Present Looking Back', pp. 26-48, in the same volume.

Muslim movements in the South, civil society also mobilised in reaction to structural economic inequality. This meant that the State was under pressure from all sides, the result of this was the declaration of martial law, which kept Marcos in power for another 14 years.

During the period of martial law activism continued but underground, and many Filipino NGO workers active today, above a certain age, experienced persecution of some kind. More than a few of the people who discussed their personal experiences under martial law with me, related tales of imprisonment, intimidation and physical and psychological abuse⁷³. Here at least, the war of position in the Philippines was physical as well as political. For instance AB⁷⁴ related to me that she and her husband had been imprisoned for one year under the martial law period without trial for alleged underground activities. During this period of imprisonment she lived under the constant impression that she was about to be raped, the strip lights in her cell were never turned off and she had to endure rubbish being thrown into her cell regularly. Also, a while after she was released, she was shot in the back of her ankle by the police; she showed me the scar. She said that they had been aiming for her husband who also served a year in jail. Meanwhile CD was suspended with a rope by just his wrist for a period of days for alleged underground activity. He now has a visible scar where the rope cut into him. EF's⁷⁵ experiences were slightly different as his colleague was tortured within earshot so that he would give information on underground activities to the police. EF was also coerced into agreeing to carry out a contract killing on Father Anoran, discussed in Chapter Four, in order to be released

⁷³ The identities of the persons detailed in this section is contained in a confidential annex attached to this thesis.

⁷⁴ Interview, Cebu, 17 August 2001.

⁷⁵ Interview in Bogo City, Negros Occidental, 19 August 2001.

from his captors. Instead he informed Father Anoran of the plot, but had to 'disappear' for a while for his own safety. However suspected political activists were not the only people targeted. GH and IJ⁷⁶, academics of the University of the Philippines in Manila, were both incarcerated for including 'unsuitable' political material in their lectures.

But the harassment did not end with Martial Law. KL⁷⁷, a prominent campaigner for functioning democracy in the Philippines had fire arms planted in her offices by the authorities in 2000. When the offices were subsequently raided by the police she and her colleagues were thrown into jail. They were only released after three weeks because she agreed to 'confess' to the crime, which means that she has a criminal record and the authorities are able to place restrictions on her travel. Apparently the idea of the authorities had been to accuse her organisation of intending to attack other left wing activists and blame it on the government in order to agitate trouble⁷⁸. For the researcher, being faced first hand with graphic experiences (and the scars to prove it) such as this, is a sobering experience. But it does help to illuminate and make real the value of freedom of political expression and gives an insight into the evident commitment to meaningful democracy. Again, by an understanding of social history one can better understand the present.

NGO activity cannot however be described as politically uniform, especially under conditions of democracy. Memories are still strong of the split in the left that occurred after the deposition of Marcos. Under martial law the left operated as a broadly cohesive coalition, Marcos being identified as the common enemy, especially

⁷⁶ Interview, Manila 31 August 2001.

⁷⁷ Interview, Manila, 31 August 2001.

after the assassination of Benigno Aquino in 1983. But after Cory Aquino came to power, the coalition fragmented and 'the middle class soon returned to their own concerns; some key moderate leaders of development NGOs and POs were brought into the new government or the Constitutional Commission and "absorbed" if not coopted'⁷⁹. In addition, the far left also split, at the centre of this fracture were differences in ideological dogma within the Communist Party of the Philippines (CPP). Divisions emerged in the 1980s between those advocating a Maoist type rural war of attrition and urban based pro-Soviet type thinking. By 1986 the CPP was largely following the former strategy, but this led to them being marginalised by the urban based character of EDSA I⁸⁰.

Zone One Tondo Organisation (ZOTO)

In recent times the government has enjoyed a sometimes uneasy relationship with the Church. Cardinal Jaime Sin, the Head of the Roman Catholic Church in the Philippines, has been instrumental in bringing down the administrations of both Marcos and Estrada⁸¹. The Catholic Church, led by the Catholic Bishop's Conference of the Philippines (CBCP) was also one of the few institutions able to challenge Marcos' regime under martial law⁸². Initially there were differences of opinion in the CBCP over Marcos, but these crystallized into united opposition over time. Sin moved from being a moderate to eventually helping Aquino remove Marcos from office. Robert Youngblood, writing in 1978, notes that in recent years 'there

⁷⁸ Information contained in an e-mail, 5 December 2002.

⁷⁹ Constantino-David, *op. cit.* p. 123.

⁸⁰ For a full discussion see: Reid, Ben, 'Crisis in the Philippines Left: Implications for the Asia Pacific', *Journal of Contemporary Asia*, Vol. 30, No. 2, pp. 181-98, 2000.

⁸¹ See: 'Cardinal Sin tells Estrada to Quit', 11 October 2000. Available at: <http://news.bbc.co.uk/1/hi/world/asia-pacific/967115.stm>. [Accessed 11 April 2003].

developed among the lower ranks of the clergy a growing identification with the poor and their concerns, “liberation theology” began to take root⁸³, and indeed has grown. What are in effect local people’s organisations, such as the Zone One Tondo Organization (ZOTO), commonly found their organisational impetus from the Church.

In Manila urban NGOs have, over time, coalesced over common issue areas such as demolitions, poverty and health care. Importantly organisations such as ZOTO are not NGOs in the international sense, but derive their identity and cohesion from the community and locality in which they function. ‘Tasks and functions, duties and responsibilities, roles as well as the vertical and horizontal relations of leaders, members and hired staff were clearly defined in order to properly contextualize and guide the leaders and members’⁸⁴ in their work. Also;

*the staff of ZOTO live among the urban poor as they themselves are urban poor and are residing in the communities. They are members, sons, daughters, relatives and friends and non-ZOTO members who came from the same urban poor communities that we are immersed into and committed to help in realising the vision, mission and goals of ZOTO*⁸⁵.

Recognition of commitment is an essential precondition for the effective running of community based NGOs, ‘for a local association, the problem of trust is crucial.

⁸² See: Bitz, Amy, *The Contested State: American Foreign Policy and Regime Change in the Philippines*, Lanham: Rowman and Littlefield, 2000, p.119-20.

⁸³ Youngblood, Robert L., ‘Church Opposition to Marshall Law in the Philippines’, *Asian Survey*, Vol. 18, No. 5, pp. 505-20, 1978, p. 505.

⁸⁴ Ablir, Rodelio S., (zoto@I-next.net) 2001. Research. 21 November. Email to Pauline Eadie (Pauline.Eadie@ntu.ac.uk).

People have to be confident that the activists do not look after only themselves but articulate the needs of the whole locality'⁸⁶, hence the value of having staff drawn from the communities themselves and a transparent system of organisation. But despite the community based nature of ZOTO, it is a large organization boasting 6,681 active members. It acts as a federation for 105 urban poor groups over 10 squatter relocation sites in Metro Manila⁸⁷.

One of the main areas of concern for ZOTO is demolitions. In 1992 the Urban Development and Housing Act (UDHA) was passed, which was in effect a watered down version of demands from POs demanding urban land reform. This was not granted under the Act, but it did legislate for local governments to provide land for 'socialised' housing⁸⁸ and for relocation and consultation procedures to be followed before demolitions took place. The implementation of this bill has been problematic because LGUs frequently claim that they cannot afford to comply with it. Also the UDHA conflicts with Presidential Decree 772 from Marcos, which has been in existence since 1975, declaring that squatting is a criminal offence. So in effect even though some measures have been taken to comply with the Bill, demolitions go ahead without relocation areas necessarily being in place or successful consultations being completed. A loophole of the Act is that it only applies to those who were squatting before 1992, squatters in areas they did not occupy before 1992 are denied protection under the law. When the Act was passed it only applied to families that had been in

⁸⁵ *ibid.*

⁸⁶ Berner, *op. cit.*, p. 60.

⁸⁷ Ablir, *op. cit.*,

⁸⁸ For background see: Karos, Annamarie A. 'Does Socialized Housing Have a Chance a Chance?' Institute for Popular Democracy Working Paper, November 1999.

their houses at least 10 years, 'this did not favour the urban poor since most of them have only stayed for short periods of time, transferring homes again and again'⁸⁹.

Landlords who are inconvenienced by the need to comply to the UDHA can also take the more direct route of 'hot demolition'. This means burning the squatters out of their homes, 'chasing a kerosene-drenched, burning live rat or cat – dogs die too fast – into an annoying settlement is an increasingly popular method. A fire started in this way is hard to fight as the unlucky animal can set plenty of shanties aflame before it dies'⁹⁰, it is also useful for the landlords as they can deny culpability. A simple dichotomy between the authorities and the poor does not suffice though, however, as within the communities there are various grades of poverty and there are those amongst the poor that seek to take advantage of the situation, as in any society. 'Although far from being uniform "quarters of misery", however, localities are neither idyllic not conflict free spaces, many of them are petty fiefdoms of slumlords'⁹¹.

EDSA II and III

Tension also emerged within the communities over EDSA III at the end of April in 2001. EDSA stands for Epifanio de los Santos Avenue, and is used because the mass demonstrations have been held around the EDSA shrine of Jesus near the Robinson shopping mall on this long highway. Just 100 days after Estrada was deposed by the People Power of EDSA II, the people were calling into question the legitimacy of Macapagal-Arroyo as President.

⁸⁹ 'Who's Taking Care of the House, *IBON Facts and Figures*, Vol. 19, No. 8, 30 April, 1996, p. 4.

⁹⁰ Berner, *op. cit.*, p. 144.

But this time it was the mass of the extremely impoverished, rather than a multi-class alliance, which mobilised. Even though EDSA III failed to bring about regime change it focussed attention on factionalism within the left, a re-run perhaps of the split in the late 1980s. Bans of the FDC sees EDSA III as a 'missed opportunity for organization' and that NGOs 'should have built on the political awareness of the communities'⁹². In effect NGOs at this time were left 'wrong footed' in the war of position. The poor mobilised politically leaving the NGOs unable to support them, as they had just gone through the process of installing Macapagal-Arroyo during EDSA II, but certainly unable to condemn them and take the side of the government. Bans sees EDSA III as spontaneous, but this is questionable as Estrada supporters were fermenting unrest among the poor and using them to attempt to reinstall the erstwhile former President.

Perhaps the aspirations of EDSA II, of having a genuinely pro-poor government, were manipulated in order to re-mobilise the poor. Even if rationally this was likely to fail the rationale behind it could be explained by the belief in 'transformative social myths'⁹³. Arguably the poor mobilised not out of individual self-interest but out of 'emotional attachment and leaps of intuition about things as they might be'⁹⁴. This myth was obviously being stoked by Estrada's supporters. This attempt to generate myth coincides with Gramsci's idea that 'sees "myth" as central to *part* of the business of political parties, an initial and fundamental phase of the formation of

⁹¹ *ibid.*, p. 181.

⁹² *op. cit.*, Interview Ego Bans.

⁹³ See: Augelli, Enrico and Murphy, Craig N., 'Consciousness, myth and collective action: Gramsci, Sorel and the ethical state', in Gill, Stephen and Mittlemen, James H. (eds.), *Innovation and Transformation in International Studies*, Cambridge: Cambridge University Press, 1997, pp. 25-38, 1997.

⁹⁴ *ibid.*, p. 26.

collective will, of making "I", "we"⁹⁵. But because of the lack of cross class support, the success of this myth was doomed to fail⁹⁶.

ZOTO's position on EDSA III was quite clear but in the end the situation also spiralled out of their control. ZOTO 'took a very active stand and position during EDSA III where we mobilised 5,237 urban poor from the 10 communities'⁹⁷. ZOTO's slogan at EDSA III was 'Power to the masses not to Gloria or Erap', in other words they supported the poor in their political mobilisation to express their concerns over poverty, but they did not support the return of Estrada to power or the ousting of Macapagal-Arroyo. Before Estrada was deposed ZOTO wanted 'supreme Court Judge Hilario Davide to take charge over a caretaker government and pave the way for a total cleansing of the government and later on call for a snap election for the election of the true people's representatives'⁹⁸. In reality the country was bounced into having Macapagal-Arroyo as President without any due electoral procedure. The reality of EDSA III was that the poor were manipulated by the rich supporters of Estrada. EDSA III also showed that the dynamic created by the mobilisation and community building of the poor is not necessarily something easily controlled. Paradoxically, for a brief moment, NGOs and the poor found themselves on, if not opposite, then alternate sides of EDSA rhetoric.

⁹⁵ *ibid.*, p. 29.

⁹⁶ See for instance: Wickam-Crowley, Thomas. *Guerillas and Revolution in Latin America*, Princeton: Princeton University Press, 1993, Chapter 12, and Foran, John, 'The future of revolutions at the *fin-de-siecle*', *Third World Quarterly*, Vol. 18, No. 5, pp. 791-820, 1997; for an argument that certain key characteristics must be in place before a revolution will be successful, including effective cross class mobilisation. These also include, the presence of a repressive regime, the establishment of an effective culture of resistance, economic instability or dissatisfaction, lack of foreign patronage for existing regime and disintegration of the existing regime. Although some of these factors were in place at EDSA III, all of them were in place at EDSA I and II.

⁹⁷ Ablir, *op. cit.*

⁹⁸ *ibid.*

Coping Strategies and the Pragmatics of Poverty

Given that this thesis argues that the poor should be at the centre rather than the periphery of political analysis, and that the poor should be made visible, it is only right that attention be paid to the pragmatics of their situation. For the impoverished poverty is not theoretical: it is a condition of reality. The strategies of the poor in dealing with this reality indicate, from the bottom up, what they can achieve and what restricts them. It should not be forgotten that somewhere in the theoretical morass of poverty methodology there are real people, with both voices and initiative.

In north east Quezon City lies the Payatas estate. The community at Payatas is called 'Lupang Pangako', which means the Promised Land. The irony in this is unavoidable



View of Payatas: Author's photograph 31 August 2001.

as central to Payatas is a vast rubbish dump where at least 6,000 tons of refuse, generated by Manila's vast population, is brought daily. Here many of the residents of Payatas, who number 80,000, eke out a living by scavenging on the dump. They either sell what they find for recycling or make use of it themselves. This earns them 60 to 70 pesos (approximately £1) a day.

Payatas families average 6 to 8 children⁹⁹, although staff at the Cashew Tree House Nursery¹⁰⁰ cited one family with 16. Such large families are deemed necessary for economic security as state welfare provision is non-existent. It is calculated by IBON, an independent think tank, that in 2001 a family of six living in Manila needed 505.81 pesos per day to meet the cost of living¹⁰¹. The health of the residents is poor because of toxic fumes rising from the decomposing rubbish, and the average age of death is 40. The Cashew Tree House provides a meal for the children when they attend class for a nominal cost of 6 pesos. Staff realised that previously, when the children brought their own food, it frequently originated from amongst the rubbish.

⁹⁹ The IBON Foundation calculate that 505.81 pesos is the amount needed to sustain a family of six in Manila per day. See: <http://www.ibon.org/dco101.htm>. [Accessed 20 December 2002].

¹⁰⁰ The Cashew Tree House Nursery is funded by a British organisation called the Asian Students Christian Trust. 116 pre-school children, whose parents are scavengers have part time daily places here, although there are roughly 50 on a waiting list. There is also the Mango Tree House Centre for older working children. Interview, Cashew Tree House Staff, Payatas, 31 August 2001.

¹⁰¹ See: '*Vital Stats: Daily Cost of Living for a Family of Six*', IBON Foundation Inc. Available at: <http://www.ibon.org/dco101.htm>. [Accessed 20 December 2002].



Children outside The Cashew Tree House: Author's photograph; 31 August 2001

The community is made up of shanty houses that are located immediately around the dump, but it is not only scavengers that live here. Other members of the urban poor reside here due to lack of affordable housing and land in Manila. In 1998, when President Estrada took office he ordered Payatas shut. He also designated a 'Task Force for the Development of Payatas', but the rubbish kept coming and the task force never materialised. Then in July 2000 Payatas made it into the international press when a landslide of rubbish, precipitated by heavy monsoon rains and unstable digging of the rubbish by tractors, buried more than 200 people¹⁰². Immediately after this Estrada ordered the dump shut, but this left Manila with virtually nowhere to put its rubbish.



Children playing on the rubbish at Payatas (the sign says 'keep off danger of landslides' in tagalog)
 Authors photograph, 31 August 2001.

The residents of the neighbouring San Mateo dump successfully petitioned through the courts to block the reopening of this site. Plans to ship Manila's rubbish to Semirara, 372 miles away in the Visayan islands, were blocked by a court order, despite efforts to fast track the necessary legislation by the government. Legislators pointed out that Semirara is in close proximity to the World Heritage Site of Tubbataha Reef Marine Park and also Boracay, which boasts the world famous 'chocolate hills'. Meanwhile the rubbish was piling up on the streets of Manila in the 30°C plus heat. So four months after the landslide Payatas was reopened, despite warnings by the UNDP that if Asia did not address its garbage crisis then such tragedies would become more frequent. The residents of Payatas reacted to the

¹⁰² See i.e.: [//news.bbc.co.uk/1/hi/world/asia-pacific/828227.stm](http://news.bbc.co.uk/1/hi/world/asia-pacific/828227.stm) [Accessed 5 December 2002]; Pagano, Angela "‘Promised Land’ garbage kills at least 200 in the Philippines". Available at:

closure of the dump in differing ways. Some welcomed it and attempted to sue the government for not ensuring their safety. The government responded by stating that the residents lived there illegally and at their own peril. Other residents were concerned that the closure of the dump effectively removed their livelihood.

The situation at Payatas is a graphic example that necessity is indeed the mother of invention. The dump provides a living for about 4000¹⁰³ scavenger families living in and around Payatas. Children as well as adults work as scavengers, 'as young as 4 or 5, children begin to accompany their parents or older siblings to the dump. By age 10, they work five to eight hours a day and by the time they reach their teens they are accomplished enough to work at night'¹⁰⁴. Community based initiatives, facilitated by the Vincentian Missionaries Social Development Foundation Inc. (VMSDFI) have established a Scavengers Development Program and a Micro-enterprise Promotion Program' both incorporated within a wider community development program¹⁰⁵.

Steps also have been taken to recognise the role of scavengers in solid waste management, by encouraging them in their own micro-enterprise initiatives rather than just selling scavenged materials to larger recycling companies, thus cutting out the appropriation of profits by middle-men. A Materials Recovery Centre (MRC) has been set up to harness these skills. Importantly these initiatives, under the administration of the VMSDFI, facilitated a Payatas wide sense of community

www.wsws.org/articles/2000/jul2000/phil-j21_pm.shtml. [Accessed 5 December 2002].

¹⁰³ See: Carellar, Fr. Norberto, *Payatas Environmental Development Programme: Micro-Enterprise Promotion and Involvement in Solid Waste Management*, UMP-Asia Occasional Paper No.36, UNDP/UNCHS (Habitat)/World Bank: Kuala Lumpur, p. 3. Available at: <http://www.hsd.ait.ac.th/ump/OP036.rtf>, [Accessed 7 July 2002].

¹⁰⁴ Gunn, Susan E. and Ostos, Zenaida, 'Dilemmas in tackling child labour: The case of scavenger children in the Philippines', *International Labour Review*, Vol. 131, No. 6, pp. 629-46, 1992, p. 631.

building, as opposed to isolated and ad hoc schemes, which addressed for instance land rights and housing. By their organization the people of Payatas are able to present themselves as a recognised People's Organisation that can mediate with government departments and other agencies.

Micro-credit is also an important initiative for the people of Payatas, who otherwise would have no access to credit apart from unscrupulous money lenders. The scheme has evolved over time and 'what started as micro-financing strictly for business purposes has become a savings-financing scheme having loan windows for welfare needs'¹⁰⁶. Interestingly this would seem to be a micro-version of what Stephen Pollard described as a 'two-track' approach. The ADB would do well to take note, this scheme has evolved from 'a small church-managed micro-credit program into a thriving community driven savings federation, with over 7,000 members in 680 savings groups'¹⁰⁷. Micro-credit at Payatas is based on the Grameen Bank model which is based on 'a self-regulated normative framework not supervised by any authorized agency'¹⁰⁸. One can see in the case of Payatas how self-generated projects offer more long-term value, in terms of community building, than one shot funding would do from donor agencies. Even regular, yet donor or government directed funding, would not achieve the same level of organisational agency. It has been found that credit funds from international donor agencies such as the WB or the ADB, targeted at the poor, tend to be hijacked by the government. This results in funds

¹⁰⁵ See also: Vincentian Missionaries, 'The Payatas Environmental Development Programme: micro-enterprise promotion and involvement in solid waste management in Quezon City', *Environment and Urbanization*, Vol. 10, No. 2, October 1998, pp. 55-68.

¹⁰⁶ Carellar, *op. cit.*, p. 9, for the conditions on loans.

¹⁰⁷ See: Urban Poor Asia: Asian Coalition for Housing Rights, 'One Community dollar equals a thousand development dollars'. Available at: <http://www.achr.net/philippines-savings.htm>. [Accessed 7 July 2002].

being channelled towards government initiatives, or diverted by corrupt politicians who use access to cheap credit as a device to buy votes. Thus 'administrated credit showed a persistent tendency of reaching the wrong recipients in wrong quantities at the wrong time for the wrong objectives'¹⁰⁹.

The initial capital for the Payatas fund came from the Philippine Charity Sweepstake Office (PCSO), and a revolving fund for 'larger business loans for qualified entrepreneurs' is provided by Manos Unidas of Spain. But importantly this financial base is substantially augmented by locally generated funds, from the micro-credit scheme members. The scheme is transparent and accountable so everyone involved is both informed and responsible for the scheme, it is also extremely sensitive to local needs. There is the recognition that for workers in the informal economy, for instance as scavengers or hawkers, money is accounted for on a daily, not weekly or monthly basis. So the 'savings system accommodates those earning patterns and makes it easy to deposit those daily earnings when they're still in the pocket – then it makes it possible for everyone to save'¹¹⁰. This scheme has been so successful that urban poor groups from other areas of Manila and further afield in the Philippines have come to learn about the programme. In effect the poor educate the poor about the scheme. This can be framed in terms of the Gramscian thought that men and women are motivated by '*both* relatively short-term and individual interests, and relatively long term, collective aspirations [and that] people come into consciousness of their individual interests (as well as their collective interests) via interaction with each, via

¹⁰⁸ Quinones Jr., Benjamin, R., and Seibel, Hans D., 'Social Capital in Microfinance: Case Studies in the Philippines', *Policy Sciences*, Vol. 33, No. 4, pp. 421-33, 2000, p. 199. See also for details of the policy prescriptions of the Grameen Bank.

¹⁰⁹ *ibid.*, p.196.

¹¹⁰ Urban Poor Asia, *op. cit.*

learning'¹¹¹. So the poor save because they learn that it is in their own interests and at the same time in the interests of the community, and importantly micro-credit schemes make this possible.

The daily nature of financing is also visible in the way that local '*sari-sari*' stores operate in squatter communities. These stores are typically one room of a shanty house, which frequently doubles as a living or sleeping area. The stores are numerous and roughly one in every dozen houses is a shop. The shops sell very small quantities of goods such as coffee or washing powder in sachets. So those operating day by day financially can buy small amounts of what they need. But because the shop owners are poor themselves they cannot buy stock in any great quantities. And because these shops are so numerous they invariably rely on a very local network of family and friends as their limited customer base. So for both the seller and the buyer it is impossible to benefit from any level of economy of scale. This is exacerbated by the fact that all the shops tend to sell the same goods. Even if a shopkeeper was able to sell goods at a cheaper price than local competitors, allegiance to original stores may keep customers loyal to the more expensive shop. But obviously just enough money must be made in order to keep these shops as going concerns.

The Payatas estate, compared to communities in central Manila, is relatively spacious. There is the possibility of raising small livestock and cultivating garden produce, but the down side of this is that the cost of travelling to work in the city is high which limits employment opportunities. Despite government complaints, after the landslide, that the scavengers are in the area illegally, the authorities have seen fit to allow at

¹¹¹ Augelli and Murphy, *op. cit.*, p. 37.

least a partially legal electricity system to be installed. At one of the main entrances to Payatas rows upon rows of electricity meters can be observed on wooden boards. Recipients of metered electricity are fortunate. The landslide in 2000 was made worse as the rubbish burst into flames, probably this was caused by escaping methane coming into contact with stray wires which were illegally tapping into electricity pylons. This illegal electricity supply is usually controlled by syndicates. Jess Del Prado, Secretary General of the League for the Urban Poor (LUPA), explained the syndication of electricity by saying that 'you have to know who to talk to' and that electricity could be procured 'as long as you agree to the price'¹¹². Jess stated that his own family paid 600 pesos a month which allowed them to run one fan and one light, the legal cost of this would have been 100 pesos. The syndicates stay in business obviously because of demand and also because they pay off the authorities in order to protect their illegal connections. So whilst those in informal housing secure electricity, they are also paying six times what they should be. Syndicated water supplies operate in a similar fashion. In 1997 Oxfam figures indicated that 20 million Filipinos had no sanitation and that 11 million had no access to clean water¹¹³.

Bahay Tuluyan Program for the Empowerment of Abused and Exploited Children

Community building, provision of micro-credit and even the scavenging of rubbish can be described as positive coping strategies. Securing syndicated electricity or water is a coping strategy as it meets a need, but its illegal and sometimes hazardous nature, begs the question of whether it is a positive development. There are however

¹¹² Interview, Jess del Prado KPD Office, Cabao, 30 August 2001

also coping strategies employed in Manila that can only be described as abusive, disorganised and desperate. This was illustrated to me by Dang Buenaventura, a social worker at the Bahay Tuluyan Program for the Empowerment of Abused and Exploited Street Children¹¹⁴. Dang helps run a home for 25 girls, up to the age of sixteen, who have been referred by government social services, who do not have the means to cope with the problem. The girls have all been victims of abuse and neglect and have been rescued from the streets. The program is recognised by the authorities but receives no government funding. The programme started in 1988 in Malati and was founded by a former American Priest.

Also in the programme is a residential centre for boys, which is supported by the Church Mission of Sweden, and a mobile unit which goes to areas where there are known to be street children in need. The programme aims to foster a teen to child mentoring approach (a type of buddy system) as a form of alternative education, so that those who have gone through the care of the programme will in turn care for the education and health of the younger ones. In this way also when the children are too old for the scheme they remain in some way connected to it. So we see again that the poor are devising their own solutions. These are all positive strategies,¹¹⁵ however the personal histories of these children reveal tactics that are not.

One child, Mary-Joy, aged 12, arrived at the centre when she was three, the result of her mother allowing her to be abused by a series of boyfriends and sending her out on

¹¹³ Pye-Smith, Charlie, *The Philippines in search of Justice: An Oxfam Country Profile*, UK and Ireland: Oxfam, 1997, p. 13.

¹¹⁴ Interview, Dang Buenaventura, Bahay Tuluyan House, Manila, 1 September 2001.

¹¹⁵ However one peculiarity was that funding could be secured for the educational needs of the girls but not their subsistence, so for necessities such as food, clothes and toiletries, Bahay Tuluyan were struggling to cope.

the streets to beg. Another child aged 19, had lived at the centre since she was 12; when she arrived she had to be treated for sexually related diseases. Dang also pointed out to me that many of the children were mixed race, the offspring of Filipino mothers and absent Western fathers. Dang also told me that sometimes when the mobile unit attempts to take young children off the streets, even though they have been referred by the authorities, their parents stone the program workers. This is because if the children are gone, then so is the parent's source of income as child beggars are more effective than adults. The program is particularly concerned to get children off the street during typhoons when the children are at further risk from the elements. Deng also related tales of children five or six years old being left to care for younger siblings on the street, whilst their parents are elsewhere. Luziminda Santos (Vim) of the People's Global Exchange (PGX) confirmed this state of affairs, saying that sometimes whole families live in little more than boxes or handcarts. The children and the parents may spend the day hawking small items such as cigarettes or sweets and at night they return to the box or cart to sleep¹¹⁶.

As a westerner in the Philippines, especially in the provinces, the reaction of children to foreigners is often a delight as they will stare openly at you, beaming wildly. But the down side of this occurs when very young children target Westerners in cars, often at busy interchanges late at night in the hope of money. The perils of this are self-evident. Figures show that 'a third of Filipino children below the age of five are underweight, which is a higher proportion than is found in Mali, Burkina Faso and Zaire – three of the poorest countries in the world'¹¹⁷. The point of my 'thick description' here is that there are many of the poor who do not have an effective

¹¹⁶ Interview, Vim Santos, PGX, Manila, 13 August 2001.

¹¹⁷ Pye-Smith, *op. cit.*, p. 13.

social network to sustain them and that they may be too young, old or burdened by the responsibility of childcare to devise effective coping strategies. Although the Philippines is classed as a 'middle income' country by the United Nations, and therefore not in such dire straits as, for example, Bangladesh, many of the poor are driven to desperate measures to sustain themselves.

Conclusion

My aim in this chapter has been to explain and interpret problems of urban poverty in the Philippines, and specifically in Manila, through a series of descriptive expeditions into particular problems, social groups and areas which reflect empirical work, observation and interview evidence. This is much more than 'background', and it helps to provide a detailed basis for a developed analysis. It also provides the context one needs to understand in detail and evaluate both international and national policy responses.

By exposing the reality that poverty appears in, and the various forces that mediate its production and alleviation, a fuller understanding can be gleaned of the difficulties of devising remedial strategies. This applies in both theoretical and empirical terms. The difficulties of identifying quantitative statistics on poverty levels are indicative of the problematic nature of poverty research. But statistical data gathering is only an entry point in the study of poverty; in themselves statistics are of little value, they cannot alone initiate situational change. We must, as researchers, be aware of the social or qualitative context that underpin and influence quantitative data, and we must also be aware that certain variables cannot be quantified. How can positive

factors such as community cohesion and network building, or negative factors such as nepotism or corruption be quantified? And if they cannot, how are these factors dealt with when undertaking to devising poverty alleviation strategies?

Another problem that is identified here is that the state and civil society, and various groups within civil society may have conflicting economic priorities, which necessarily impact on the way that poverty is addressed. In some ways these priorities may undermine each other, such as neoliberalism failing to provide for basic needs in the short term. But this is not to say that one priority or the other is necessarily mistaken, only that ways need to be found to amalgamate or reorientate strategies that are currently mutually destructive towards ones that are mutually supportive. This is what Steve Pollard means when he talks about two tracks being needed to effectively counter poverty. In theory neo-liberal strategies are needed to ensure the long-term viability of the Philippines as an economic player, but this is self-defeating if the cost of this is the impoverishment of vast sections of its population.

The legal system in the Philippines also needs to be made transparent, accountable, accessible and simplified. At the moment laws are in existence which contradict each other, such as the 1975 Presidential Decree 722 that criminalizes squatting and the 1992 UDHA which, despite its many loopholes, is designed to protect squatters from demolition. An accessible system of property rights is also needed so that the poor can legalise the assets that they do have, both in order to protect them and so that they can be used as collateral if required. This is also needed in order to make the Philippines a more attractive place for inward investment. Similarly the Philippines

needs to confront the corrupt nature of its public officials and the detrimental effect this has both on public service and its international image. Steve Pollard of the ADB made the cost of a corrupt system perfectly clear when he states that 'those with money to invest will do it elsewhere'¹¹⁸. He even indicated that foreign employees of the ADB in Manila wishing to invest money, perhaps in shares or property do it abroad as legal and financial systems in the Philippines are so protracted and unreliable. Research by De Soto supports this: he found that in the Philippines 'legal authorisation to buy a house on state owned land took six years and eleven months – requiring 207 administrative steps in 52 government offices. To obtain a legal title for that piece of land it took 728 steps'¹¹⁹. It is hardly surprising then that those who can avoid this process, and those who cannot do it illegally. The Filipino government needs to put its domestic legal and political house in order otherwise its economy will remain anaemic.

In Manila, the problem of homelessness will not be rectified just by building houses. If that were possible, which it is not, the underlying socio-economic structural problems which caused the problem in the first place, would remain. If people were less poor then it would follow that families would be smaller and that if poverty in the provinces were addressed (see Chapter Four) then migration to the already overcrowded city would fall. The new Macapagal-Arroyo administration wants to secure further funds from the World Bank to solve the housing problem, but this is no answer. If previous performances are an adequate representation of what to expect, the money will be diverted to the middle classes, government sponsored initiatives rather than those in greatest need or simply the bank accounts of corrupt officials.

¹¹⁸ Pollard, *op. cit.*

¹¹⁹ De Soto, *op. cit.*, p. 18.

Meanwhile the poor will feel the greatest impact from additional structural adjustment and austerity measures.

If these larger administrative or systemic issues were addressed, which is admittedly a tall order, then the agency and ingenuity that is present, yet constrained, amongst the poor could flourish in a more sustainable way. The capacity for self-organisation is demonstrated by the Payatas micro-credit scheme, as is the importance of an appreciation of the peculiarities of each context that poverty appears. The scheme shows that the poor have the desire to plan for further than the here and now, but that these plans must be rooted in reality, hence saving is done on a daily, rather than weekly or monthly basis. This scheme also shows that capacity building is best done from below than above.

Finally it is also clear that poverty researchers should to be sensitive to the cultural norms of given societies, not just to convey a respect for difference, but to gain an insight into the sociological foundations of local strategies for poverty alleviation. Assets such as community and family or commitment borne of experience, or religious conviction are valuable in ways that demands social rather than economic analysis. If research incorporates these ideas of community and commitment then policies can be 'developed that have validity for the diversity of people's lived experience [this moves] the mindless application of standards toward creative problem solving that involve learning from experience'¹²⁰. The construction and assessment of poverty alleviation strategies are therefore both enriched.

¹²⁰ Angeles, Leonora and Gurstein, Penny, 'Planning for Participatory Capacity Development: the Challenges of Participation and North-South Partnership in Capacity Building Projects', *Canadian Journal for Development Studies*, Vol.21, pp.447-78, 2000, p. 451.

Chapter 6

Neo-liberal Hegemony and the Illusion of Democracy: The Rhetoric and Reality of People Power.

Introduction

Thus far this thesis has argued for a qualitative assessment of poverty which takes account of specific social contexts, relating to historical class and cultural formations and also the nature and form of the Philippine state. Significantly it has been proposed that participatory democracy and bottom up solutions to poverty alleviation are important factors in building sustainable, rather than transient, answers to socio-economic exclusion. The poor should have 'ownership' of strategies devised to improve their well-being, which should ideally evolve in the dynamic of the local social context in which they will be required to function and become consolidated. This we can observe for instance in the micro-credit scheme at Payatas, discussed in Chapter Five.

These are similar themes to those recently proposed by institutions such as, for example, The World Bank (WB), who cloak their proposals in the rhetoric of inclusion¹. However, it can be noted that when it comes to concrete strategies to facilitate poverty alleviation that embody transfers of power to the powerless and

¹ For instance the 2000/01 World Bank Development Report is entitled; *Attacking Poverty*, Oxford; Oxford University Press, 2001. There is also a three volume report published in support of the main 2001 Report, this is called *The Voices of the Poor*, the individual volumes are; Narayan, Deepa, (ed.), *Can Anyone Hear Us?*, Oxford: Oxford University Press, 2000; Chambers, Robert and Narayan,

silenced, the Bank is noticeably less forthcoming, admitting that 'measuring these dimensions of poverty [voicelessness and powerlessness] in an accurate, robust, and consistent way so that comparisons can be made across countries and over time will require considerable additional efforts on both the methodological and data-gathering fronts'². However, the somewhat limited objective here is measurement, not change.

In the existing literature, links are drawn between democracy and economic development, and economic development and poverty are frequently correlated, but little meaningful research has been done on the links between democratic participation and poverty. It will be argued here that despite the rhetoric of neo-liberal institutions which call for participatory development and transparent democracy, in reality their prescriptions serve to facilitate market hegemony rather than human security. Whilst the lack of endurance of interventionist, short-term relief strategies for poverty has been recognised, it will also be argued here that the currently dominant neo-liberal or market led strategies of poverty relief are also flawed. It seems, if we follow Polanyi, that the double move against the rigours of the market acts not to challenge the logic of the market, but to co-opt poverty relief strategies into existing market mechanisms, therefore the distinction between the first and second move disappears. Building on the critique of state and governance in previous chapters, it will also be argued that the state is severely de-limited in autonomous action on poverty. Expanding on this, a critique will be offered on the liberal notion of individual property rights, with inconsistency and biases being explored.

Deepa, (eds.), *Crying Out for Change*, Oxford: Oxford University Press, 2000; Narayan, Deepa and Walton, Michael, *From Many Lands*, Oxford: Oxford University Press, 2002.

The role of the state in relation to both the market and civil society will be explored in terms of the 'night watchman state'. It will be argued that neither Gramsci nor Nozick offer a reliable argument for a minimal state, whilst also exploring the idea of economic-corporative primitivism. In the face of the inadequacy of neo-liberal solutions to 'powerlessness and voicelessness', the idea of 'social capital' will also be developed. Building on the discussion of community in Chapter Five, do individuals act as collectives to demand or suggest solutions to the problems of poverty, or do they act in a self-regarding manner, seeking to meet their own needs, or those they identify most closely with, first. How does 'societal self-defence' operate in the Philippines, for both the poor and non-poor, what different roles do the upper, middle and poor classes play in these processes. Indeed does the defence of society hinder the operations of the state? This empirical base to test these claims will be the events surrounding the ousting of President Estrada in January 2001.

One of the key themes of this thesis is that poverty should be a mainstream issue in contemporary International Relations (IR), otherwise the discipline of IR emerges as a mere reflection of existing hegemonic relationships within international society. If IR is to push forward a critical agenda, then poverty, which is a central factor in many other issue areas such as human rights, identity and the construction of the 'other', violent conflict and the nature of political, economic and cultural globalisation, must assume central importance. Security is a central theme within the discourse of IR, therefore the first task here is to locate the idea of poverty within this discourse. The traditional high security issues of violent physical or territorial threat, must now also

² *ibid.*, *World Bank Development Report Attacking Poverty 2000/01*, p. 19.

be joined by deprivation and political exclusion in order to further the ontological credibility of the IR discourse.

Relative and Absolute Security

Traditional types of security in IR are based on military power and the state, and centred on inside/outside dichotomies of self and other, related to absolute and relative security. Tickner has argued that these dichotomies 'reflect the conventional understanding of political space [...] but are incompatible with the search for world security and the security of individuals'³. Realist ideas of security are centred on ideas of power and domination, and as Booth has argued 'power tends to corrupt, and this is a deadly combination with sovereignty'⁴. This has been elaborated on in previous chapters here, however in the face of economic globalisation domestic power structures are also subject to the dictates of neo-liberal interventionism.

Following Realist notions of state security, it could be argued that human security operates as a 'zero-sum game'. In order for some sectors of society, both national and international, to enjoy a level of affluence or to safeguard their security, others become insecure. This is aided by a neo-liberal formulation of the problem, which premises the freedom of the market and defends private property rights. The current WB and IMF approach to poverty, is based on this strategy, which seeks solutions through growth rather than redistribution. However, the free market and the capitalist ideology under which it operates, is 'founded on a considerable degree of permanent

³ Tickner, J. Anne, 'Revisioning Security', in Booth, Ken, and Smith, Steve (eds.), *International Relations Theory Today*, Cambridge: Polity Press, pp. 175-97, 1995.

⁴ Booth, Ken, 'Human wrongs and international relations', *International Affairs*, Vol. 71, No. 1, pp. 103-26, 1995, p. 123.

insecurity for all the units within it (individuals, firms, states)⁵, as capitalism, by its very nature, is competitive, which implies losers as well as winners. Thérien states, when discussing the United Nations (UN) attitude to poverty, that 'It [the UN] condemns the overriding values represented by the cult of competition and the drive for profit because they engender various forms of social Darwinism and marginalisation'⁶. Common or absolute human security is the ideal, where all sectors of society enjoy 'a condition of existence in which human dignity, including meaningful participation in the life of the community, can be realised. Such security is indivisible; it cannot be pursued by or for one group at the expense of another'.⁷ However it becomes difficult to devise an objective ethical formulation to the problem of how far justice and equality should be applied as 'people are generally bad judges where their own interests are involved'⁸. In other words meaningful solutions to poverty are always going to be inhibited because the rich or powerful will only advocate change to the extent that does not challenge their own position or interests.

There are further dimensions to this as the 37.5%⁹ of the population who live in poverty, have the potential to undermine the security of the state. They can challenge the government regime to resolve their plight, a process that may be limited to

⁵ *ibid.*, p. 235, see also the rest of this chapter for an excellent discussion on economic security.

⁶ Thérien, Jean-Philippe, 'Beyond the North-South divide: the two tales of world poverty', *Third World Quarterly*, Vol. 20, No. 4, pp. 723-42, 1999, p. 735.

⁷ Thomas, Caroline, 'Global Governance, Development and Human Security Exploring the Links', *Third World Quarterly*, Vol. 22, No. 2, pp. 159-75, 2001, p. 161.

⁸ Aristotle, *The Politics*, London: Penguin Classics, 1992 [1962], p. 195.

⁹ This figure is cited in: Varshney, Ashutosh, 'Why have Poor Democracies not Eliminated Poverty?', *Asian Survey*, Vol. 40, No. 5, pp. 718-36, 2000, p.719, and refers to the early 1990s but it also appears in *East Asia Recovery and Beyond*, The World Bank: Washington D. C., 2000, p. 115, so no improvement in the figures is apparent over the last ten years. The UNDP, *Human Development Report 1999*, New York: Oxford University Press, 1999, p. 146 gives the figure at 41%, and interestingly 56% of Filipinos describe *themselves* as poor, which adds another 15 or 20% of the population to the figure; see: Bacani, Cesar and Espinosa-Robles, Raissa, 'Mob Power', *Asiaweek*, 11 May 2001, p. 29.

participatory democracies, but this can also take the form of violent revolt and is not limited to democracies¹⁰. The poor may also impede economic development through demands for high domestic welfare spending and yet contribute little towards domestic investment in the form of savings, leading to limited banking liquidity. In contrast to this, the state regime itself may be a source of insecurity for the people, this is exemplified by the plundering of governmental coffers by the Marcoses and others¹¹.

Booth also argues that transnational solidarity amongst the international community is undermined as governments 'have a poor record when it comes to being other-regarding towards people(s) as opposed to other governments'¹². In other words states operate in a 'society' of reciprocal recognition, so states will accept or tolerate the activities of other states, but they will not necessarily respond to the plight of other peoples. This can be seen in the attitude of the US to the problem of the rebel Islamic group Abu Sayyaf in the Southern Philippines¹³. The US had little interest in the region, the plight of civilians within it, or the Philippine government's response to the problem of the Muslim separatists until 9/11.

¹⁰ This was certainly the case in Indonesia in the aftermath of the Asian Currency Crisis in 1997: see i.e. Tan, Gerald, *The Asian Currency Crisis*, Singapore: Times Academic Press, 2000, p. 118-23 for an account of the violence.

¹¹ For a detailed breakdown of the financial activities of Marcos and his cronies see: Wedman, A., 'Looters, Rent-scrappers, and Dividend-Collectors: Corruption and Growth in Zaire, South Korea and the Philippines', *The Journal of Developing Areas*, Summer, pp. 457-78, 1997. pp. 469-73, also Bonner, Raymond, *Waltzing with a Dictator*, New York: Times Books, 1987, especially Chapter Seven. For details of government corruption when dealing with the aftermath of the Mt. Pinatubo eruption see: Kirk, Donald, *Looted: The Philippines After the Bases*, New York: St. Martin's Press, 1999.

¹² Booth, *op. cit.*, p. 122.

¹³ See: i.e. 'US troops "to fight" in Philippines, 21 February 2003. Available at: <http://news.bbc.co.uk/1/hi/world/asispacific/2786109.stm>. [Accessed 14 April 2003].

To give some background to the humanitarian issues involved, Elizabeth Padilla of Terre des Hommes, a German NGO, working in Mindanao claimed that poverty in the Mindanao region is exacerbated by the conflict, 'people are forced into the cities to avoid government counter-insurgency programmes and this adds to the urban poor'¹⁴. Similarly Lilian Mercado Carreon of Oxfam observed that Oxfam's 'Education Now' programme encountered problems in the region. She claimed that 'in Mindanao some schools are often used as evacuation or emergency centres rather than teaching facilities'¹⁵, as there is nowhere else for evacuees to shelter. She also stated that 'Oxfam aides work in association with local teachers to provide an improved curriculum including psycho-social education for those traumatised by the war'. Therefore Oxfam have to incorporate the children's emotional as well as educational requirements into their teaching programmes due to the conflict. 2003 statistics from the National Statistical Coordination Board (NSCB)¹⁶ show that all four provinces in the Autonomous Regional of Muslim Mindanao (ARMM) are amongst the ten poorest provinces in the Philippines. It is not unreasonable to assume that this poverty is exacerbated by the violent unrest in the region.

After 9/11, the US administration suspected that Abu Sayyaf might offer refuge to the international pariah Osama Bin Laden. Therefore the Abu Sayyaf problem became part of the international war on terror and the US military returned to the area. However many in the Philippines saw the US interest in the area, and their own

¹⁴ Interview with Elizabeth Padilla, Terre des Hommes, at the University of the Philippines Diliman Campus during the Bayanihan International Solidarity Conference, Manila, 26 August 2001.

¹⁵ Interview With Lilian Mercado Carreon, Oxfam Office, Manila, 29 August 2001.

¹⁶ See: Dumlao, Doris C. 'Statistics show ARMM home to the Four Poorest', *Inquirer News Service*, 16 January 2003. Available at: www.inq7.net/reg/2003/jan/16/reg_6_1.htm. [Accessed 15 April 2003].

government's complicity with this, as a rationale to restrict democratic freedoms and divert attention away from other problems such as poverty and corruption.

Following the theme of insurgency Gramsci likened the jostling for position between state governments and 'complexes of associations in civil society'¹⁷ to a war. He states that the structures of modern democracy 'constitute for the art of politics as it were the "trenches" and the permanent fortifications of the front in the war of position: they render merely "partial" the element of movement which before used to be "the whole" of war'¹⁸. In states that lacked universal suffrage there was the danger of revolution from those without a vote and therefore no access to legitimate political action for their grievances. This potential revolution was the 'movement' or war that Gramsci refers to. But, given universal suffrage there are now 'wars of position' within states, between governments and sectors of civil society that jostle for position. This can be compared to all out wars (against revolution) and wars of attrition (guerilla type warfare as in the Abu Sayyaf case) over longer time scales and akin to low intensity conflict. Therefore for Gramsci civil society forms an arena for conflict between the dominant and subaltern classes.

The Bretton Woods and United Nations Approaches to Human Security

This is further complicated by international institutions that have the potential to undermine human security, for instance international financial institutions can have a detrimental effect as was seen in the aftermath of the Asian Currency Crisis¹⁹.

¹⁷ Gramsci, Antonio, eds. and trans., Hoare, Quinton, and Smith, Geoffrey N., *Selections from the Prison Notebooks*, London: Lawrence and Wishart, 1971, p. 243.

¹⁸ *ibid.*, p. 243.

¹⁹ See: Tan, *op. cit.*, Chapter Four, 'The Asian Currency Crisis – Consequences'.

Individuals may suffer as a consequence of both speculative activity, and the conditions applied to solutions offered by, for instance, the IMF. Thérien argues that international institutional approaches to poverty can be classified as two distinct approaches. These are the Bretton Woods paradigm, favoured by the WB, the IMF and GATT, and the UN paradigm. The former seeks to resolve the problem through market liberalisation and the latter 'insists on the need to subordinate the functioning of the world economy to objectives of social equity and sustainability'²⁰.

The Bretton Woods paradigm follows the neo-liberal approach, typified by the Washington Consensus, and is favoured politically, and also by the middle or upper-classes who can cope with the long-term nature of this strategy. Those who are not poor can wait for market mechanisms hopefully to alleviate poverty through growth, but those who live in the condition of poverty need their immediate basic needs met, the alternative is destitution. The meeting of basic physical needs is no long-term solution to poverty, but for the poor the logistics of this debate come a distant second to the requirement for food, water and shelter. The Bretton Woods institutions altered their lending strategies to take account of the needs of the poor during the 1990s. This was largely a reaction to the dire consequences of the structural adjustment programmes of the 1980s, which were geared to raise export earnings above all else. They worked but this was at the cost of domestic welfare, which was constricted under the provisions of austerity programmes. But the revamped policies of the 1990s served to incorporate the poor into existing market mechanisms, rather than challenge them in any fundamental way. This deference to the market also

²⁰ Thérien, *op. cit.*, p. 725.

excused the state responsibility for poverty, instead it conferred authority to the market.

The UN approach however premises human security, rather than the security of the market. It also places poverty within its social context and stresses how issues of maldistribution must be seen within the framework of social relations. The UN incorporates the idea of participation in the community, stating that 'a poor person is not only one who is hungry but also one who is oppressed, humiliated and manipulated'²¹. The UN model also highlights the idea of 'exclusion', that is the poor being excluded to the margins of society. This may be a qualitative judgement but it is a mechanism that allows poverty to be analysed across all societies, not just the global South. It may also generate more meaningful data than that gleaned from quantitative judgements of, for instance, the percentage of people living on less than \$1 per day. For the poor themselves, surely the UN approach to poverty would be more attractive as it directly addresses the structural nature of their problems rather than trying to co-opt them into existing structures, which are often the cause of the problems in the first place.

The UN paradigm also emphasises an ethical approach to the problem of poverty, but within international relations the call to subscribe to a strategy because it is moral, is seldom a weighty enough argument. As Thérien remarks 'international diplomacy has never been greatly preoccupied with moral issues'²². Booth also discusses IR in terms of morality advocating the development of a 'global moral science'. Writing in 1995, he refers to the lineage of academic development within IR and asks 'What (on

²¹ UN, *Ethical and Spiritual Dimensions of Social Progress*, New York: United Nations, 1995, p.38, quoted in *ibid*, p. 734.

earth) do we think we have been doing for the past three-quarters of a century? And what do we think we are doing now'²³? Presumably questioning whether the focus of our studies has led to any development in the field of human security as opposed to the understanding of state interactions, the former being the most valuable. Gurtov has described the preoccupation with state security as fanatical, and posits that 'as state leaders invest more and more political, human and economic resources in weapons, aid programs, alliances, and the exploitation of resources, the security of persons, societies, and the planet as a whole actually seems to decline'²⁴. Although Gurtov was writing 13 years ago, it can be argued that the trajectory of security studies dialogues is, realistically still premised on the primacy of state security. Indeed six years after the publication of the first edition in 1994, in the third edition of *Global Politics in the Human Interest*, Gurtov's opening line remains the same. Saurin empathises with these sentiments, and writes; 'how can one give credence to a discipline [IR] which purports to explain international action and international order, when it has almost nothing to say about seventy-five percent of the world's states and simply discounts from its analysis eighty-five percent of the world's population'²⁵.

Democracy and Poverty

Varshney has asked the question 'Why have poor democracies not eliminated poverty'²⁶? He notes that internationally, authoritarian governments display a range of success rates in the alleviation of poverty, with extremes appearing at both ends of

²² Thérien, *op. cit.*, p. 735.

²³ Booth, *op. cit.*, p. 104.

²⁴ Gurtov, Mel, *Global Politics in the Human Interest*, Boulder: Lynne Rienner, 1988, p.1.

²⁵ Saurin, Julian, 'Globalisation, Poverty, and the Promises of Modernity', *Millennium*, Vol. 25, No. 3, pp. 657-80, 1996, p. 658.

²⁶ See: Varshney, *op. cit.*

the scale. Whilst authoritarian governments such as in Indonesia, at least before the financial crash, were successful in alleviating poverty, others have been less so, such as Uganda. In comparison to this, in democracies, the extremes are avoided and all democratic countries appear within a broad band of middle achieving countries, including the Philippines although at 37.5%²⁷ it is the worst performing democracy examined. What can be drawn from this is that perhaps authoritarian governments have a remit for autonomy that allows them to react decisively, and non-accountably, the vagaries of the market. This they may do either very successfully, and this success is the pay-off for living under authoritarianism. Or they fail, and the costs are invariably borne by their societies. However, there are of course other reasons for poverty in authoritarian states such as war and corruption.

Democracies on the other hand operate under a system of checks and balances, which help to avoid economic disaster, however by the same token this may inhibit economic performance as the needs of their societies inhibit risk taking and market efficiency. This was commented upon by Polanyi who wrote that;

*it became the unwritten law of the Constitution that the working class must be denied the vote [...] inside and outside of England, from Macauley to Mises, from Spencer to Sumner, there was not a militant liberal who did not express his conviction that popular democracy was a danger to capitalism*²⁸.

²⁷ See *ibid.*, p. 719 for figures.

²⁸ Polanyi, Karl, *The Great Transformation*, Boston: Beacon Press, 1957 [1944], p. 226.

Following this line of reasoning it would seem that democratic accountability to the poorer classes hinders free market capitalism. Mill comments more broadly on the dangers of the greatest numerical class seeking to further their own interests at the expense of the whole of society when he states that governments should 'be so organised that no class, not even the most numerous, shall be able to reduce all but itself to political insignificance, and direct the course of legislation and administration by its exclusive class interest'²⁹.

Also the process of democratic accountability itself is expensive. Groups who are active in attempting to change policy in order to favour their own needs may spend as much trying to change policy as they get from the resulting changes, this expenditure is called 'rent-seeking'. If different groups are competing over the same resources then this process intensifies, outgoing expenses in total may exceed potential gains. 'Democratic systems, it is suggested, waste resources by allowing interest groups to operate freely and openly to shape social decisions in their favour'³⁰. However, if resources are allocated evenly across society then rent-seeking behaviour may decline and popular satisfaction with governmental decisions may result. Alternatively this scenario may be considered utopian, as it takes little account of greed, competitiveness or irrational behaviour.

Given the current preference for neo-liberal orientated solutions to poverty, does this mean excluding the poor from 'participation in the community'? Bear in mind that this conflicts with basic ideas of human security. If states favour protecting the health

²⁹ Mill, John Stuart., *On Liberty and Other Essays*, Oxford: Oxford University Press, 1991, p. 326.

³⁰ De Dois, Emmanuel S., 'Economic Outcomes and Philippine Democratization'. in Miranda, Felipe B. (ed), *Democratization: Philippine Perspectives*, Quezon City: University of the Philippines Press, pp. 135-52, 1997, p. 144.

of the free market, and their competitiveness within this, it may mean that this is done at the expense of equality or even functioning democracy within the state. To the extent that neo-liberal driven globalisation 'often seems to replace the old dictatorships of national elites, with new dictatorships of international finance'³¹. This may undermine the democratic process as 'the very capacity of governments to act in ways that interest groups may desire is constrained'³². Western models of liberal capitalism, which are based on private ownership and the premising of the individual (in an individualistic not a community sense), mean that for economic growth to be maintained these interests must be protected, even if this compromises the egalitarian credentials of democracy. Birchfield goes as far as to say that 'the neoliberal discourse of globalization [...] is inherently antithetical to democratic principles'³³ and that it 'tend[s] to paralyse or delegitimize political thinking as a gateway to democratic action'³⁴.

The idea that democratic freedom inhibits economic growth and that the security of state and social order must be premised over the freedom of the individual or citizen, in order to bring prosperity to the state, finds its roots in the Lee thesis³⁵, named after Singapore's former Prime Minister, Lee Kuan Yew. Lee's thesis can be linked to a perception of 'Asian Values', as possibly lack of individual freedom is more acceptable in Asian societies, which value social order more than individual liberty.

³¹ Stiglitz, Joseph, *Globalization and its Discontents*, London: Allen Lane The Penguin Press, 2002, p. 247.

³² Held, David, *Models of Democracy*, 2nd Ed., Cambridge: Polity Press, 1996, p. 215.

³³ Birchfield, Vicky, 'Contesting the hegemony of market ideology: Gramsci's "good sense" and Polanyi's "double movement"', *Review of International Political Economy*, Vol. 6, No. 1, pp. 27-54, 1999, p. 29.

³⁴ *ibid.*, p. 30.

³⁵ See: 'Globalization vs. Asian Values', Center for Strategic and International Studies, 2002. Available at: www.globalization101.org/issue/culture/34.asp. Accessed 14 April 2003]; and for a critique see: Li, Xiaporing, "'Asian Values" and the Universality of Human Rights'. Available at:

However this reading of the discourse of Asian Values perhaps falls prey to orientalist stereotypes.

In contrast to the Lee thesis, Sen argues that democratic participation is a necessary condition for poverty alleviation not a hindrance³⁶. Importantly, through democratic channels the poor can convey their perception of what their needs are, therefore policy can be formulated with reference to specific social contexts and possibilities. Without such a dialogue, any assessment of which needs require attention, and how to meet them, would be weaker. Sen notes that a person's 'capabilities', or capacity for active agency, are linked to individual freedoms which 'can be enhanced by public policy, but also, the other way round, the direction of public policy can be influenced by the effective use of participatory capabilities by the public'³⁷. For Sen, this relationship reinforces poverty alleviation strategies and helps to inform the bottom-up approach mentioned at the beginning of this chapter. Indeed Sen argues that if poverty research 'shifted from an exclusive focus on income poverty to the more inclusive idea of capability deprivation, we can better understand the poverty of human lives and freedoms in terms of a different information base'³⁸. This is a central argument in this thesis, we must analyse the prospects of meaningful agency within specific social contexts, rather than simply counting the poor.

However there are also critiques of this approach. International institutions have adopted a rhetoric of capability enhancement (see the beginning of this chapter), yet

www.puaf.umd.edu/IPPP/li.htm. [Accessed 14 April 2003]. See also discussion on Orientalism in Chapter One of this thesis.

³⁶ Sen, Amartya, *Development and Freedom*, Oxford: Oxford University Press, 1999, esp. Chapter Six, 'The Importance of Democracy'.

³⁷ *ibid.*, p. 18.

³⁸ *ibid.*, p. 20.

the result is to inhibit the society-wide development of poor countries. The poor may be the targets of international institutional policy, yet at the same time their own government 'has a diminished capacity to formulate and implement its own development strategy, the poor are deprived of any effective opportunity to autonomously "voice" their own social economic and political interests through the democratic process'³⁹. In effect this by-passing of the state weakens the social whole, the impact of which the only marginally empowered poor soon feel. Ultimately this translates into the consolidation of international institutional power, whose neo-liberal agenda becomes further unassailable. Their rhetoric of inclusion is in fact a mirage⁴⁰.

Is the Market the Answer?

Why is it, apart from the burden of welfare, that democracies in poor countries have only been average performers in poverty alleviation? When one considers the percentage of the poor in the Philippines, with 56% considering *themselves* poor, surely sheer volume of numbers will ensure that the government has to respond to their demands. Varshney argues that the poor use their power as voters to demand poverty alleviation strategies that satisfy short-term goals i.e. the immediate provision of basic needs, as opposed to market based strategies that operate over a longer-time scale. This is why 'in no developing country has mass politics, mobilising large numbers of average or poor citizens [...], pushed for trade liberalisation, currency devaluation, and a market orientated economic reform'⁴¹. Rather, calls for neo-liberal economic reforms have come from state agencies or international sources such as the

³⁹ Pender, John, 'Empowering the Poorest? The World Bank and the "Voices of the Poor"', in Chandler, David, ed., *Rethinking Human Rights: Critical Approaches to International Politics*, pp. 97-114, 2002, p. 113.

⁴⁰ See also Chapter Five.

IMF. Whilst calls for poverty alleviation may come from *below* the state, calls for neo-liberal strategies come from *above*. In times of crisis especially, it seems that poor states are more accountable to international institutions than to their own populations. Democracy can result in the effective alleviation of poverty in poor countries as political credibility depends on this. However, according to neo-liberal logic, market based strategies are arguably a more enduring answer to the problem, as they deal with more than just the symptoms of poverty. The numerical advantage of the poor may also be compromised as they may not necessarily vote as a bloc, as they have multiple identities, rather than just that of being 'poor'. They may vote along the lines of religion or caste, and this may compromise the voting power of the poor as a group.

The WB and the IMF are not overtly undemocratic. Instead this process is an insidious one. Certain aspects of democratic participation are highlighted such as gender equality, whilst critiques of institutional hegemony are absent. This is in effect a manipulation of participatory democracy or what Gramsci called *trasformismo*⁴². Such strategies aim to deflect mass mobilisation against neo-liberal economics by 'increasing democratic participation in other safely channelled areas'⁴³. This allows the World Bank to establish the not untrue claim that civil society is encouraged into systems of participatory governance, and to implement its programmes at a lower cost. However, it also serves to deflect attention from the democratic deficit of neo-

⁴¹ Varshney, *op. cit.*, p. 723.

⁴² See: Gramsci, *op. cit.*, p. 58, footnote 8. Transformismo refers to a blending of the left and right in politics, which we can see here in terms of a co-option of civil society. But it would also seem to fit the Philippine model of politics where politicians have allegiance more to power than ideology as they see no problem which changing parties to gain access to government. See i.e. case of Marcos in Chapter Three.

⁴³ Gill, Stephen, 'The Constitution of Global Capitalism', paper presented at the International Studies Association Conference, March 14-18 2000, Los Angeles, p. 12. Available at: www.ciaonnet.org/isa/gisoi/ [Accessed 20 December 2002].

liberal financial institutions such as the WB. Also, whilst international lending institutions are not reticent in criticising the state, for instance;

In community after community poor people report that state institutions – whether delivering services, providing police protection or justice, or making political decisions – are either not accountable to anyone or accountable only to the rich and powerful. In the face of dependency and little recourse to justice people remain silent even when confronted with gross abuse of power⁴⁴

or other domestic or transnational organisations such as Community Based Organisations (CBOs) or NGOs, they do not turn the spotlight on to their own democratic credentials. Even when international forums do come under discussion it seems that lack of infrastructure and expertise amongst poorer countries bear the blame for poorly functioning democratic representation rather than the international institutions themselves. For instance when discussing the ‘significant disadvantage’ of poor countries participating in World Trade Organisation (WTO) forums, lack of office space and technical knowledge are highlighted as primary factors⁴⁵, rather than the difficulties of competing in free markets against established producers protected by powerful political and legal forces.

Through such strategies neo-liberal orthodoxy becomes ‘common sense’ and for the poor or disenfranchised, altering or even questioning structural neo-liberal orthodoxy

⁴⁴ Narayan, Deepa, *et al.*, *op. cit.*, p. 203.

⁴⁵ See: *World Bank Development Report 2000/2001*, *op. cit.*, p. 186.

may well seem an impossible task⁴⁶. Stiglitz notes that during the 1990s the IMF rarely considered what its policies would do to poverty levels,

There was a single prescription, Alternative opinions were not sought. Open and frank discussion was discouraged [...] In our personal lives we would never follow ideas blindly without seeking alternative advice. Yet countries all over the world were instructed to do just that⁴⁷.

So the dual strategies of co-option and alienation become complete. Whilst Western international lending institutions recognise the problems of poverty and inequality, they are determined that solutions must be sought through the market. This rhetoric is flawed however, as traditional liberal notions such as perfect competition and perfect information have been systematically undermined by those in power. For the WB and the IMF it would seem that democracy and equality are desirable, but problematic and secondary to the market. This would also seem to put debtor, yet democratic, states in an impossible position. They become obliged to follow neo-liberal policies of structural adjustment and austerity, but must also negotiate with civil societies that are being encouraged to criticise state policies, yet not the international economic forces or 'dictators' predominantly responsible for these.

In the Philippines these policies have been only partially successful as civil society actors⁴⁸ are very capable of understanding that international finance is responsible for

⁴⁶ Note also the case of the 1997 WB Structural Adjustment Review discussed in Chapter Five, where the opinions of civil society were canvassed by the WB, but none of this data was used in their final report.

⁴⁷ Stiglitz, *op. cit.*, p. xiv.

⁴⁸ Internationally also there is a growing awareness and at times violent response to the inequalities generated by global capitalism; for instance the protests at the G-8 meetings in Seattle and Genoa. See

many of the government's problems as we saw in Chapter Five through our discussion of i.e. The Automatic Appropriations Act. However due to political arrangements which in theory at least make states accountable but neo-liberal institutions more remote it is the state which is first in the firing line of civil society protest. The following section moves on to explore the theoretical underpinnings of social relations between civil society, the state and neo-liberalism

Social Capital

Human capital or rather 'social capital' as it is more frequently termed is, according to Fukuyama; 'an instantiated informal norm that promotes co-operation between two or more individuals. The norms that constitute social capital can range from a norm of reciprocity between two friends all the way up to complex and elaborately articulated doctrines like Christianity or Confucianism'⁴⁹. Mill touches on the issue of norms when discussing society, he states that whilst society is not founded on a contract 'every one who receives the protection of society renders it indispensable that each should be bound to observe a certain line of conduct towards the rest'⁵⁰. By the lack of a contract Mill means that for norms of social behaviour that are not criminal, these are bound by the censure of opinion rather than law. He argues for the freedom of the individual in activities that do not harm others and that this freedom will be governed by norms or censure rather than legal restraint. Fukuyama states that social capital relies on *trust*. If a group believes its members to be reliable and honest then, 'trust is

i.e. Chomsky, Noam, *Profit Over People: Neoliberalism and Global Order*, New York: Seven Stories Press, 1998; Cockburn, Alexander and St. Clair, Jeffrey, *Five Days that Shook the World: The Battle for Seattle and Beyond*, London: Verso, 2000; Hertz, Noreena, *The Silent Takeover: Global Capitalism and the Death of Democracy*, London: Arrow, 2002.

⁴⁹ Fukuyama, Francis, 'Social capital, civil society and development', *Third World Quarterly*, Vol. 22, No. 1, pp. 7-20, 2001, p. 7.

like a lubricant that makes the running of any group or organisation more efficient'⁵¹. But he cautions that 'the sharing of values and norms does not in itself produce social capital, because the values may be the wrong ones'⁵². To apply this to the case of the Philippines, there may be those within the government that believe that it is acceptable to practice nepotism, and their associates and families trust them to do this, but this is not social capital, even though norms exist. Indeed Fukuyama mentions that in some countries where there is a strong radius of trust within the family, this co-exists with lack of trust beyond the family unit. 'Families are strong and cohesive, but it is hard to trust strangers, and levels of honesty and cooperation in public life are much lower. A consequence is nepotism and pervasive public corruption'⁵³. This would seem to fit more or less perfectly the Filipino case where 'Just 15 of the Philippines' estimated 15 million families control virtually all of the nation's wealth, and about 200 run its political life'⁵⁴.

Gramsci talks about the way that hegemonic groups in society seek to perpetuate their own norms through the infiltrating the consciousness of all society. He argues that consciousness is the result of the particular social situation into which one is born, and that it is 'the result of a complex set of socializing influences which claim to integrate the world of experience rendering them natural, universal and consequently beyond challenge; resulting in uncritically employed values', Gramsci calls this consciousness 'common sense', and it is akin to the Marxist notion of false consciousness⁵⁵. In the

⁵⁰ Mill, *op. cit.*, p. 83.

⁵¹ Fukuyama, Francis, *The Great Disruption: Human Nature and the Reconstitution of Social Order*, London: Profile Books, 1999, p.16.

⁵² *ibid.*, p. 16.

⁵³ *ibid.*, p. 18.

⁵⁴ Cordingley, Peter and Lopez, Antonio, 'After the Gloria Euphoria' *Asiaweek*, 2 February, pp.20-4, 2001, p.21. See also discussion and statistics on corruption in Chapter Five, especially footnote 58.

⁵⁵ Noumoff, Sam J. *Civil Society: Does It Have Meaning?*, CDAS Conference Paper, 21 September 2000, p. 14.

Philippines domestic elites may try to perpetuate oligarchic forms of land holding or the implicit acceptance of corrupt public servants as 'common sense', as this serves to preserve their own interests. However, as we have seen, internationally it is the norm of neo-liberalism that is being advocated as 'common sense'. Gramsci points out that the ruling classes attempt to impose their norms on the masses in a way that is hegemonic and does not involve any interaction or intellectual engagement with these ideas from the subaltern class.

But Gramsci disputes the intellectual inertia of the masses, and states that when one distinguishes between intellectuals and non-intellectuals the rationale for this judgement is whether a person is employed in intellectual or manual activity. But that those employed expending 'muscular-nervous effort' are not necessarily lacking in intellectual capabilities 'although one can speak of intellectuals, one cannot speak of non-intellectuals because non-intellectuals do not exist'⁵⁶. Just because one is employed in manual labour this does not preclude intellect. The way that the norms of the elite will be challenged is through 'organic intellectuals', who will dispute 'common sense' or the hegemony of the elite. If this gets to the stage of undermining hegemonic ideology completely then this leads to an organic crisis. In our case here if hegemonic neo-liberal orthodoxy came under attack from civil society⁵⁷, which wanted an alternative organisation to social and economic life, then this could be described as an organic crisis. New norms would be adopted, which could foster social capital, but these would be the norms of civil society rather than those of the market or those seeking to prioritise its functions.

⁵⁶ Gramsci, *op. cit.*, p. 9.

However, whilst recent reforms at the WB 'include an important emphasis on public participation and good governance – both critical for effectively tapping social capital's development potential'⁵⁸, it seems that 'in spite of the concept's increasing presence and legitimacy at the WB, its use is still largely limited to conceptual discussion among researchers'⁵⁹. In other words, they are still just talking about it, rather than putting it effectively into action. Part of the reason for this could be that levels of 'trust' must surely be a qualitative judgement and therefore problematic to use as a basis for forward policy planning. But it seems extraordinary that the Bank is calling for the development of human capital when the neo-liberal policies that it advocates undermine this. Indeed WB policies can directly erode social capital rather than foster it, to the extent that it has been suggested that capitalism has reached a 'brutalising and criminal phase'⁶⁰. For instance, if unemployment is the result of neo-liberal reforms implemented to increase competitiveness, tension may result amongst the unemployed, and between the unemployed and other groups, leading to the erosion of social capital. This in turn may lead us back to Gramsci's idea of a war of position as groups manoeuvre to further their own interests.

The WB's rhetoric on social capital could be explained by its desire to 'safely channel democracy'. If community action can be fostered at local levels so that individuals judge that they are active in local initiatives, then this may deflect organised protests about the international economy. A vicious circle seems to have emerged, institutionalised forms of international social violence have evolved, yet at the same

⁵⁷ Gramsci's conception is of civil society being representative of a 'subaltern class' but civil society is not an uncontested term see for instance; Noumoff, *op. cit.*

⁵⁸ Fox, Jonathan and Gershman, John, 'The World Bank and social capital: Lessons from ten rural development projects in the Philippines and Mexico', *Policy Sciences*, Vol. 33, No. X, pp. 399-419, 2000, p. 173.

⁵⁹ *ibid.*, p. 174.

time these institutions are aiming to facilitate the community and social reproduction systems that they are responsible for critically undermining. The institutionalised market aims to configure a move of its own but it is difficult to see the distinction between the first and the second movement.

However, regardless of institutional interference arguably the potential for social capital building is always extremely limited, not because of market ideologies but rather human nature. Here Dalton is worth quoting at length:

The pursuit of material gain compelled by laissez-faire market rules is still not seen as behaviour forced on people as the only way to earn livelihood in a market system, but as an expression of their inner being; individualism is regarded as a norm, and society remains invisible as a cluster of individual persons who happen to live together without responsibility for anyone other than kin; economic improvement is assumed to be more important than any social dislocations that accompany it; man is seen as utilitarian atom having an innate propensity to truck, barter and exchange; material maximization and the primacy of material self-interest are assumed to be constraints in all human societies⁶¹.

From this it can be argued that it is not neo-liberal policies that lead to the atomisation of societies and the erosion of social capital, but that social capital, apart from within the family unit does not exist anyway. That is, human nature is

⁶⁰ Cox, *op. cit.*, p. 3.

fundamentally self-serving. This rationale anticipates Margaret Thatcher's (in)famous comment on there being 'no such thing as society, only men, women and their children'. But a society characterised by individualism does not preclude the building of reciprocal systems that may benefit all parties. Strange points out that 'welfare systems, even when uncorrupt and progressive are seldom entirely motivated by altruism. There is usually some kind of implicit bargain, a political/economic exchange that serves as much to reinforce authority as it does to alleviate wants'⁶². So in democratic systems it would be in the state's own interests to provide welfare, as this would help them to secure the support, or at least decrease the chances of insurrection, from the recipients.

In corrupt systems also, reciprocal arrangements work if benefits are to be had by both parties, but reciprocity does not imply any depth of trust. Kang has noted that the nature of corruption has altered between democratic and non-democratic periods. Whilst authoritarian corruption under martial law may come as no surprise Kang claims that 'Philippine politics was dominated by a pendulum of corruption that swung from society in the democratic era to the state under Marcos. This pendulum might swing to and fro, but it never reached an equilibrium where corruption was constrained or limited'⁶³. So the nexus between political and economic elites and political organisation acts as a dynamic which mediates the form and functioning of corruption in the Philippines.

⁶¹ Dalton, George, 'Introduction' in, Dalton George, (ed.) *Primitive, Archaic and Modern Economies: Essays of Karl Polanyi*, Boston: Beacon Press, pp. ix-liv, 1968, p. xxvii.

⁶² Strange, Susan, *States and Markets*, 2nd ed., New York: Pinter, 1988, p. 213.

⁶³ Kang, David C., *Crony Capitalism: Corruption and Development in South Korea and the Philippines*, Cambridge: Cambridge University Press, 2002, p. 123.

In opposition to this Polanyi's 'double move' against the detrimental affects of the market, or rather governmental interference in the market, would seem to be indicative of the desire to build social capital. Protection against the rigours of the market could come in the form of civil society support networks, such as the People's Organizations (POs) or Farmer Beneficiary Cooperatives discussed in Chapters Four and Five. Whilst liberals argued that *laissez-faire* capitalism would deliver benefits to society in its entirety, Polanyi argued that that 'the liberal doctrine of non-intervention disguised the extent to which governments were expected to maintain conditions for markets to function'⁶⁴. Action against the detrimental effects of the market was called the '*anti-laissez-faire*' movement and similarities to the interventionist UN approach to poverty can be drawn.

Liberals in 1870s Great Britain argued that the *anti-laissez-faire* movement ruined the promise of liberalism and the Enlightenment because of 'the blindness of working people to the ultimate beneficence of unrestricted economic freedom and to all human interests, including their own'⁶⁵. This can be likened to contemporary neo-liberal arguments and the idea that prosperity will eventually be delivered through the market. But crucially the poor in the industrial revolution were the working class, the destitute were even lower than poor. In modern times the poor are more likely to be un or under-employed, although those in full-time work may be very low paid. Birchfield challenges the idea that the structures of society or community should be subject to the workings of the market mechanism. She argues that this leads to the 'sublimation of politics and detachment from social reality [and that] one result of this is a loss of an appreciation of other values that are completely

⁶⁴ Burchill, Scott, and Linklater, Andrew, *Theories of International Relations*, New York: St. Martin's Press, 1996, p. 46.

devoid of economic rationale, such as respect, tolerance and social growth – or a deepening of community as opposed to merely its spatial expansion'⁶⁶. Rather than free markets being an integral part of democracy, they actually undermine it, which is the core of my argument here. But it is participatory, rather than procedural democracy which is most at risk, partly because free markets are not free but politically mediated by states and elites out to protect vested interests.

Erap para sa mahirap (Erap for the Poor)

Let us then apply this reasoning to the Estrada Presidency and its downfall. In 1998 Joseph Estrada, a supporter of the late President Marcos, became President of the Philippines. He came from a middle class family and was drawn from the elite fold of wealthy Filipino families who monopolise politics in the country, an elite that has been described as 'grasping and inbred'⁶⁷. But contrary to some Presidents he was enduringly popular with the very poor. His election was, in the Philippine system of first past the post, a landslide, 'he won the presidency with 40 percent of the vote in a crowded 11-candidate field, obtaining almost half of all ballots cast by the Philippines lowest income citizens but less than a quarter among the wealthy'⁶⁸. Compare this to the previous incumbent Ramos, who secured a mere 24% of overall votes. Part of the reason for Estrada's high percentage of the vote was that he managed the successful cohesion of the ex-Marcos faction around his cause. Meanwhile divisions amongst the opposition fragmented it, meaning their share of the vote was split, in a first past the post system this is obviously fatal.

⁶⁵ *ibid.*, p. 47.

⁶⁶ Birchfield, *op. cit.*, p. 31-2.

⁶⁷ Cordingley and Lopez, *op. cit.*, p. 21.

But why was it that Estrada was so popular with the poor? It was not based on religious grounds as Estrada, a Protestant, made the fatal mistake of alienating both Cardinal Jaime Sin and Corazon Aquino, bastions of the influential Catholic Filipino hierarchy. This was partly due to his attempts whilst in office, to alter the 1987 Constitution. He cloaked this in terms of economic strategy but there was suspicion that the sub-text of this was to alter the terms of the Constitution that set limits on the amount of time that politicians could serve in office. Sin and Aquino had directly contributed to the drafting of the Constitution and objected strongly. He also drew disapproval because of his reputation as a womaniser, philanderer, gambler and drunkard who kept several mistresses. But compared to other failings within the elite the poor at least, were prepared to indulge him on these fronts.

A superficial reason for Estrada's popularity, his nickname is Erap which is *pare* meaning buddy in Tagalog spelt backwards, was his previous career as a film star. He had made a career out of portraying 'Asiong Salonga' a rough-hewn but good hearted "tough-guy" who defends the downtrodden against the armed "goons of unjust landlords, as well as lying politicians, crooked cops, and bullying solidiers"⁶⁹. The appeal would seem to be somewhat obvious, and some Filipinos may have been swayed more by fiction than fact when it came to their voting slips. More substantively his popularity during his election was based on his economic policies. As well as pledging more funds for law enforcement and promising to crackdown on tax evasion, he promised more money for agricultural infrastructure and 'although the economic reform programme would continue, the reduction of tariffs would be

⁶⁸ Landé, Carl H., 'The Return of "People Power" in the Philippines', *Journal of Democracy*, Vol. 12, No. 2, pp. 88-102, 2001, p. 89.

⁶⁹ *ibid.*, p. 88.

slower'⁷⁰. We can relate this directly to our paradigms of Bretton Woods and UN strategies to poverty. What Buddy was pledging was a brake on the neo-liberal strategies adopted by Ramos, and in due course readopted by Macapagal-Arroyo, and instead targeting monies and protecting the interests of the domestic economy. This may have threatened international competitiveness, and undermined the open nature of the Filipino economy, but it would certainly have related more directly to the immediate needs of the poor. This made the business community extremely nervous. The middle classes had also regarded Estrada with affection when he was a bit part movie-star, or occupying a place in the lower political echelons. But having Erap in charge of the national economy was something else.

Part of the appeal of a more closed economy to the poor would have been the experience of the Ramos years. Ramos clearly followed Bretton Woods strategies towards the economy, but the problem was that this did not result in the alleviation of poverty. Rather the benefits accrued from liberalising the economy to attract foreign investment, and the setting up of free trade zones led to expanding wealth for the middle and upper classes, the poor were merely further disenfranchised from the economic process. So whilst the Bretton Woods paradigm served the Filipino state it did not serve the masses. However Estrada's reversal of economic openness, his incompetent management of the economy and growing awareness of his tolerance of, and complicity with, crony capitalism alienated him from the middle classes whose interests were badly hit. The poor, who were badly off anyway, had little further to fall and perhaps did not suffer so acutely from this reversal of fortune. His reigning in of neo-liberal policies contrasted with other countries in the region who were

⁷⁰ Suter, Keith, 'Buddy loses the plot', *The World Today*, pp. 11-12, January 2001, p. 11.

increasingly following the Bretton Woods paradigm. This was largely as a result of IMF conditions on loans credited after the Asian Currency Crisis. So whilst the Philippines were becoming protectionist other countries were becoming more open, this meant that the Philippines became much less attractive to foreign investors.

During the Asian Financial Crisis of 1997, because of its relatively less buoyant economic position, due in part to decades of political corruption and economic mismanagement, the Philippines found itself less financially exposed than other countries in the region. There was relatively less foreign investment and less insecure domestic lending than in the other countries, there was also less exposure to Japanese banks. The Philippines had only achieved the status of a cub rather than a fully-grown Asian tiger. This prudence was the result of banking reforms that resulted from financial crisis in the early 1980s. However this is not to say that the Philippines was economically prudent, more that it had learnt its financial lessons earlier. Similarly it did not mean that the Philippines would not have travelled down the same road of fiscal recklessness in due course, it may merely have been at an earlier point on the road already travelled by the other tigers. Ironically Ramos has suggested that the aftermath of the currency crisis was a missed opportunity for the Philippines. According to Ramos 'the regional slump presented an ideal opportunity to force through a second wave of reforms that would have revitalised the Philippine economy'⁷¹. But the legislation never made their way through Congress, instead Estrada and Congress were embroiled in a row over foreign investment. Whilst making a poor job of mediating the rate of liberalisation of the Philippine economy Estrada did argue for the right of foreign ownership of businesses and institutions

⁷¹ Markillie, P., 'South-east Asia the tigers that changed their stripes', *The Economist*, Survey South-east Asia, 12 February 2000, p. 8.

such as newspapers and schools, this further served to inflame the outrage of Aquino and Sin whose nationalist sentiments were offended. In due course Estrada dropped this idea.

Ultimately though, Estrada met his nemesis through the time honoured tradition of corruption. Estrada's downfall came because of calls for impeachment over claims that he 'accepted more than \$8 million in proceeds from illegal gambling'⁷². The price of the profits from the jueteng table was the Presidency and a revival of the People Power of 1986 which meant that the President was driven from office in a



The EDSA Shrine, the focus for the masses during People Power: Authors photograph 21 August 2001.

fashion that was either a victory for the masses or a non-democratic revolutionary coup, depending on your view. Rather than wait for the due process of a Senate trial,

Corazon Aquino and Cardinal Sin⁷³ 'rallied the masses against a President up to his neck in booze, broads and below-the-counter business deals'⁷⁴. This was the Resign/Impeach/Oust Erap Campaign, (RIO Erap).

The campaign enjoyed wide support from the Filipino middle classes and business, the Church and NGOs. Interestingly though it was not the poor as a group who instigated the campaign to oust Estrada but rather a cross section of society⁷⁵. The campaign gathered momentum as 'scandal after scandal broke out involving the President, his families and cronies. These seemed to agitate the middle and upper sections of society, including the otherwise politically passive business sector'⁷⁶. International forces were also involved, for instance the IMF and the WB exerted their influence over the crisis, 'these two institutions formally issued a statement to express their most serious concern about the negative impact on the economy of the political crisis and to announce their decision to suspend further release of loans to the Philippines until an acceptable solution to the crisis was worked out'⁷⁷. What did *acceptable* mean exactly, one can assume that this implied the ousting of Estrada and embracement of neo-liberalism and the Bretton Woods paradigm, which is exactly what happened.

⁷² Suter, *op. cit.*, p. 11.

⁷³ See the discussion on liberation theology in Chapter Five.

⁷⁴ Spaeth, Anthony, 'Oops, We Did it Again', *Time Asia*, Vol., 157, No. 4, 29 January 2001, p. 1. Available at: www.time.com/time/asia/magazine/2001/0129/viewpoint.html. [Accessed 15 February 2002].

⁷⁵ Where the actual impetus came from in the campaign to oust Estrada is discussed in; Symonds, Peter, 'Philippine military and big business join hands to oust Estrada'. Available at: www.wsws.org/articles/2001/jan2001/phil-i31.shtml; [Accessed 8 January 2003].

⁷⁶ E-mail from BAYAN 3 March 2001 Different folks, different strokes, see: bayan@philnet.com

⁷⁷ Reyes, Ricardo B. 'A People-Powered Entry to the New Millennium', *Human Rights Forum*, Vol. X, No. 2, pp.12-36, 2001, p. 25.

Indeed it seems that People Power was just a little too much democracy for neo-liberal institutions. When neo-liberal institutions advocate democracy as a form of political organisation they are less concerned with 'issues of sovereignty and power than with creating institutional structures to facilitate the operations of the market'⁷⁸. If governmental structures become unstable due to mass uprisings, this becomes a problem for the operation of the market. Similarly when these uprisings are driven by calls for the 'social and economic demands that regimes pursuing neo-liberal development strategies are incapable of meeting or are reluctant to meet'⁷⁹, neo-liberal institutions are made even more nervous. However as we shall see their anxiety was misplaced as Macapagal-Arroyo adhered to the ideology of the neo-liberal party line.

In his futile attempts to cling on to the presidency, Estrada attempted to exploit the class divisions that exist in the Philippines. The handling of his arrest did the authorities few favours either. Even if Estrada was corrupt, so were many politicians before him, and it did the Philippines little good as a nation to have their President forcibly arrested, finger-printed and thrown in a jail cell, especially not on television. It seems that what Estrada did was to play of the class divisions in the Philippines to serve his own personal ambitions. He cultivated his populist image and aligned himself with the poor, even though he was a millionaire himself, and his home apart from the Malacañang presidential palace was in the same elite enclave, behind security fences, as the rest of the Manila rich. When he was found to be overtly corrupt 'allegedly using his office to amass more than \$300 million in cash, stocks

⁷⁸ Reid, Ben, 'The Philippine democratic uprising and the contradictions of neo-liberalism: EDSA II', *Third World Quarterly*, Vol. 22, No. 5, pp. 777-93, 2001, p. 788.

⁷⁹ *ibid.*, p. 788.

and mansions for himself and his mistresses'⁸⁰, he said that the charges were a plot by the rich to oust him from the presidency.

Class tensions meant that in late April 2001 the poor were still rioting on the streets to demand the release of the imprisoned Estrada, this only hindered the drive to alleviate poverty in the Philippines. Corruption must be held in check and resources must be more evenly allocated in the Philippines, as this sort of polarisation between the classes is self-defeating. Juan Miguel Luz of the Asian Institute of Management in Manila refers to this when he states that 'this new revolution has to address what we have ignored for too long [...] we are a country that cannot be truly united when too many class divisions exist'⁸¹. From this it is reasonable to surmise that it is not just poverty in a country, which may hinder development through neo-liberal reform in democracies, it is the polarisation of wealth between classes. 'Prof. Randy David of the University of the Philippines describes the elite as "a thin layer of rich, successful people floating in an ocean of absolute poverty"⁸². In the Philippines there was no consensus on how to approach the problem, and even when there was it was dogged by corruption and ineptitude, certainly under Estrada.

Under Estrada solutions to poverty through neo-liberalism were undermined because of the slowing down of economic openness, simultaneously domestic institutional reform was neglected. 'Because of Philippine-style cronyism and lack of transparency, politicians have ignored civic projects and social programs that really help the poor'⁸³. What is actually required is the de-commodification⁸⁴ of the poor,

⁸⁰ Bacani and Espinosa-Robles, *op. cit.*, p. 29.

⁸¹ Cordingley and Lopez, *op. cit.*, p. 21.

⁸² quoted in *ibid.*, p. 22.

⁸³ *ibid.*, p. 21.

for the poor to be understood merely in terms of economic inputs or restraints is dehumanizing. The poor should also be re-politicised, that is, re-integration into the political community in the sense of participatory as opposed to procedural democracy. But in addition to this, the gross disparities in wealth within the Philippines must be addressed or economic disequilibrium, fed by class conflict, will continue.

Security of the Market

Under the new Macapagal-Arroyo regime the security of the state, in terms a return to the dominant neo-liberal reform project by the Philippines, was premised over the security of civil society. This applies to the physical security of the poor, and also the equilibrium of society in the Philippines as a whole. Estrada's corruption may have been the catalyst for the middle classes to rise against him, but corruption was no novelty in the Philippines. Those who demonstrated against him were also distinctly aware of his mismanagement of the Philippines international economic relations, and the need to address this as the Asian tigers realigned themselves as regional and global players in the aftermath of the currency crisis. So perhaps what was at issue here was to secure state competitiveness based on cold hard economics, as opposed to human security based on Booth's development of 'moral science'. Saurin takes this idea further when he states that 'the world-wide state system has emerged as the *political* form through which capitalism is regulated [...] it bears witness to the necessary wilful regulation of capital accumulation'⁸⁵. Under neo-liberalism the state is primarily important as a facilitator of the first movement to facilitate the market, not the second to defend society. In other words the state has emerged as a mechanism

⁸⁴ See: Polanyi, *op. cit.*, Chapter Six. For a discussion on fictitious commodities, where humanity is reduced to mere labour power.

through which capitalism is managed, and this function has therefore dictated state behaviour and regulatory capabilities.

In this analysis demands for pro-poor reforms that may hinder the ability of the state to treat the market as its predominant concern, are seen as detrimental to the functioning of the state and the market. This proposal depends upon seeing the state as facilitator of the market rather protector of its population. This role of regulator is increasingly demanding, given the now incessant nature of the globalized political economy, 'national governments may now justify disengagements of social welfare commitments in the paradoxical terms of preserving national sovereignty in an increasingly interdependent world'⁸⁶. This argument would also offer a convincing explanation for the dominance of the Bretton Woods paradigm in dealing with poverty alleviation. If capitalism is the dominant dynamic in the international system, to the extent that the state has evolved entirely as regulatory mechanism for this, then it is hardly surprising that it is neo-liberal reform, rather public policy that dictates approaches to poverty relief. In this sense, *if* the neo-liberal strategy does deliver some level of relief for the poor, then their security may be enhanced, but any aspirations of this being an emancipatory project are misplaced. The threat of abject poverty may recede, but they will be no less constrained by the requirement to defer to the market.

Booth asks; 'is it states or is it people? Whose security comes first?'⁸⁷. Whilst Booth asserts that the security of the individual should be paramount, the argument presented here suggests that it is neither of these referents, it is in fact the market, and the

⁸⁵ Saurin, *op. cit.*, p. 663.

⁸⁶ Birchfield, *op. cit.*, p. 35.

security of the former two depends on the latter. Rather than the economy being rooted in social and political relations it can be argued that the reverse is true. To add weight to his argument Booth suggests that 'it cannot serve the theory and practice of security to privilege Al Capone regimes'⁸⁸, as very often ideal or text book type versions of the state are used to explain the nature of the state, when in reality they are not like this at all. He argues that it is illogical to tend to the health of the state at the expense of the security of its population, which may well be true, but certainly the same can be said of the market. The idea of an Al Capone type regime though, seems to fit well in the Estrada case.

Polanyi refers to the dominance of the market when discussing labour and land; he comments 'to include them in the market mechanism means to subordinate the substance of society itself to the law of the market'⁸⁹. Human beings and the environment they live in are reduced to mere economic variables, community has no economic value and is thus invisible to the market. Land and labour are commodified leading to the 'demolition of society [and] robbed of the protective covering of cultural institutions, human beings would perish from the effects of social exposure'⁹⁰. One can think of cultural institutions as for instance, the state or the church but also the family.

As discussed in Chapter Five, one way that the family has been undermined is by the emergence of a mass Filipino diaspora, which has emerged due to the search for work overseas. Given the economic situation at home 'more than seven million Filipinos,

⁸⁷ Booth, *op. cit.*, p. 319.

⁸⁸ *ibid.*, p. 320.

⁸⁹ *ibid.*, p. 71.

⁹⁰ *ibid.*, p. 73.

many driven by poverty and lack of jobs at home work as professionals, seafarers, nurses, entertainers and maids abroad and send back an average of 8 billion US dollars a year [...] Overseas workers are referred to as the country's modern day heroes'⁹¹, as they have played a significant role in propping up the state economy.

It has also been argued that allegiance to the church was used to manipulate the poor into protesting against the imprisonment of Estrada in April 2001. A church circular directed people to the EDSA shrine, and they were then urged by the People's Movement Against Poverty, which is pro-Estrada, to attack the presidential palace. After instigating the protests the politicians then left the rioters to face the consequences⁹², such as the demolition of society.

Emancipatory Democracy and the Contestation of the Market

I have already stated that the neo-liberal approach to poverty is not emancipatory, in that it limits or manipulates, rather than facilitates participatory democracy. Whilst poverty relief *may* be delivered through neo-liberal strategies this does not translate into political agency for the poor. The idea that the free market is depoliticised and operates under a system of *laissez-faire* is a myth, as the liberal capitalist market only operates in the manner that it does because of political mediation by the state, which has evolved historically to serve this function. Wealth is generated by the market, for the state, and it is in the state's own interest to safeguard the workings of the market to ensure continued wealth. The dominance of market ideology ensures that states provide 'the structural requirements of increased capital mobility, wage depression,

⁹¹ 'Philippines dependent on overseas remittances: Arroyo', *Agent France Presse*, p. 1, 26 August 2001. Available at: www.singapore-window.org/sw01/01/010826a1.htm. [Accessed 14 April 2003.]

flexible modes of production and deregulation'⁹³. So it would seem that in order for social capital or participatory democracy to be built, the hegemony of neo-liberalism must be contested. But to argue against free market capitalism, is not the point here. It is not so much the free market economy that needs to be challenged but the maldistribution of the benefits of the market, and the elites who mediate between the state and the market in order to best serve their own ends, be these economic or political. This challenge to the workings of the market mechanism constitutes what Polanyi calls a 'double-movement', and Gramsci a 'counter-movement'.

The first part of Polanyi's double movement is the creation of an enabling environment for the operation of the free market. This we have already discussed in terms of political support for neo-liberalism, but Polanyi also notes that the trading classes will support this ethos as they stand to gain from it. The second part of the double move is 'the principle of social protection aiming at the conservation of man and nature as well as productive organisation, relying on the varying support of those most immediately affected by the deleterious action of the market'⁹⁴. For Polanyi, those most immediately affected are the working and the landed classes, meaning the poor and also those who owned the land⁹⁵.

Polanyi highlights the role that class plays in the creation of a counter-movement against the market. He posits that the trading classes will have no means by which

⁹² See: Bacani and Espinosa-Robles, *op. cit.*, p. 30.

⁹³ Birchfield, *op. cit.*, p. 45.

⁹⁴ Polanyi, *op. cit.*, p. 132.

⁹⁵ *The Great Transformation*, is notable for a book written in 1944 for its concern with environmental degradation, and was in many ways before its time in this respect. See: Bernard, Mitchell, 'Ecology, political economy and the counter-movement: Karl Polanyi and the second great transformation', in Gill, Stephen and Mittleman, James H. (eds.) *Innovation and Transformation in International Studies*, Cambridge: Cambridge University Press, pp. 75- 89, 1997. Whilst Bernard critiques Polanyi's

realise the harm that they are doing to aspects of society that do not revolve around the generation of profit such as family life, community and the environment. This is an exaggeration as the trading classes are not automatons, they can see what is going on around them. But Polanyi's point is that for the traders, compared to profit, all other concerns are secondary. Polanyi then goes on to discuss the impact of universal suffrage, arguing that the traders responded by using their control over industry as a political power base, as their monopoly of political influence over the government was now challenged by democracy. The working class could now make their feelings felt through political accountability, in a way that had been previously denied them. Polanyi posits that whilst the market economy is thriving no particular clash of interests exist, but if it falters then fault lines will emerge on consensus between the economic and the political. Arguments result over whether to attend to the health of the market or the workforce, as their interests may well conflict. For Polanyi these clashes between market and political interests and between classes led to the emergence of fascism in Europe in the 20th century. We can relate this to Varshney's contention that authoritarian governments have the potential for decisive action over the economy as they are not accountable to electorates. For Polanyi though, the double move against the detrimental affects of the market was not ideologically motivated. He writes that:

the antiliberal conspiracy is a pure invention. The great variety of forms in which the "collectivist" countermovement appeared was not due to any preference for socialism or nationalism on the part of concerted interests, but exclusively to the broader range of the vital social interests

treatment of 'land' as 'excessively narrow' he does welcome this as an entry into debate on spatiality and the economy, see p. 84.

affected by the expanding market mechanism[] intellectual fashions played no role whatever in this process ⁹⁶.

In other words the counter movement was not created as an anti-liberal ideology, never mind a socialist or a nationalist one. Rather it could perhaps be located within what Booth called 'moral science' a concern for human welfare. Polanyi's critical analysis of liberalism has led to confusion over whether he is a Marxist, from this reading it would seem not.

The Nightwatchman State

In contrast to moves and counter moves by and against the state, Gramsci moots the idea of a '*gendarme*-nightwatchman state'. This constitutes a withering away of the state, a process that sees the state overseeing the rise of civil society whilst its own authority declines. The state will go from organising itself through government, to becoming part or equal to civil society, to being 'a coercive organisation which will safeguard the development of the continually proliferating elements of regulated society, and which will therefore progressively reduce its own authoritarian and forcible interventions' ⁹⁷. So society will become self-regulating. He goes on to state that 'the content of the political hegemony of the new social group which has founded the new type of State must be predominantly of an economic order' ⁹⁸ and that 'no state can avoid passing through a phase of economic-corporate primitivism' ⁹⁹. This sounds like a type of utopian liberalism, but is not as he

⁹⁶ Polanyi, *op. cit.*, p. 145.

⁹⁷ Gramsci, *op. cit.*, p. 263.

⁹⁸ *ibid.*, p. 263.

⁹⁹ *ibid.*, p. 263.

dismisses this as a primitive state of affairs. Rather he is calling for a reconstruction of the economic order, liberalism, which as we have seen relies on the state in order for the political authority to safeguard the market.

Gramsci is calling for a fundamental overhaul of political relations that allows for 'the organisation of the structure and the real relations between men on the one hand and the world of the economy or of production on the other'¹⁰⁰. Links can obviously be drawn here between the Marxist withering away of the state, but also Polanyi's discussions on the social forms of pre-industrial society¹⁰¹. Gramsci seems to imply that after the transition phase had been overseen by a minimally interventionist state apparatus, then a more equitable socio-economic form of society would emerge, one presumably rich in social capital. This may be achievable if economic needs were met and endowments were equitable, but in times of shortage this utopia would surely descend into chaos. Gramsci also makes no mention of reconciliation between the classes, rather just the amelioration of disputes between oppressive state structures and the masses. It seems that he thinks that this new utopia would eliminate the need for constant wars of position or manoeuvre. This perhaps highlights the role that the state continues to play even in the current context of economic and cultural globalisation. The state has not withered away, its role of regulator is still essential.

¹⁰⁰ *ibid.*, p. 263.

¹⁰¹ See: Polanyi, *op. cit.*, Chapter Four and also; Inayatullah, Naeem and Blaney, David L. 'Towards an Ethnological IPE Karl Polanyi's Double Critique of Capitalism', *Millennium*, Vol. 28, No. 2, pp. 315-40, 1999.

However, this is not to be confused with what Gramsci calls *veilleur de nuit*¹⁰², 'the state as policeman' whose 'functions are limited to the safeguarding of public order and respect for the laws'¹⁰³. This can be conceived as a more liberal critique of the role of the state and fits with Nozick's idea of the minimal state (although Nozick also calls this a night-watchman state) which is 'limited to the functions of protecting all its citizens against violence, theft, and fraud, and to the enforcement of contracts'¹⁰⁴. For Gramsci the alternatives to the *veilleur de nuit* are the ethical state and interventionist state.

The ethical state refers to the moral teachings of the secular state, which Gramsci does not see as incompatible to the *veilleur de nuit* as he is not referring to strict or compelling religious moral teaching. The interventionist state applies either to state action to facilitate mercantilist economic policies, or for state personnel, particularly those in control of production, including land, to be responsible for protecting the masses against the rigours of market capitalism. This latter we can see as akin to Polanyi's double move. Nozick however justifies the *veilleur de nuit* or minimal state by arguing that a state with enhanced powers of intervention over the citizen is a violation of individual rights. He also claims that a minimal state means that individuals are less likely to covet government office as a means to facilitate corruption or personal economic benefit. A minimal state avoids the use of state power to 'enrich some persons at the expense of others'¹⁰⁵. This seems an attractive

¹⁰² Gramsci, *op. cit.*, p. 262.

¹⁰³ *ibid.*, p.261. Gramsci is sceptical of the liberal notion of *veilleur de nuit* as he claims it has never existed in reality, and its proponents take no account of private and public concepts of civil society which re-emerge as part of the state apparatus itself in terms of control over historical development.

¹⁰⁴ Nozick, Robert, *Anarchy, State and Utopia*, Oxford: Blackwell, 2002 [1974], p. 26.

¹⁰⁵ Nozick, *op. cit.*, p. 272.

idea, certainly in relation to the Philippine case, but it does not rule out other forms of corruption, i.e. economic.

For Nozick both the ethical, either secular or religious, and the interventionist state would be seen as violating the rights of individuals. Whereas Nozick sees the minimal state as emancipatory for the citizen, Gramsci views this as merely 'a phase of economic-corporative primitivism'¹⁰⁶, which will initially involve some sort of economic hegemony by a dominant group to facilitate the new political order. For Gramsci the distinction between political power and civil power, and the shift of control to the latter under the minimal state does not mean the withering away of the state. This is because both public and private power, make up the state so it does not wither away, its power formation is just reconfigured and the idea of the state endures. Both theorists seem to be seeking prescriptions for equity, but whilst for Nozick this will come through individual liberty, for Gramsci it will come through the rise of civil society, which will in turn facilitate also liberty. Both theorists can be seen to be working around minimal versions of Rousseau's Social Compact, where 'the problem is to find a form of association which will defend and protect with the whole common force the person and goods of each associate, and in which each, while uniting himself with all, may still obey himself alone, and remain as free as before'¹⁰⁷. In other words how can one receive the protection of the state whilst maximising ones liberty?

The nature of the relationship between the market, the state and society has been a central theme in this thesis in terms of strategies for poverty reduction. In many

¹⁰⁶ Gramsci, *op. cit.*, p. 263.

ways the state is the pivotal player in this relationship, both working to facilitate the functioning of the market yet also to defend domestic society from the rigours of the market. In some ways it may suit both civil society and the market for the state to take the form of a 'night-watchman', in order to either enhance civil liberty or market freedom. Yet at the same time both civil society and the market rely on the state to defend them. The need to simultaneously defend society and the market places many difficult demands on the state and is central to the tension between neo-liberal and basic needs approaches to poverty reduction.

The idea of the Philippines as Gramsci's 'night watchman state' can be applied to a document produced by the socialist group BISIG in 1985 called *A Philippine Vision of Socialism*. In this document BISIG detail how a Philippine state could be organised along the lines of social democracy, it is not a call for an authoritarian state, rather a vision of an egalitarian society. It does however advocate a centrally planned economy based on need, not market demands. It talks of the creation of a society where 'the people, not a few property owners, own and manage the economic affairs of the country [this] can only be achieved through the effective participation of people in the determination of national goals. It is therefore crucial, that a planned economy is the result of decisions popularly participated in by all sectors of society'¹⁰⁸. Indeed the new political configuration of power 'will be progressive only if it is freely accepted and understood by the common people'¹⁰⁹. This document also pays heed to the fragmented geography of the Philippines, as it remarks that

¹⁰⁷ Rousseau, Jean-Jacques, *The Social Contract and Discourses*, London: Everyman J. M. Dent, 1993[1750/1755/1762], p. 191.

¹⁰⁸ BISIG, 'A Philippine Vision of Socialism', in Schirmer, Daniel B. and Shalom Stephen. R. (eds) *The Philippines Reader: A History of Colonialism, Neocolonialism, Dictatorship and Resistance*, Boston: South End Press, pp. 386-91, 1987, p. 387.

industry should be spread evenly throughout the countryside and not concentrated in the urban metropolis.

The document uses some standard Marxist dogma such as the ownership by the masses of the means of production and profits should not be appropriated by the state. But it also comments that 'the economy should encourage healthy competition between production units and factories in order to improve the products, create new product lines, and provide incentives to innovate'¹¹⁰, which is indicative of market socialism. Also crucially it states that 'people should accept the socialist system because it responds to their own aspirations and not because the state decrees it'¹¹¹, this is surely a call for intellectual reasoning by the masses, as in Gramsci's organic intellectuals. The document also calls for multiparty democracy rather than authoritarian socialism, for 'power to reside in the hands of the majority'¹¹² and for the right of minorities to self-determination, which indicates that the Muslims in the South would be allowed devolution.

This document was constructed by BISIG as an alternative way of ordering Filipino society after the first round of 'people power' that ousted Marcos in 1986. It is utopian when one considers that Marcos' successor Corazon Aquino did virtually nothing effective to address class inequality or the redistribution of resources in the country. But it does give a concrete example of how the night watchman state could be envisioned. The tragedy is that at the start of the new millennium polarisation between classes, and maldistribution of wealth and resources in the Philippines are

¹⁰⁹ Femia, Joseph V., *Gramsci's Political Thought: Hegemony Consciousness and the Revolutionary Process*, Oxford: Clarendon Press, 1981, p. 177.

¹¹⁰ *ibid.*, p. 388.

¹¹¹ *ibid.*, p. 388.

even more pronounced. Similarly the Muslim question in the South has become subsumed within the wider 'War Against Terror', which makes the prospect of autonomy even more remote.

Conclusion

Participatory democracy must constitute more than just the ability to bring about regime change through protest, and arguably this is not democracy at all, but mob rule. Rather participatory democracy, both domestically and internationally, must incorporate some form of class reconciliation, in this case within the Philippines, that facilitates strategies which promote social capital and the more egalitarian distribution of the benefits from market efficiency. Dispute between the classes may lead to what Gramsci has called 'organic crisis', which may undermine the functioning of the state within the market economy and therefore be detrimental to all classes and the state itself. Sycip has argued that 'it is easy for us to organise demonstrations against "dictators", "trapos" [traditional politicians] and "corruption". But it is so difficult for us to unite and find workable solutions to our societies' problems – particularly poverty'¹¹³. For Gramsci reconciliation between the classes and a minimal state is desirable to counter hegemony, however for Polanyi a strong state is still necessary in order to facilitate the double move which counters the market fuelled disruption of society. In reality the state can be seen to oscillate between these two roles.

The irony of the Estrada case is that, even though a corrupt politician was ultimately forced from office over his excesses, a seemingly effective war of position, the real

¹¹² *ibid.*, p. 389.

¹¹³ Sycip, Washington, 'Impoversihed Democracy', *Asiaweek*, 2 February 2001, p. 25.

beneficiary of this process was the new regime of Gloria Macapagal-Arroyo. The agency of the Filipinos has resulted in new faces, but they harbour the same old vested interests and nepotistic practices. So the challenge to Gramsci's 'common sense', or the hegemonic norms of Filipino society met with little success. The realisation of this was mirrored in the Filipino stock market. At first there was (Gloria) euphoria at the changes taking place, reflected by high share prices, and then a sharp drop in prices at the realisation that the post-coup reality was no utopia.

Macapagal-Arroyo declared her intention to deal with poverty through liberalising the Filipino economy through market orientated approaches, this being a rerun of the policies adopted by Ramos. Here we see the state swinging back towards the protection of the market rather than society and an example of the interventionist, rather than 'night-watchman' role, that the state plays in the market. However there is an additional requirement for the structured reallocation of resources in favour of the poor. Whilst states may facilitate basic needs through a Polanyian-type double movement, for poverty alleviation strategies to be sustainable they must be 'owned' by the poor themselves. The double-move emerges as reactive, rather than proactive, in relation to the market and is indicative of social vulnerability.

Signs of direct intervention by the new government were tentatively promising. One of the first tasks of the government was to address the problem of taxation, the Philippines rich have been described as 'chronic tax evaders'¹¹⁴, but the Finance Secretary promised 'we will collect vigorously [...] no one is above the law'¹¹⁵. Other reforms were been announced that were intended to limit nepotism and

¹¹⁴ Cordingley and Lopez, *op. cit.*, p. 22

¹¹⁵ *ibid.*, p. 22.

encourage transparency, the government has also pledged to expand micro-credit schemes in the country¹¹⁶. These are all fine aspirations, but given that most of these commitments will directly and deleteriously affect Arroyo's family and friends will they may be problematic to bring to fruition. Can social capital be built that extends further than kin?

In order for meaningful research to be undertaken into the causes of poverty then more attention must be paid to the social context that poverty appears in. Building on the important work of theorists such as Sen further attention must be paid to the socio-economic context in which Sen's 'entitlement exchange'¹¹⁷ takes place. A social environment for capability maximisation is desirable in order to foster agency and construct sustainable, locally generated solutions to poverty.

However, why is it that in an international system where more states than ever before enjoy procedural, if not participatory democracy, that poor democracies have at best middling records of poverty alleviation? This may be because democracies are subsumed by the neo-liberal hegemony of the market and the international institutions, which are embedded in this orthodoxy. This in itself can be seen as hindering democracy as the needs of the market are given precedence over the needs of large sections of the global electorate.

¹¹⁶ Note: At the time of writing (April 2003) President Arroyo has recently announced her intention not to run in the next presidential elections even though she is eligible. The country remains beset by tax evasion and a weak stock market, even though Arroyo has met her macro-economic aims. By not running for office Arroyo will, supposedly, be able to bring in tough reforms without having to worry about appealing to the voters. See: Hookway, James, 'Now the Real Work Begins', *Far Eastern Economic Review*, 16 January, pp. 24-5, 2003.

¹¹⁷ See: i.e. Sen, Amartya, *Poverty and Famines An Essay on Entitlement and Deprivation*, Oxford: Clarendon Press, 1992 [1981].

Neo-liberal hegemony would seem to be guilty of severely undermining the prospects for the building of society-wide social capital. In order to build the social conditions that allow for a more egalitarian distribution of the market, and to challenge the destructive forces inherent in neo-liberal hegemony, class reconciliation becomes necessary. This applies at the domestic level in order to preserve the viability of the state, which will in turn attempt the balancing act of nurturing the health of both the market and society, but also, and more problematically, at the international level. To demand equality of wealth within international society would be utopian and unrealistic, rather what is needed is the recognition that 'human beings have equal claims to their pursuit of well-being'¹¹⁸. At present the social environment of the poor tends to be undermined by neo-liberal mechanisms which ultimately act as structural constraints and thus rob the poor of agency.

Unless the inequality in wealth between North and South is addressed, poorer states will always face a more problematic balancing act between the needs of society and the market, and internal social reform and functioning democracy will be a harder task. The global economy, instead of being accountable to international financial institutions and the already rich, should be accountable to global society, whose members are unavoidably also stakeholders in the global economy. Indeed there is a notable tension here, whilst the market has a consolidated global identity, society does not. Therefore we see only socially fragmented and inadequate responses to market hegemony and the embedded power of its associated institutions. Indeed when discussing the global South Frank notes that 'there can little real and meaningful democratic government [...] as long as their economic possibilities are limited and

¹¹⁸ Parekh, Bhikhu, 'Cosmopolitan and Global Citizenship', *Review of International Studies*, Vol. 29, No. 1, pp. 3-17, 2003, p. 6.

their policy options controlled by their participation in the *whole* world economy, which is run from the North'¹¹⁹.

An efficient market, be it free or politically mediated may deliver wealth, but into whose hands and at what cost to the social whole? But this is not a request for benevolence alone, as we have seen social capital can be built even when it is based on self-interest when everyone within the equation benefits. If basic needs or access to opportunity were allocated more equally then resources would not be wasted 'rent-seeking' or keeping the subaltern class under control. Popular democracy should not be a danger to capitalism, but it should make it more accountable. This applies also at the international level, an ethical society must emerge at the global level as a means of facilitating equality of capabilities in order to secure well-being.

It would seem that the Philippines at the turn of the millennium offers a rich case study for these questions. The almost feudal class stratification within the country must be redressed, otherwise class conflict will hinder the country from functioning in the globalised neo-liberal economy. Social capital must be extended well beyond the familial bureaucracy of the ruling elite and the accepted norms of nepotism and corruption that have existed in this group for centuries must be broken. Governmental systems must become more transparently democratic. If the Philippines does not manage to make these changes then it will continue to flounder, the neo-liberal orthodoxy shows no sign of retreat, therefore the Philippines must find better ways of coping with it.

¹¹⁹ Frank, Andre Gunder, 'Marketing Democracy in an Undemocratic Market', in Gills, Barry, Rocamora, Joel and Wilson, Richard, eds., *Low Intensity Democracy Political Power in the New*

Let us now however revisit one of the claims made at the beginning of thesis, that poverty research should be a central concern of IR and not a marginal welfare or development issue. We can now see that the state is central to the process of meeting both market and social needs, and indeed the impact of this dual responsibility accounts for a significant proportion of state behaviour. Similarly if poverty is to be meaningfully addressed it has to be understood within the nexus of this relationship. Therefore poverty research must be located within the mainstream sphere of IR, if we look for meaningful explanations elsewhere we are looking in the wrong place and will devise only partial explanations of poverty. Similarly an understanding of this tripartite relationship, between state, market and society, can better inform issue areas commonly associated with poverty such as environmentalism, feminism and international development studies.

Treating poverty research as a central, rather than incidental, issue in IR forms part of the claim to originality of this thesis. In theoretical terms many of the variables that have been discussed here may have been covered in the existing IR and development studies literature. However they have never been examined within the methodological framework, or against the original evidence, adopted here, which uses a qualitative, and socially informed research agenda for poverty. This thesis has adopted a critical, rather than positivist, approach to poverty which has sought specifically to test and identify the means to pursue well-being for the poor. Importantly this critical approach has been informed by Filipino voices themselves. These originate from a wide range of interviews conducted for the purposes of this study and a series of e-

mail correspondence over a period of many months. These voices inform a methodological critique of poverty research grounded in positivist approaches.

This thesis brings together specific formulations of social agency such as Sen's capabilities and Gramsci's counter hegemonic movements and uses them to examine how they could inform a Polanyian double move to counter the destructive forces of the market on society. The aim of this is not just to meet basic needs, but to rescue society from the market through the amelioration of class tension and more equitable access to well-being. If this can be achieved then the state also becomes stronger in the face of the market. The original fieldwork undertaken for this thesis has served as the material to test and examine these claims in both the urban and rural context. The thesis has aimed to fill a gap in the IR literature, which has neglected poverty as a central factor in the way that international politics is played out. It has also been an attempt to highlight the fact that if poverty remains 'invisible' to IR then the central ontology of the discipline is rendered weaker.

For future poverty research it is desirable that further account is taken of the social, historical and cultural dynamics in which poverty emerges. These dynamics operate from the very local to the international level, and can inform a more sophisticated analysis of both structures and capabilities which impact upon the poverty problematic. It is also crucial that the difficult role of the state, as either night-watchman or strong state actor, is given a more sophisticated reading in these processes. Similarly poverty must be viewed as lack of well-being or the means to procure it, rather than just lack of wealth. With this in mind it is also important that poverty research considers the nexus between poverty and democracy within the

research agenda, to better illustrate both political accountability to the poor, or lack of, and to test whether the environment exists to really nurture 'organic' solutions to poverty.

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Confidential Annex

These are the identities and institutional affiliations of the persons discussed in Chapter Five who had been tortured.

AB - Resurreccion Lao-Manalo - Philippine Human Rights Information Centre (Executive Director),

CD – Steve Quiambao – Philippine Ecumenical Action for Community Empowerment (PEACE) Foundation.

EF - Edgar Buenaventura – Stakeholder for the Urban Poor; PEACE

GH – Edberto M Villegas – Head of the Development Studies Programme, University of the Philippines in Manila; Secretary of the Communist Party of the Philippines.

IJ - Roland Simbulan – Professor of Development Studies, University of the Philippines in Manila; Nuclear Free Philippines Coalition National Chairman.

KL – Millet Morante – Kilusan Para sa Demokrasya (KPD) Secretary General.