Rice Politics

A study of political and economic control of the production and supply of rice.

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Abstract

Since time immemorial, Filipinos have demonstrated a deep regard for its most basic commodity and staple food – the rice. Various mobilizations and demonstrations were conducted as reactions to increasing rice prices and shortages in rice supply. Land reforms have been continuously fought for by the different peasant organizations and representatives in the Congress. And just last year, the nation has been highly apprehensive because of the so-called rice crisis which almost led to the establishment of an international rice cartel. Indeed, for many Filipinos, rice is not just something that is edible; it is a means of survival. For some farmers, it is their life. For some landowners, it’s not just income, but a source of power.

This study looks into the political aspect of having control over the supply of rice. The relationship of economic power and political power shall be highlighted as well as the social and political implications of having a control over a basic commodity and staple food.
Significance of the Study

The Philippines is an agricultural country. Ironically, the country is considered as the world’s largest rice importer. Rice remains as an important source of daily nutrition for most Filipino consumers as well as for other countries in Asia. In the Philippines, daily intake of rice is a must for every household. Indeed, rice serves as a very important and necessary staple. But this is only one side of the picture. The other side depicts issues that our farmers face in the process of rice production. One issue is that there are a number of issues besetting our farmers both in the ownership of capital and the acquisition of farm inputs involved in the production of rice. Another important issue to consider is the political value of rice. For the Philippines and other rice-dependent countries, there seems to be a great political value in this commodity since a large number of the population is highly reliant on it in order to survive. How this political value is exercised in the market and in the political arena is a subject of this study. Logically speaking, farmers, being the ones capable of producing rice, which is an important commodity for every household, must hold a control over its supply and production. However, various studies and empirical evidence suggest that it is not the case. Hence, this study will focus on the relationship between economic and political power by applying rice as a main variable.
**Review of Related Literature**

**Rice Production and Consumption**

Rice production in the Philippines has increased considerably. From 1970 to 2002, rice production increased at a rate of 3.3% (Intal and Garcia, 2005). Last year, however, the Department of Agriculture has made a number of announcements as to the final target of rice production for the year 2008,

“Initially, the DA had projected rice production to hit 17.33 million MT. This, however, was revised thrice—to 16.94 million MT in August, 16.89 million MT in November and, finally, to 16.88 million in December.

The agriculture department blamed the rising costs of fertilizer, particularly in the third quarter, for the slower growth in rice production this year.” (Remo, 2008)

The slow production growth can also be attributed to major land conversions. From highly agricultural fields, some lands are converted for commercial purposes which accounts for the remaining four million hectares as areas of production (Malabanan, 2005).

**Rice Supply**

The main supply of rice in the Philippines primarily comes from importation. Despite the country’s vast arable land, it continues to import rice from rice-exporting countries in Asia. In fact, last year, with the outbreak of the rice crisis and the abrupt proposal of an international rice cartel, the Philippines was caught in a quandary primarily because it was regarded as the world’s largest rice importer. This fact is not new. Rice has been known as a food staple in Asian nations especially in the Philippines (Rubio, 2008).
Food Security

Food security is technically “access to adequate food to all households at all times” to enable them to lead a healthy and active life” (fao.org). The report also presented a brief report on the performance of the Philippines,

“Until the middle 80s macroeconomic indicators reflected a highly unsatisfactory performance of the Philippine's economy. Current account imbalances reached 5-6 percent of GNP, external debt amounted to 90 percent of GNP, debt service ratio reached 25-30 percent of the government revenue. The country's problems were compounded with a fall in the export price, as well as demand, for its main exports. In the absence of free exchange rate policy the currency remained overvalued, thus exacerbating the economic troubles. These came to a head in 1985 with a serious foreign exchange crisis. In that year liberalization measures were introduced. The emphasis was on reducing fiscal deficit. The government succeeded in achieving this objective to a large extent. But in that process growth in GNP slowed down, and trade deficit increased. The government persisted with the policy of reforms. There are now some signs of recovery.

On the impact of the reforms on poverty, Philippines shared the experience of its neighbours. The trend of concentrating industrialization in Manila and its environment continued, and capital output ratio increased restraining growth in employment. The country registered the highest rate of growth in population and consequently in labour force among SEA countries. The result was a very slow decline in poverty, especially in the rural areas. The resource poor regions, among them Cagayan Valley, Eastern Visayas, and Northern Mindanao were particularly hard hit. The price policies for agricultural inputs and outputs did not help the matter. The country's land reform policy did not prove an effective instrument to ensure growth and equity in the countryside." (fao.org)

On a more recent scale, some provinces in the country specifically Zamboanga, is facing rice shortage brought about by changes in prices. The National Food Authority is limiting distribution in order to meet the demands of the Filipinos in the area at this time of food crisis (Ordonez, 2009),

“The Zamboanga Columnists Club, headed by Betty Elago, invited Hermano to shed light on the city's food security at this period of global economic crisis and local peace and order problems.” (Ordonez, 2009)

Due to rapid commercialization of various agricultural lands, there may be an increasing tension on the country’s food security. This further decrease in agricultural lands may cause lower food productivity. A Manila Times article provides the following explanation,
“At present, the Philippines has been losing its farmlands to residential-subdivision and golf-course developers, particularly in areas outside key urban centers, causing the government’s food self-reliance programs to suffer.

‘Data from the Bureau of Agricultural Statistics showed that farmlands in 2002 stood at 9.7 million hectares, or 3 percent lower than nearly 10 million a decade before.’

‘The data also showed that agricultural-crop areas in 2005 stood at 4.07 million hectares, down by 1.4 percent, or 56,200 hectares, from 4.126 million the previous year. Areas planted to palay also fell to 4.07 million hectares in 2005, from 4.13 million in 2004, with 50 percent of the total of the agricultural-crop areas declining in the same period.’”

(Amojelar, et al., 2008)

About 2.5 million households depend on farming as their major source of livelihood. In fact, record shows that there is 3.6 million farm workers. The Philippines have faced various crises over these years, still, rice remains an integral part in the daily life of an average Filipino (Consumers International).

Globalization, Importation and Trade

Despite being an agricultural country, the Philippines is now famous for being the largest importer of rice. Back then during the Marcos’ regime, the country was known for its rice exports and sustainable agricultural sector. Unfortunately, the advent of globalization brought an end to this self-sufficiency in rice production. The policies of globalization which binds the country into importing bulks of millions of metric tons of rice from other countries include: (1) Trade liberalization which means permitting or rice imports; (2) Deregulation which lifted government production and price support and (3) Privatization of the National Food Authority (NFA) as one of the conditions between the Philippines and the biggest financial institutions, World Bank and Asian Development bank. The NFA was established to use government buffer stock and subsidized pricing system as main intervention instruments in grains procurement and distribution. In spite of the original plan, the prescriptions of the policies in which the government of the Philippines agreed to, reduced the role of the NFA to a mere “facilitator” of wealthy rice traders and retailers. Obviously, the bureau’s capacity to ensure price stability was absolutely disregarded (IBON, 2008).
In addition to this facilitating function, the National Food Authority is also recognized as the exclusive body that deals with importation. It is the sole body that may transact in the international sphere for rice trading (Intal and Garcia, 2005).

The aforementioned policies were espoused by the inclusion of the Philippines in the General Agreement of Tariffs and Trade as a result of the Uruguay Round. GATT-WTO also gave birth to the Agreement on Agriculture. An article entitled *WTO and the Agrarian Reform in the Philippines* enumerated various requisites of the AoA on the Philippines:

“The Philippines did not have to reduce tariffs under the Agreement on Agriculture since tariffs were already below requirements. Instead, it bound itself not to raise tariffs beyond a certain level and to reduce the bound rates by 24 percent over ten years. Only for rice an exemption was made. While tariffication is delayed by ten years, the country is required to allow the importation of rice equivalent to 2 percent of domestic consumption in 2000 and 4 percent by the end of 2004, the so-called Minimum Access Volume.

The Philippine government did not have to reduce or eliminate subsidies, because there has never been any substantial support for its domestic agriculture in the first place. Instead, it bound future government not to implement any agricultural subsidies that could boost the country’s moribund agricultural sector.” (CETIM, 2000)

However, there were instances in past in which the amount of the imports exceeded the quota. This violation was punishable by a 100% out-quota tariff rate. Still, despite the higher imposition on tariff rate, the prices of imported rice remained at a low level as compared to the locally produced rice. Regalado (2000) cites an example way back in 1995 wherein the price of imported rice was P10.25 vis-à-vis the domestic produce which was P24.00 (Intal and Garcia, 2005).

The need to import rice was inevitable. Rice must be present on every single meal in every household. The catch is, the rice imported from other countries that costs relatively lower than the rice produced domestically competes with the rice produced by the local and small time farmers. They are given then with a single option to lower their prices in which case paves way for a greater sacrifice on their part.

Even in the global sphere, third world countries are in hopeless situation. For the third world countries be able to compete in the international agricultural market, the industrialized
countries should discontinue subsidizing their own agricultural sector. This would give comparative advantage to the third world countries whose revenue mainly relies on agriculture.

**Capital/Land Ownership**

Studies show that efficient Agrarian Reform Program would better increase the production of rice. Farmers who are given land incentives would yield higher production (KMP, 2008). Unfortunately, even Agrarian Reform is being denied to peasants by wealthy landlords, who at the same time are high-ranking officials,

“Yulo farmers share the Arroyo farmers’ plight as they, too, have been deprived of land ownership by landlords who subverted the legal process, abused their authority and used political influence to prevent them from legally obtaining the land. The farmers say the hectares of land owned by the Arroyos and Yulos illustrate the extent of influence these landlords possess.” (Reyes, 2008)

There are also other factors which prevent farmers from producing sufficient amount of rice. Some of the factors include the high cost of capital which includes land, fertilizers and seeds, high cost of production which involves rice mills, irrigation systems and other modernized farming mechanisms, high cost of transportation from the rural areas to the city for distribution. These factors prevent the farmers to produce more in which case they seek the help of wealthy rice traders and landlords who have the resources to supply them with what they need. In return, the wealthy land owner gains a strong hold over the business and over the local farmers which enables him/her to exercise a monopolistic control over the business (Rubio, 2008). Below is a diagram demonstrating different stages involved in rice production

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Rice production  →  Milling  →  Transportation  →  Distribution  →  Consumer
- Capital        - Mills        - Means of transport
- Land          - Equipment     - Infrastructure
- Resources     - Storage
- Cost of capital
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“Before an individual engage in rice production, a number of factors must be considered: capital, cost of capital, land, resources such as fertilizers, etc. The first stage already costs a lot. Moving on to the next stages is where rice traders get into action. Milling which requires heavy and expensive equipment and large storage is something that can’t be afford by small-time farmers. The cost of transportation entails a
lot of money as well. If you want to ship or transport a sacks of grains from an agricultural area which can be found in the rural localities across the country, to the city, it requires a number of large trucks enough to carry the load. Another consideration would be the infrastructure. It would be difficult to transport rice if the roads are not efficient for transporting commodities such as rice. All these difficulties, lacks, etc. entail the rise of a cartel. A rich family or a wealthy, private firm gets into the picture and fills in the gap of what is missing. Not all rice traders who manage to fill in the gaps result in a cartel though. It’s a matter of how they get hold of the situation. For example in the provinces, cartels arise because the rice industry is monopolized by rich and prominent families. Others have no choice but to allow the operation may be out of fear or lack of sufficient fund to sustain its competition against the wealthy rice trader.” (An excerpt from *Assessment of economic and political conditions that may result in a rice cartel formation, Appendix I. Rubio, 2008*).

And some farmers are left with no choice but to enter in a negotiation:

“The present experience of the farmers on the Arroyo and Yulo properties is reminiscent of the previous land reform under former President Corazon Aquino. Farmer beneficiaries of the Hacienda Luisita in Tarlac, owned by the Aquino family, were hopeful they too could own the land and have a better life.

However, the farmers were offered a stock distribution option and misled into believing they would be better off as stockholders than landowners of Hacienda Luisita. Under this deal the farmers were supposed to get a percentage of the company's profit. Instead, this stock option resulted in farmers being legally prevented from cultivating the land they already owned under the reform law.” (Reyes, 2008)

**Economic Power and Political Power**

One finding in a study assessing the economic and political conditions that may lead to a rice cartel formation was the connection between having economic power which was acquired through the control of a basic commodity (e.g. rice) and the political power gained because of the control over a staple (Rubio, 2008).

Sunday Times editorial writer Fr. Shay Cullen asserted the following words:

“Chairman Mao once said that all political power grows from the barrel of a gun, another said it grows from a barrel of oil, and now it looks like it is going to grow from a barrel of seed. For a generation many believed that they who have the oil will rule the world, and if not, they will kill for it. The thousands of dead women and children, soldiers and civilians in Iraq are strong evidence that it is true indeed.” (Cullen, 2007)
Indeed, even a cartel on oil has proved that economic power results in an immediate acquisition of political control as well. This would be evident based on the effects of the Organization of Petroleum Exporting Countries or OPEC.

“The cartel's economic effect on the U.S. has been devastating, dating from the oil embargo in the 1970s, which led to the first U.S. fuel shortage since World War II, to today's unstoppable escalation of pump prices. Just in the last three years, crude prices rose from $54 to nearly $140 a barrel -- which means U.S. spending on imported oil has gone from about $185 billion a year to an expected $440 billion this year. Much of that excess is winding up in the pockets of OPEC members, increasing their global economic and political power.” (Bush, First, Flynn, 2008)

Even in countries such as China, the link between economic and political power is evident.

“Rupert Hoogewerf, the author of the annual Hurun China Rich List, said about a third of the 800 immensely wealthy people on his compilation this year were members of the ruling Communist Party.” (Staff, 2007)

Another proof would be found way back in history during the peaceful struggle for India’s independence led by Mahatma Gandhī. In the film Gandhi, the control of the British Empire over the whole of India was depicted. This control was not simply restricted politically but economically as proven by the monopolistic hold of the British Empire on the country’s abundant commodity – salt (Gandhi, 1982).

The connection between holding a government office and a business in the rice industry is even acknowledged by Senator Pimentel himself. In an article in Malaya, he claimed that, “Pimentel stressed the importance of stepping up the campaign against hoarding and profiteering in the rice business by people with access to government offices having to do with rice trading” (Lopez and Vigilia, 2009).

**Rice as a Political Commodity**

Rice has always been considered as the most important Philippine commodity (David, Balisacan, 1995). This necessity and reliance of the Filipinos on food staples most importantly rice, has proved its significance in cultural, economic and political sphere. In fact, one of the
major conclusions in a study of the economic and political conditions that may lead to a rice cartel formation was the relationship between having economic power (which in this study is basically the control of the supply of a basic commodity, particularly of rice) and the political power acquired from it – a monopoly over rice immediately results in political power. The following diagram illustrates the interconnection between political and economic power as defined by rice as being both a political and economic commodity.

Diagram 1. Economic and Political Conditions Contributing to a Rice Cartel
Assessment of the economic and political conditions that may lead to a rice cartel formation.
(Rubio, 2008)

The diagram shows the conditions that may contribute to the formation of a rice cartel. However, the political factors that may help in the formation of a rice cartel is not only government sanction or government support. It also includes, especially in the provinces, political connections and those with political power. In the rural areas, where a rice cartel is present, competitors fear of entering the business because in some cases, politicians or those with connections are behind it. However, this claim is another subject for a thorough research. It has
been mentioned during the interview with a University of the Philippines professor, that there are cases such as this but are still left subject for tedious review (Rubio, 2008).

For countries that have rice as their staple food, rice is considered not only as an economic commodity but also a political commodity. The article, *The Politics of Rice*, asserted the following statement with the rice crisis experienced globally in April of last year:

“As oil is an important commodity to the rest of the world, rice is an important product in Asia. Whoever holds much of its supply also wields power. The region’s leading producers now are Thailand and Viet Nam, but as the season’s world production teeter precariously due to shrinking supply, many countries are holding back on exports including India and Viet Nam.” (Tesorio, et al.)

Even the executive director of the Thai Rice Foundation, Kwan chai Gomez, agrees. “Rice is a political commodity; it’s not only an economic one.” (Fuller, 2008)

If rice is considered as a pivotal political commodity in the international arena, then it could be the same for the Philippines which is widely known for its massive consumption of rice. Various statements from intellectuals prove this claim,

“As rice being a basic commodity must be secured to safeguard our subsistence. We are aggrieved by the fact that rice has become a political commodity thus putting the survival of every Filipino in the hands of gluttonous politicians who will set aside public interest to their personal gains.” (Gabriela – SMR, 2008)

An article in Manila Times also posted an agreement on rice as a political commodity,

“Rice is a political commodity in the Philippines, and any fluctuations in prices and shortages in supply could potentially rouse unrest, analysts have warned.” (Amojelar, et al., 2008)

Even opposition senator and chair of the Senate Economic Affairs Committee, Loren Legarda accepted this fact and declared the possible outcome of the rice crisis, ““is bound to spur social unrest and political instability going forward.” (IRIN, 2008)

Editorial writer of Sun Star Cebu Orlando Carvajal also made his point clear on rice as a political commodity:
“Nothing beats rice as a political commodity. What this means is no elected official can hope to be re-elected if rice became scarce and expensive during his or her term. Hence, the price of rice has always been determined from this political standpoint. Politicians know any scarcity of this commodity can spell their doom.” (Carvajal, 2008)

A study from the Philippine Institute for Development Studies authored by Ponciano Intal and Marissa Garcia showed that rice has been a primary electoral issue ever since the Marcos regime. Furthermore, it has become a determining factor during the elections only with the exemption of the year 1998. The study basically revealed that ruling parties have always used its influence and particularly control over the supply of rice to entice voters to support them (Intal, Ponciano, 2005).

An article entitled, Rice in the Philippines: Promise and Neglect presents that some farmers in the Southern Luzon are having a hard time sustaining their livelihood due to increasing prices of fertilizers, pesticides and seeds. They have also been facing problems on lack of irrigation system and other basic facilities needed in rice production. All of these increasing costs on farming force a number of farmers in Southern Tagalog to focus on other kinds of livelihood instead. The author of the article also noted that:

“'There's no money in it, there's no point,” said Sionong, whose family had been rice farmers for three generations. She's converted her paddies to blue grass for the lawns of housing developments, which are also replacing the paddies. Another farmer told me: 'Maybe after ten years, we won't have any rice farmers any more.'

“The farmers here have little real power. The local market is controlled by three powerful traders, who buy at a price they set, and who sell the fertilizer and other inputs. They have the storage facilities and the driers which add value to the rice.” (Williams, 2008)

There is indeed a problem on rice productivity of the Philippines. This low productivity may be attributed to the fact that “rice production remains on a subsistence level, landlord dominated and lacking in government support” (Consumers International). In addition, the rice marketing system in the Philippines is divided into two significant factors: government sector and private sector (Consumers International). It is the private sector which generally showcases greater emphasis in this study. In an article, it was stated that,

“The private sector, composed of merchants, has always dominated and controlled the rice marketing system. It is estimated that private merchants handle around 95% of domestic production. In 2000, there were 77,193 retailers; 15,071 wholesalers
and 10,469 millers. Although rice merchants are important contributors to the viability of rural and urban economies, many in the past were engaged in rice cartel that was responsible for controlling the flow and distribution of rice and subsequently fixing its price.

A survey conducted in Central Luzon, the country's number one producer of rice, revealed that many suppliers of inputs are also insurers, to whom poor farmers are heavily indebted. These usurers often act as middlemen between suppliers and farmers, or the input suppliers themselves. Under such circumstance, the indebted farmer is obliged to sell his harvests to the supplier, usually at a lower price, to repay his debts. Thus, the suppliers also become the buyers.” (Consumers International)

Crises affect both farm gate and market prices. However, one other important aspect to consider which affects prices in both the market and farm levels,

“Meanwhile, in the Philippines, where feudal and semi-feudal production relations predominate, the operation of private merchants sometimes dictate the movement of price both in the farm level and in the retail level such as in the case of rice. But this tendency arises only to the extent that inadequate public spending to help farmers gain access to the markets through roads and credit is inadequate. Also, the costs of marketing are increased with the length and complexity of the marketing chain.” (Consumers International)
Local Situationer

Past studies provided the evidence that economic power corresponds to political power and vice versa. Although some people may not agree with this common assumption, this has been the gist of development economics as well as the point of a number of the greatest thinkers such as Karl Marx. However, once the control over the supply of a particular resource is taken into account, the other side of the picture somehow gets unnoticed. This is the fact that control over economic resources results in political power. According to a University of the Philippines professor, this side is not usually delved upon by researchers. Researches are more often focused on the economic part rather than the political and social aspects of a monopolized or cartelized commodity.

With these presumptions, this study will focus on the political and social aspect of the effects of exercising control over a particular commodity, in this case, rice. A certain community with rice as its major production is featured as a case study to be able to see the effects of a rice monopoly at a micro level.

There have been various cases wherein a politician owns a particular area of land and ironically, gets to be exempted from the Comprehensive Agrarian Reform Program. This kind of situation can be seen in a lot of provinces in the Philippines particularly, Laguna, Negros, Tarlac, Bulacan, et cetera. There may be limited literature on this kind of research study but for all we know, this is a serious issue for many Filipino farmers. This issue, although have been in existence for a long time now, is new and fresh in terms of research and study.
For many years now, global control of oil has been left in the hands of an organization, or so they say – OPEC or the Organization of Petroleum Exporting Countries. OPEC, with one major role and that is to regulate the supply of oil, has indeed become one of the most powerful institutions internationally considering the fact that oil is the most wanted commodity worldwide.

In relation to OPEC’s role, another proposal was made a few months ago about an international rice cartel. This international rice cartel shall be fashioned after OPEC. Just like OPEC, OREC or the Organization of Rice Exporting Countries, will be led by the major producers of rice in Asia. This proposal was made in the middle of the global rice crisis.

A study on a rice cartel both on the local and international level resulted in the fact that cartels would definitely harm farmers and consumers and benefit the firm or producers of rice. It was also concluded that control of rice corresponds with political power which gives us the assumption that control over the supply of rice gives way to acquire political power.

At this point, a closer look at an international cartel particularly on a basic commodity will be essential to be able to look at the effects of political power acquired from economic power at a macro level.
OBJECTIVES

General

- To show the relationship between economic and political power of those who have control over the supply of rice.
- To analyze the relationship between economic and political power of those who control the supply of rice existing at a local rice-producing community.
- To determine instances in which control over a basic commodity resulted in gaining political power.

Specific

- To review and analyze descriptively previous cases of having control over rice and how this affected the controller’s position socially and politically (a case study on a local rice granary in San Benito, Victoria).
- To determine and analyze the effects of having political power as a result of the control of the supply of a basic commodity such as rice.

Conceptualization

Diagram 2. Conceptualization

Economic Power

Control over economic resources

Basic commodity

PolITICAL POWER
EFFECTS

Operationalization

Economic power: condition of having sufficient productive resources at command that give the capacity to make and enforce economic decisions, such as allocation of resources and apportioning of goods and services (BusinessDictionary, 2007).

Political power: The totality of influences and pressures available for use to determine and implement official policies for a society. Political power may be wielded by the institutions of government, or in opposition to the government by dissident groups and organizations. Political power may be directly applied in a conflict, or it may be held as a reserve capacity for possible later use (Centre for Applied Nonviolent Action and Strategies, 2004).

- Indicators:
  1. Capital
     a. Land
     b. Rice mills
     c. Packaging machineries
     d. Transportation
     e. Distribution machineries
  2. Influence on rice supply regulation
     a. Ability to increase/decrease the supply of rice
  3. Influence on the price of rice
     a. Ability to reduce/increase
  4. Influence on the behavior of farmers
     a. Ability to negotiate with the farmer (at the farmer’s risk)
     b. Ability to influence the farmer’s livelihood
  5. Ability to bend law
     a. Exemption from Agrarian Reform Program
The diagram above shows the relationship between economic power and political power. For the benefit of a more narrowed study, economic power shall be limited using the variable rice, as a basic commodity. Political power on the other hand, is supplemented with indicators that have been deduced from the various review of related literature. These include the ownership of economic resources like land, labor and capital. However, due to specificity, the study would deal more accurately with land and capital which are basically rice production materials such as fertilizer and machineries. Another indicator is the ability to influence or affect and regulate the supply of rice, play with farm gate prices and affect the livelihood of the farmers. Another important indicator would be an exemption from the Agrarian Reform Program. This is to illustrate whether a land holder gets away from the implementation of the government of agrarian reforms.
Theoretical

The relationship between economic and political power would be best analyzed using a Marxist perspective. This would also be the best theory explaining why lack of access to capital provokes a worse way of living for the peasants. This theory would provide a better analysis since its concept of economic power rests with those who have control over the mode of production.

To analyze the manifestations of the control on the ownership of land and capital, the case study would be essential. Both the current situation and historical accounts that exemplify the relationship of economic and political power shall be analyzed. The resulting factors for this analysis will possibly reveal patterns that would further explain the current situation. Moreover, the analysis for some of the manifestations of control over rice production in general will be best explained employing Antonio Gramsci’s theory of hegemony. The said theory will explain the existing situation in the area on the basis of the residents’ behavior towards it. The Rational Choice Theory will also be employed to be able to explain more concretely the relationship of the control over a basic commodity and political power. The said theory will provide a better interpretation on the behavior of individuals and firms since it assumes that man is self-interested.

Finally, the resulting effects of the mentioned manifestations of having the control over land and capital shall be critiqued and analyze with the use of the critical theory. Another important aspect will also be analyzed using this theory – the current situation of the area in which the land reform that took place more than thirty years ago is in question.
Methodology

The gathering or collection of data employed the use of personal interviews and second hand data gathering. For this study, there were two kinds of personal interviews. One part of the interview was conducted for the case study of a local rice producing community based in the agricultural region of Southern Luzon. The area was limited in the small community of San Benito located in the provincial town of Victoria, Laguna in Region IV. The significance of the place for this study is found on its interestingly current situation as well as the historical experience that it has undergone with the implementation of the Comprehensive Agrarian Reform Program.

The sampling procedure used is probability sampling to be able to utilize random selection. An interview will be conducted to a household who participates in the rice production and distribution process. These basically include farmers, market vendors and rice traders.

Moreover, this particular case study of a small community is of an illustrative nature. The case study is a descriptive account of the current situation in the community as well as the past events which have occurred in that particular town. Eventually, the relationship between the farmer and land-owner arises as well as the economic, social and political influence of the major controlling body of the community’s rice supply.

For each household, an unstructured, informal personal interview was conducted. In a household where a farmer is present, a question with regards to farming was asked as well as landlord-farmer relationship. On the other hand, for those who have their own lands to till, questions regarding rice supply and the availability of capital was asked as well as whether the land that they currently own was awarded by the Comprehensive Agrarian Reform Program.

Rice traders, particularly the Cooperative or those who have access with capital and machineries to make rice production for the area possible, was questioned on the basic process of rice production and distribution and how they come up with farm gate prices. Likewise, market
vendors was asked regarding the local market price and supply of rice, how they decide on mark-up price and how they are affected when farm gate prices are raised.

In addition, a credible informant preferably a prominent local resident of San Benito was also be interviewed with regards to its history.

The results of the interviews on both historical and current events are analyzed in terms of the manifestations of political and economic power. The aforementioned indicators as deduced from the given reviews of literature will concretize these concepts.

The other part of the interview involves a semi-structured, informal personal interviews with the experts on the relationship of having control over a basic commodity, in this case rice, (economic power) and political power. The interview is semi-structured on the assumption that the interviewees would opt to explain other areas or subjects that they deem essential in answering the questions. The key informants for this second part interview include a Kilusang Magbubukid ng Pilipinas (KMP) official and a prominent and recognized economist from University of the Philippines School of Economics and a power relations and research expert was also be interviewed via electronic-mail to further strengthen the whole point of the study. The table below shows the schedule and nature of the interview conducted.

**Table 1. Schedule of Personal Interviews with Experts**

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<thead>
<tr>
<th>Name</th>
<th>Specialization</th>
<th>Type of Interview</th>
<th>Date</th>
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<tbody>
<tr>
<td>Mr. Wilfredo Marbella</td>
<td>Kilusang Magbubukid ng Pilipinas Deputy Secretary – General</td>
<td>Personal</td>
<td>February 21, 2009</td>
</tr>
<tr>
<td>Professor Fatima Castillo</td>
<td>Professor at the University of the Philippines Manila, a research expert, power relations expert</td>
<td>Via electronic mail</td>
<td>March, 2009</td>
</tr>
<tr>
<td>Professor Chester Arcilla</td>
<td>Professor at the University of the Philippines Manila,</td>
<td>Personal</td>
<td>March 2, 2009</td>
</tr>
</tbody>
</table>
Presentation of Data

Table 3. Case study of Barangay San Benito
(Based on the personal interview with Mr. Benjamin Villanueva, Councilor Benjamin Villanueva and secondary information courtesy of Dabet Castaneda of Bulatlat)

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<thead>
<tr>
<th>Area</th>
<th>Total Population</th>
<th>Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,600 km. Composed of six small divisions: Purok-1, Purok-2, Purok-3, Purok-4, Purok-5, Purok-6</td>
<td>1,979</td>
<td>Farming, duck raising</td>
</tr>
</tbody>
</table>

Significance of the Study

The vast green land of San Benito located in the province of Victoria in Laguna is a worthy candidate for this case study for the following reasons:

- The place proved to be interesting since it used to belong to a single family – the de Ramos.
- It was later redistributed to the farmers by the virtue of the Comprehensive Agrarian Reform Program.
The practice of “pautang” to gain capital was widespread; thus, the presence of usureros.

The land is being reclaimed by an heir of the de Ramos family, a previous landowner.

A certain portion of land which was not covered by the land reform is said to have been divided into small portions so it would not be subjected under CARP.

As people pass by the beautiful, green fields of San Benito, an innocent-looking place, one would never think that the village has had too much experience. One would never know the hardships that the previous tenants had to endure before the lands were awarded to their great grandsons and granddaughters. Yes, it looks innocent, as if none of the above enumerated took place. But they have occurred in this small village of San Benito – a series of events for only a short period of time.

The Origin

The beginnings of Barangay San Benito can be traced in the early 1950s. It was literally a forest back then. There were no pavements, the place was in a very bad condition. The land of San Benito earlier that time was claimed by de Ramos family. The early residents of the community were regarded as tenants by the landowner. Later, the land was divided to the three heirs. Two of them sold their shares to Cayco. The land bought by was then leased to Chipeco, another landlord.

Land Reform: An answer to the problem of land ownership

A few years later, it was about the year 1972, the farmers formed Samahang Nayon to fight for the land that they have been pouring their blood and sweat for, for many years. Under Presidential Decree No.27, Cayco’s land title was nullified and the farmers were awarded with Certificate of Land Transfer. As soon as they pay amortization the beneficiaries would be given Emancipation Patents that would assure their ownership of the respective land.
Problems on Capital: Machineries like irrigation system, farm inputs

The land reform proved to be insufficient. The farmers had a problem with the irrigation system. There was also a big issue on the prices of farm inputs from Balite because the prices were relatively high. In addition, there were the *usureros* who finance the farmers. For example, a farmer would borrow Php 1,000.00 the payment in return would include the amount itself plus an interest of twenty (20) cavans of rice. They were certainly taking advantage of the farmers.

Cooperative: A solution to the problem on capital

The San Benito Multi-Purpose Cooperative was organized in 1990 in the hopes of alleviating the problem on capital. Headed by Mr. Benjamin Villanueva, the cooperative issued proposals for loans in the Land Bank of the Philippines. The loans availed by the cooperative resulted in the purchasing for a village rice mill and operating capital for palay production.

Current Status

The remaining land that was not under Cayco’s name is currently under the ownership of Colonel Gutierrez. The Comprehensive Agrarian Reform Program’s failure to be implemented on his case rests on the fact that he divided his portion into 4.99 hectares. Those who are accountable to CARP must have more than 5 hectares of land.

Currently, the land reform implemented in the small area of San Benito is under investigation. This is because a man named Rudencio Vergara III who claims to be an heir of de Ramos came to San Benito to reclaim the land. Apparently, he was able to apply for a free-patent application under the Department of Environment and Natural Resources that could result in eighteen (18) families losing their lands.
Presentation of Data

Table 2. Tabular Presentation of Data from Primary Sources – Experts
Let us first clarify what power is: according to CW Mills, power is the ability of anyone or any group or institution to determine the course of events, decisions of others, making of state policies, therefore the capability to influence how many other people will live their lives.

Economic power is power that is derived from one's control of economic resources. The economic resources under one's control have to be of such magnitude or even if not of great magnitude, these are located strategically in the over all politico-economic landscape such that these can be used to threaten or pressure or influence to one's advantage.

While it may be useful at times to delineate political from economic power, such delineation is quite theoretical because in reality, it is impossible to delineate political from economic power; but for purposes of analysis, political power is the capability to determine or influence the behavior of the state and state actors, and in so doing, determine or influence the political situation or political course of events.

An example is rice, where because it is the staple food, control of supply or rice brings tremendous leverage for political power.

For example, shortage of rice for a month or 2 can lead to popular unrest and threaten the legitimacy of the state.

Rice, like oil, is an example of a strategic economic resource that can create dramatic political consequences in a fairly short period of time. Thus if you control a sizeable portion of rice supply, you can manipulate toward artificial shortage to jack up prices. Even if it is not your intention, shortage that lasts for a month combined with high prices, could create the ground for people to challenge the govt. Of course, any analysis should always contextualize it. Thus if the government has a fairly high level of popular support, this may not necessarily lead to popular unrest. There has to be a combination of specific circumstances for this kind of manipulation of rice supply to result to the challenge of government.

There are several. One clear case is oil, where the oil cartel in the 1970s virtually determined state policy regarding the oil industry, and the deregulation. If you examine the pronouncements of oil companies about deregulation prior to government lifting of price regulation, it looks like they wrote the deregulation law.

In an economist’s perspective, political power is rarely problematized from another perspective. Although this concept is very hard to define, there are many forms of political power. One of the economic power that monopolies possess would enable them to increase prices. Moreover, the local rice production as a staple food provides a strong example of how rice is a strategic economic resource that can be used to threaten or influence the political situation or political course of events. Of course, historically, in the Philippines, one subject is rice since it is a staple but it also like many agricultural products, it is highly strategic.
**Table 2. Tabular Presentation of Data from Primary Sources – Experts**

<table>
<thead>
<tr>
<th>INTERVIEWEE (Experts)</th>
<th>What happens when there is scarcity of a basic commodity?</th>
<th>Who has control over rice production?</th>
<th>What are the effects of having a control over a basic commodity, especially rice?</th>
<th>Does this control over rice production signify political power? In what way?</th>
<th>How would you describe the current situation of the Filipino farmer’s political power?</th>
<th>What are possible policies that you can recommend to strengthen the control of the peasantry on the supply of rice?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Willie Marbella (Kilusang Magbubukid ng Pilipinas Deputy Secretary-General)</td>
<td>When there is scarcity of a basic commodity, rice for example, prices go up. This can be triggered by hoarding and relatively low production. What happens here is that there is a high demand but there is not enough supply.</td>
<td>Basically, those who have control over the production of rice the landlords, rice traders and importers. They are the ones who have the ownership over capital and other economic resources necessary in the rice industry.</td>
<td>Technically, the price of capital can go up. The farmers face high production cost then traders will be buying from them at a low price. They will then place high mark-up price which inflates the market price of rice. In this context, the farmers are really disadvantaged.</td>
<td>Yes, because if land, materials on farming and production, farm inputs including seeds, herbicides, pesticides, fertilizer, capital and machineries are controlled by the landowner, firm or usurero, they get to dictate what kind of crops are to be produced, the prices during harvest time as well as the farm gate prices.</td>
<td>This is easily manifested through mass movements. They should be organized; they must have a well-defined campaign program and achievable goals.</td>
<td>The policies that I can recommend include regulation, higher subsidy for farmers and implement programs in agriculture that would promote its sustainability. In addition, the National Food Authority must not be privatized; it should always have the mandate to buy, sell and distribute rice. More importantly, there should be people participation in agrarian reform.</td>
</tr>
</tbody>
</table>
| Professor Fatima Castillo  
| University of the Philippines  
| Manila  
| Research Expert | In the market economy like ours, if it is a staple, then prices go up, because people got to buy it no matter the price; some level of demand may go down (i.e. poor families reduce rice consumption) but it cannot go down beyond a certain point because people got to eat. | You must realize that we import rice more than we produce today. Thus who controls rice importation is the more relevant question. Anyway, local rice production is not controlled by cartels because farmers are the ones producing rice. The question is: who controls the distribution - that is where you have cartels. The NFA is being avoided by farmers as a buyer of their rice because it is so bureaucratic such that farmers get paid many days after delivering their rice to NFA, so farmers sell to the private sector which usually buys at lower price than NFA but pays | You can dictate the pricing and the supply. | It is potentially, but if one does not use the latent political power it carries, it wont be necessarily political power; however in real world, business always wants that the political environment is favorable so they would not want government to regulate their pricing for example and they would use their influence to see that that is so. | Farmers who are organized have more opportunities than unorganized farmers to influence political currents but if you do a comparative analysis of their political power to say rice cartel, it is very minimal. | I believe its not primarily in the arena of policies because that would be like saying that the farmers' empowerment is dependent on the state; I think farmers' empowerment lies primarily in their organizational work - their empowerment from their own ranks and by themselves; if ever government should see to it that farmers' exercising their rights are not executed or tortured. |
immediately. So because the government is inept, farmers are forced to play by the rules of the game of the private sector.

Professor Chester Arcilla
(University of the Philippines, Manila)

University of the Philippines
School of Economics

There is of course high demand and low supply. There would be a greater need to import since the amount produced does not meet the demand of the consumers.

The economic power generated by the control of inputs would lead to the tendency to preserve this power. Political power is actually in the same way, used as an instrument to gain economic power so some enter the government. Some examples are charismatic leaders who are not economically wealthy but are using their current position to advance their status economically.

Control of rice production can signify political power in terms of the ability of power to become convertible for example political power can be converted to different forms like economic power and social power. At a local level, some instances where landlords happen to be the governors or a family relative of a political leader, they tend to play with policies so they may retain their economic power. Maybe it is inherent to the

First, we should be clear about what form of political power we are talking about. Representation is of course present because of the party-list but beyond that, it is important to trace the problem to where it originated. The political power of farmers is severely limited by a number of factors like their level of education and lack of assets. There are too many constraints that affect their political participation like lack of food and as

Of course there should be land reform. But it would not work without giving the farmers certain control on services like technology and capital. Granting them land would not be enough. It is also important to realize that the rural sector can be a source of growth. Many economists would suggest the opposite but once the rural sector is given attention, it would show long-term growth. Finally, the farmers should be granted self-
system on the assumption that man is self-interested. If an individual has power, he/she would use this to preserve it.

I’ve said, their limited education. Furthermore, it is also hard to organize the peasantry. You have to go through a lot before you can mobilize them. Their political power is limited by lack of goods and their capital is severely constrained. Culturally, they have also grown passive in this kind of system due to years of domination. Therefore, their political power must not only be measured in terms of representation but through their way of thinking and control of assets, if they have any.

determination. They should be able to have access to land, labor and capital. However, peasant empowerment cannot be achieved by implementing one policy alone. The policies mentioned are integrated. They should be implemented at the same time.
## Table 3. Tabular Presentation of Data from Primary Sources – Farmers/ Rice Vendors

<table>
<thead>
<tr>
<th>Interviewee (Farmer/ Vendor)</th>
<th>Age</th>
<th>How long have you been living in San Benito? (Gaano nap o kayo katagal ditto sa San Benito?)</th>
<th>On the ownership of land (Pag-aari niyo po ba ang lupa?)</th>
<th>Where do you get your capital on rice production? (Saan po kayo kumukuha ng capital tulad ng makina, pampataba, etc.?)</th>
<th>How is the condition of the rice supply? (Kamusta naman po ang ani?) For Vendors: How much is rice sold? (Magkano po ang bentahan niyo sa bigas?)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juana Aquino</td>
<td>60 y/o</td>
<td>60 years</td>
<td>Own land; granted by agrarian reform in 1994</td>
<td>San Benito Multi-Purpose Cooperative; sometimes outside since the prices are somehow the same</td>
<td>Okay since the price of rice grains is high</td>
</tr>
<tr>
<td>Gregoria Mendoza – Rice vendor</td>
<td>63 y/o</td>
<td>50-60 years</td>
<td>Own land; granted by agrarian reform in 1994</td>
<td>San Benito Multi-Purpose Cooperative</td>
<td>Nagbebenta ng 50 kaban tapos nagtitira para sa pagkain namin</td>
</tr>
<tr>
<td>Simplicia Daing – Rice vendor</td>
<td>63 y/o</td>
<td>63 years</td>
<td>Own land; granted by agrarian reform in 1994</td>
<td>San Benito Multi-Purpose Cooperative; sometimes outside where it’s much cheaper</td>
<td>Maganda naman. Kumikita. Kung magkano ang bentahan sa merkado eh ganun din ang benta.</td>
</tr>
<tr>
<td>Victoria S. Aquino</td>
<td>54 y/o</td>
<td>36 years</td>
<td>Own land; granted by agrarian reform in 1994</td>
<td>San Benito Multi-Purpose Cooperative</td>
<td>Okay</td>
</tr>
<tr>
<td>Name</td>
<td>Age</td>
<td>Years</td>
<td>Details</td>
<td>Cooperative</td>
<td>How do you transact with the landowner regarding this matter?</td>
</tr>
<tr>
<td>-----------------------</td>
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<td>-------</td>
<td>-------------------------------------------------------------------------</td>
<td>----------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Yolanda Masilingan – Rice vendor</td>
<td>50 y/o</td>
<td>44 years</td>
<td>Own land; granted by agrarian reform in 1994; <em>bumibili ng palay tapos tinitinda</em></td>
<td>San Benito Multi-Purpose Cooperative</td>
<td><em>(Okay naman kumikita. Depende sa palengke.)</em></td>
</tr>
<tr>
<td>Alberto Rancap</td>
<td>46 y/o</td>
<td>46 years</td>
<td>No. <em>Pinapaani, sanla, pinagkatiwala</em></td>
<td>Sa kinikita sa pagpahiram ng makina at sa ibinebentang palay.</td>
<td><em>(Depende sa usapan Minsan 100,000-200,000 hectares ang kapalit nun 20 kaban)</em></td>
</tr>
<tr>
<td>Jovito Mesina</td>
<td></td>
<td>No. <em>Pinapaani</em> (on a tax basis)</td>
<td>Colonel Gutierrez (landowner); Cooperative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>---------------------</td>
<td>-----------------------------------</td>
<td>---------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>How do you transact with the landowner regarding this matter?</strong> <em>(Paano po ang negosasyon niyo sa may-ari?)</em></td>
<td></td>
<td><em>Magbabayad</em> ganun yung usapan base sa kung ilan yung kabang na maaani. <em>Kung gano kalawak yung lupa, ibabase yun sa presyo ng palay sa palengke.</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>What is the effect?</strong> <em>(Ano po ang epekto nito?)</em></td>
<td></td>
<td><em>Eh minsan, nalulugi lalo na pag may kalamidad.</em></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 4. Tabular Presentation of Data from Secondary Sources (Internet Sources)

<table>
<thead>
<tr>
<th>Thoughts on</th>
<th>Ralf Fücks (Co-president of Heinrich Böll Foundation, a German-based political foundation)</th>
<th>P. Zusman (Author, Political Economy of Agricultural Economy Market Intervention)</th>
<th>Power and Ownership (cmsmarx.org)</th>
<th>Barbara Minton (Psychologist, member of commondreams.org, August 2, 2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Power</td>
<td>“The accumulation of wealth in the hands of the state capitalists surely is a strong motive, but the accumulation of political power is an even stronger one.” - Fücks, 2009</td>
<td>“Being better organized and capable of mobilizing economic resources, the producer group can develop a strong economic base of power.” - Zusman</td>
<td>“But when it comes to the real power, this has been concentrated to a limited number of capitalist groups who own and control the majority of the stock. The broad majority, the small shareholders, still are lacking real power and influence.” – cmsmarx.org</td>
<td>“Capitalism has the average consumer by the belly. Amid growing signs of famine and outrage, the entire chain of commodities and resources of the world are now being cornered by giant corporations.” - Minton, 2008</td>
</tr>
<tr>
<td>Economic Power</td>
<td>“Big government is in control over big business again, and it is using economic power to increase its political outreach.” – Fücks, 2009</td>
<td>“Commodity producers may also form a strong political power base deriving, in general, from their superior organization and access to economic resources. Producers of farm</td>
<td>“The common denominator in all societal relationships is the fact that definitive societal power lies with those who own and control the means of</td>
<td>“Farmland, water, fertilizer, seed, energy, and most of the basic necessities of life are falling under corporate control, providing increased wealth and</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Relationship in terms of basic commodities, ownership of capital, etc.</th>
<th>Commodities may also enjoy a particularly strong electoral position.” - Zusman</th>
<th>Production. Those who own businesses, capital and the means of production, a select few with a stake in power and profit, control a system of production that is designed to satisfy the needs of all.” – cmsmarx.org</th>
<th>Power to the ruling elite while the rest of humanity struggles.” - Minton, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Russia today, spoiled by its booming resource revenues, is feeling economically strong and politically assertive – at least in its attempt to restore its role as a counterbalance to US power. After a decade of dissolution of the Russian Empire, Putin’s Russia has learned to use its vast natural resources to regain influence in Europe and beyond. It is extending its oil and gas empire to Central Asia, thus expanding its control over gas supplies for Europe and undermining plans for a Trans-Caspian pipeline that would skirt the south of Russia.” – Fücks, 2009</td>
<td>“The incessant hunt for greater profits forces capital to strive for monopoly by eliminations and fusions. The capital owners shape these monopolies to fit their need for growing profits.” – cmsmarx.org</td>
<td>“Seeds are also in short supply which is being blamed on agitation that has interfered with freight train traffic. However, the shortfall in seeds is 60 percent, a level more indicative of corporate intervention to drive up prices than the actions of powerless farmers.” - Minton, 2008</td>
<td></td>
</tr>
</tbody>
</table>
Data Analysis

Thematic Table 1. Analysis of the Economic and Political Control of the Supply of Rice based on the Marxist perspective, control on the ownership and capital and the Critical theory

<table>
<thead>
<tr>
<th>Concept</th>
<th>Stipulations gathered from primary sources – experts (Integrated)</th>
<th>Manifestations in San Benito</th>
<th>Analysis</th>
<th>Theory Application/Patterns/Relation ships</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Political power</td>
<td>Interviews with the experts revealed that when an entity possesses political power, it gains a certain control over the economy and gets to implement policies to his/her own advantage. Moreover, political power is the capability to determine and influence the behavior of the state and state actors and in turn, the political situation. Political power is almost always acquainted with economic power.</td>
<td>Portions of the arable land in San Benito were granted to farmers with the help of the Agrarian Reform Program in the early ‘90s. However, some of the land subject to land reform was divided into smaller portions (4.99 hectares) causing its exemption from CARP. This land belongs to a certain Colonel Gutierrez.</td>
<td>Political power is an important concept that must be taken into account when dealing with economic power as shown by a control in economic resources. Although this concept is rarely studied, there is an intrinsic character on this certain concept which somehow shows a rationale on the way that people and institutions behave both politically and economically.</td>
<td>To understand the relationship between economic power and political power, it is best to apply the Marxist Theory. In the Marxist perspective, political power is a form of an “organized power of one class for oppressing another” (Ebenstein, 2000). This merely points out that when production is concentrated to “a vast association of the whole nation, public power will lose its character” (Ebenstein, 2000). The heart of Marxism lies on the fact that those who have control over the means or mode of production and material resources are the ruling class.</td>
</tr>
</tbody>
</table>
The establishment of San Benito Multi-Purpose Cooperative which enabled the community to gain greater access to capital and technology as well as larger government assistance.

They then have the power to influence and affect the actions of their subordinates. Given the previous situation in San Benito, when the land belonged to a landlord (under the de Ramos) and the present situation, in which portions of land still belong to a landlord (Colonel Guttierex), their ownership of this land whatever the extent as long as there farmers in need of these lands, is subject to affect the farmer’s decisions and livelihood. Moreover, the owner has the potential to dictate conditionalities in his/her terms regardless of its effect to the borrower (farmer). The fact that the ruling party can manipulate and influence the course of events in the livelihood of its subordinate because of its ownership in assets or capital such as land, is an indication of an exercise of political power.

<table>
<thead>
<tr>
<th>II. Economic power</th>
<th>Economic power is basically having control over economic resources, control in the means of production and control in the ownership of land.</th>
<th>Prior the land reform, the farmers of San Benito remained</th>
<th>Economic power suggests certain ability to manipulate the factors of production, distribution and therefore the</th>
<th>Marxism has always regarded the sphere of economics as an important factor affecting the political situation. It</th>
</tr>
</thead>
</table>
One concrete example would be the nature of monopoly which has the ability to affect price, mode of production and the quantity acquired from the control of inputs.

as workers under the subsequent landlords who had the sufficient resources to get hold of the land.

The presence of *usureros* before made life harder for the farmers. Farmers would avail a loan of a thousand pesos and upon payment, they are required to pay with an interest of twenty (20) bags of rice.

The establishment of San Benito Multi-Purpose Cooperative which enabled the community to avail of loans from Land Bank thereby acquiring assets such as capital and technology necessary for improved production. Most

supply of a commodity. This manifestation of economic power and control then transcends into the political sphere since the economic and political aspects of a nation is intertwined. One good example according to Professor Castillo, would be an increase in the price of a staple such as rice would cause social unrest and eventually political damage and instability for the government. This is made possible by the fact that Filipinos rely on rice to be able to survive.

presupposes economic determination which basically claims that “everything in life is determined by capital” (theory.org.uk). According to the ideology, capital should not be personal, it should not be profit-motive that would benefit a single entity, rather, ideally, it should be a social power. Capital should be a collective product set in motion by a united society (Ebenstein, 2000). The founding of the Cooperative may have achieved this at some extent. The Cooperative was able to purchase a village rice mill and they also purchase raw materials necessary for rice production from other towns. Some farmers avail of these services but others find that they will get cheaper prices and save more if they themselves buy the raw materials from other towns on their own. Others feel that the prices are pretty much the same regardless of where you do your purchase.
| III. Relationship between the two | In terms of basic commodities | | Marxist’s Political Economy advocated the study of the relationship between economics and politics with a specific focus on the role of power in decision-making and resource allocation. Looking at the specificities in San Benito, the farmers’ lack of capital led to low output and therefore less income because a significant amount goes to the lender depending on the agreement that they had. This lack of capital compels the farmer to agree to the preconditions offered to him by the landowner despite the risk of low produce. We can deduce from this context that the transaction or negotiation which occurred between the farmer and landowner adds constraints to the farmer’s livelihood because it limits its already limited source of income. There is a |
| All experts agree that political power and economic power are highly interrelated concepts. Both concepts are very hard to dichotomize and delineate one from the other. In almost all cases where economic power is present, political power also exists. | The ability to affect the price without facing sanctions is present. Furthermore, some firms would want to ensure privileges and benefits so logically, they tend to exercise influence on the political sphere. | The farmer interviewees without ownership of land claimed that they have less output because a considerable amount goes to the landowner as compensation. The transaction between the landowner and farmer depends on the negotiation that they had but basically, it requires output (palay) and a sum of money. | As the interviews revealed, political power and economic power are concepts that although we can differentiate to some extent, we cannot fully delineate. An access to the former may soon lead to the acquisition of the other and vice versa. The point is that whichever power is available, this may transcend into a different kind one which is economically, politically and socially viable or at some point an integration of the three this can be characterized by major institutions such as the governments. The inherent characteristic or nature of a firm would also opt to preserve the economic power it possesses whether on a small scale or a scale large enough to affect a large population of subjects like cartels and monopolies and in some cases, would rather |
### IV. Exercise of political power on basic commodities

The ability of one individual to manipulate the price and the means of production especially of a staple commodity, the rest are left to follow suit on one hand, but it may also lead to a consciousness to challenge the current situation.

The Cooperative as a legal and recognized body is able to appeal to the government for pro-farmers policies but its capacity to appeal on national government does not imply a productive response from the government.

The aforementioned presence of the *usureros* in San Benito as well as recent cases of rent and loans on land and other forms of capital extend this power in order to protect its existence.

The Cooperative as a legal and recognized body is able to appeal to the government for pro-farmers policies but its capacity to appeal on national government does not imply a productive response from the government.

The course of events that happened in San Benito were tangled and mismatched. One cannot fully say that the farmers were successful on the basis of the granting of land alone. However, the organized farmers of San Benito and the founding of the Cooperative deserve credit. The fact that the farmers struggled for their right to their respective lands challenged the existing way of life wherein all lands belonged to a single person. Thus, CARP was implemented. Still, this would prove insufficient without other forms of capital necessary for their livelihood like fertilizers, seeds rice mills, etc. This is where the *usureros* or financing bodies come in. Farmers borrow a sum of money and are manifestation of both economic and political power at this point – the ownership and control of a major input results in the ability to affect the decisions of an individual.

Two important factors have been already considered in this study, the political and economic factors which lead to a certain control in the production and supply of rice. However, one unemphasized but highly important factor arose. This is the role of culture or the farmers mentality in dealing with their lives, which more or less require an interaction with the ruling class or those with capital, in their dire need to sustain their livelihood. We can now carefully deduce from the case study of the small village of San Benito that the farmers agree to the transactions they make with the landowners, *usureros* and other capital owners despite the high cost of production, relatively low output and
### V. Control over rice production

| The ones who have control over the capital like landowners, rice traders and importers may exercise their control over the production of a commodity because they hold control on the inputs necessary for rice production. On another note, since we import more rice than we are able to produce, the question on who controls the distribution might be more appropriate. This is where the private sector comes in. Farmers sell to the private sector which buys at a very low price but pays them (farmers) immediately than showed a sharp decline in output. Control of farm inputs and farm assets such as land and farming machineries currently lay on present landowners, rice traders or those with rice mills and packaging machineries and the Cooperative (which claimed itself as one of the required to pay in full plus an interest of some of the produce during harvest season. In this context, the farmers were highly disadvantaged. Their lack of capital enables them to enter into a transaction that is very risky. During bad seasons and calamities, they produce less and sometimes none at all. This control on rice production is evident since the owners of capital have the ability to influence the decisions of the farmers and even the quantity of produce that goes to them depending on the transaction that has occurred between them. small income because of their belief that they have no other option otherwise they will not be able to farm because they have no land, fertilizers, seeds and other farm inputs necessary to sustain their livelihood. Thus, despite their disadvantage farmers chose to adhere to the conditions that occur between him and the owner of the land or other forms of capital. The power of the farmer in this transaction is evidently limited as compared to the owner himself. This was also explained previously in the text. |

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<th>VI. Effects of control over a basic commodity</th>
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<td>The tendency of having control over a commodity like rice is that the prices of capital may increase and the supply regulated constantly. Therefore, farmers face high production cost and would sell the harvest at a very low price.</td>
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<th>VII. Control over rice = political power</th>
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<td>The control on rice, a basic commodity, signifies political power because owners of capital get to dictate the prices and supply. It is one good manifestation of this would be the existence of San As mentioned earlier in the study, the individuals with capital ownership have the power to somehow dictate the prices of inputs and regulate the supply. Increased prices of inputs then suggest high production costs for the farmers. High production cost coupled with low prices of the farmers’ produce makes the farmers highly disadvantaged. This is even worsened by disasters and calamities that occur some time.</td>
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<th>Government-funded agencies such as the National Food Authority which takes a very long time for the farmers to receive their payment.</th>
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<td>rice traders).</td>
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The rational choice theory posits that man behaves as a self-interested being. At this point, having economic power and eventually political...
also evident in reality that firms would always opt for a political environment that would favor their interests. Moreover, the control over rice production which is a form of economic power, may be converted to political power. Some local politicians who are also landlords in their respective areas, sometimes play with policies that enable them to extend and maximize their economic power.

Benito Cooperative. Its establishment made it easier for farmers to access major inputs necessary for the production of rice. The Cooperative also deals with the purchase of raw materials from other towns that save time and transportation costs for some farmers.

However, another manifestation rests on the fact that some farmers who are unable to get their own land are left with no option but to transact and negotiate with a landowner despite the cost of the arrangement and whatever the risk.

rice. It would also cause fluctuating prices that would hurt the farmers. But the rationale behind this is that firms or individuals act as firms and individuals. Rationally, they would do whatever it takes to preserve the power they have acquired and to mold this into a greater power to some extent.

power would give rise to the desire to expand this power whether socially or culturally. The point is that there is a certain urge to expand this power to an extent great enough to preserve the firm’s existence and the power that it has acquired.

This cultural aspect can be best explained by Antonio Gramsci’s theory of cultural hegemony. Strinati was able to condense the idea into simplest terms, "it can be argued that Gramsci's theory suggests that subordinated groups accept the ideas, values and leadership of the dominant group not because they are physically or mentally induced to do so, nor because they are ideologically indoctrinated, but because they have reason of their own" [(Strinati, 1995: 166) theory.or.uk]. So far we can relate this theory on the behavior and neutral responses of the farmers when they were interviewed and their consenting behavior on the agreement that goes on
VIII. Political power of Filipino farmers

This can be characterized by mass movements, peasant organizations and representation. However, compared to monopolies or rice cartels, their political power is very minimal. It is also important to consider that the political power of farmers is severely limited because of lack of education, lack of basic consumption needs and lack of assets. Another factor is that they have grown passive in this kind of system due to years of domination.

With the founding of the Cooperative, the farmers were able to reach and appeal to the national government of certain policies that would benefit them. They were also able to avail of loans which resulted in the purchasing of the village rice mill. At some point, the farmers were able to organize themselves and they incurred positive results.

There is indeed a wide manifestation of the political power of farmers due to the presence of peasant organizations such as the Kilusang Magbubukid ng Pilipinas. However, it takes too much time and too much effort to be able to organize farmers and to mobilize them. Although such organization and representation will bring them positive results, their political power must not be simply limited in that manner. What about the unorganized farmers then? Does their choice of not taking part in peasant organization means that they don’t have political power? There are various reasons which limit their participation and make them between them and the landowner. Indeed, some farmers who are organized remain hopeful while others, the unorganized one seem to have learned to cope with what they have been coping over these years. The farmers seem to have grown passive and used to the system as illustrated by years of subordination to a dominant party. As shown in the data presentation, their answers to were very neutral and safe. Those who till lands that do not belong to them agree to the terms of the transaction regardless of the effect it would make on their output and income. Their approval signifies their acceptance of the fact that they must act in accordance with the terms that both parties have agreed upon whether or not it has a serious implication on the less advantaged party.

On another angle, we may look at the interesting incident that has taken place recently in the village of San Benito using the critical theory. A man named Rudencio Vergara, showed up
On a more interesting side, the question on the validity and effectiveness of the Emancipation Patents (EPs) issued more than twenty (20) years ago arises. This can be attributed to the fact that a man that goes by the name Rudencio Vergara III, an heir of a previous owner, was able to acquire legal entitlements on 100 hectares of land in San Benito from the Department of Environment and Natural Resources (DENR). Endure their suffering. These can be, as mentioned earlier, attributed to cultural factors. As farmers, their mentality is much more concerned on farming and thus making a living. Their level of education which limits their understanding of the political sphere and their contributions also constrains them to the existing system wherein they have to endure what must be. Some may also have accepted the fact that their lack of resources and years of being powerless enables them to remain so.

In the village with a free patent claiming more than 100 hectares of land. The farmers, who were granted with the land being claimed by Vergara were outraged. They have been living and tilling those lands that have been awarded to them by land reform and now a man appears claiming that he had been in the DENR and was given legal entitlements for the land holdings. It seems that there has been some sort of a misunderstanding. Even the farmers of San Benito can’t explain what had happened to the validity of their Emancipation Patents. The fact that a person was able to acquire legal papers from the DENR to claim the land that had long been given to the farmers is a serious issue at hand.
It has been established in the review of literature that rice is an important staple in the country as well as the whole Asian region. In fact, the previous crisis with regards to the sudden upsurge of the prices of rice and the proposal of an international rice cartel caused so much anxiety for many months last year. It is clearly obvious that the Philippines, being the world’s largest importer, will have the hardest blow given that an international rice cartel is approved. Moreover, this will hurt the poorest of the Filipinos and the farmers most (Rubio, 2008). Due to this great demand for rice not just within the Philippine borders but encompassing most of Asia, rice then becomes and important political commodity. Millions in Asia alone are highly dependent on rice, for them, rice means survival. This dependence and highly inelastic demand on rice gives the commodity a great political value (see Review of related literature). The link between economic power and political power is very explicit that it makes the two concepts very hard to separate from one another. Table 4 also provides the link between economic power and political power. The relationship of the two most important concepts for this study is deeply established as shown by the tables.

The thematic table above simply shows the important concepts that have been discussed in this study, an integrated version of the stipulations gathered from the experts – what they have to say on the matter, manifestations of these important and related concepts on the community of San Benito as illustrated by the past and present instances that the locality has underwent, an integral analysis of these concepts, stipulations from key informants and manifestations in the subject of the case study and finally, the last column which provides the author’s insights that would then lead to theory application and reveal relationships and patterns on certain ideas, if any. The concepts economic power, political power and their relationship to each other was discussed in the last column with the use of the Marxist perspective since its assumptions rest on the correlation of economics and politics.

On the other hand, analysis on the fourth Roman numeral disclosed an important aspect that was not covered in the scope of the study – culture and passive mentality of the farmers. Nevertheless, its abrupt revelation and appearance in the course of the study simply suggests its vitality and significance on this topic. The resulting data can be another subject for a future study.

The following row shows an integrated analysis derived from the interview of the experts and the case study of the control of the basic production. Succeeding this is the effects of having a control of a basic commodity. This was analyzed in a critical manner to be able to set out its disadvantages on the most important subject of this study – the farmers.
The seventh concept deals with the rationale behind having control over rice and political power. At this point it is relevant to look at it on the basis of how firms and individuals, as rational beings behave. Therefore, the Rational Choice theory is employed. On another side, one manifestation of political power is analyzed in terms of Gramsci’s theory of Cultural Hegemony. This theory best explains the continuous adherence, acceptance and subordination of a number of farmers to the demands of the capital owners in their transaction when borrowing capital. The subsequent concept, the farmers’ political power is also analyzed in this way. However, the presence of the man who wish to reclaim the land will be dealt with using the critical theory because of the fact that he was able to get hold of legal entitlements from the Department of Environment and Natural Resources implies a misunderstanding on the part of the government and the beneficiaries of CARP in San Benito.

The analysis of the data posted on the thematic table gives rise to a new framework for this study.

**Diagram 4. New Framework**

The diagram simply depicts that three factors are responsible in studying the control and ownership of capital and the control on production and supply of rice. These factors that must be considered significantly are economic, political and cultural. The economic and political aspect of the study basically deals with the power acquired from having access to resources and capital. The cultural factor on the other hand is one of the findings of this study. It basically suggests that the system of control by the capital owners is also retained because culturally, some farmers have grown passive and immune to this kind of system over these years of endurance. This dominant ideology on the part of the unorganized farmers who are relatively constrained with low level of education and lack of resources limits their political participation.
Conclusion

Basically, the study revealed that economic control over the inputs necessary for the production and supply of rice can be translated to a different form of power such as political power. This acquired political power is in turn used to preserve the said control and at the same time expand its sphere of influence since individuals are assumed to be self-interested. Moreover, the ability to manipulate the prices of farm inputs and those with ownership of capital, affect the decisions and livelihood of the farmer. This happens on the effect that results in the political and economic control of the production and supply of rice: low output and falling incomes for farmers.

Furthermore, another important reason to consider that somehow perpetuates the system of having political and economic control on commodities brought about by their access to capital and economic resources is cultural. Some farmers, particularly those who are unorganized (not members of peasant groups) have gotten used to this system due to years of domination. Other constraints such as lack of education and capital assets limit their political participation and force them to accept the existing situation.
Policy Recommendations

A number of policies were suggested by the key informants for this study to strengthen the political power and at the same time, political participation of the farmers. Organization is an important consideration. Representation is another essential mechanism necessary for political power however, these prove to be insufficient. Farmers are simply a margin in the total population of the country. They still have small voices compared to more powerful entities that have control over production and supply of commodities. The key informants from the interview therefore, laid out their concerns and insights on what policies are necessary in order to give the farmers more credit.

Farmer empowerment depends on how they organize. However, policies that were recommended include regulation, higher subsidy for farmers, implementation of sustainable agriculture, greater people participation in agrarian reform and that the NFA should remain a government body. There should also be integrated policy mechanisms in order to sustain better results. These integrated policy mechanisms include land reform, granting the farmers greater control over services like technology and capital, assisting them to acquire a greater sense of self-determination by having greater access to land, labor and capital and finally, the government must see the importance of the rural sector – that it can also be a source of growth.
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    - Simplicia Daing
    - Gregoria Mendoza
    - Victoria Aquino
    - Yolanda Masilingan
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    - Jovito Mesina

- Via electronic mail
  - Professor Fatima Castillo University of the Philippines – Manila

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Appendix
I

Personal Interview
Nature of the Interview: Semi-structured, informal

Interviewee 1
Mr. Wilfredo Marbella
Deputy Secretary-General
Kilusang Magbubukid ng Pilipinas

Interviewer: What is your concept of economic power?

Interviewee: Basically, control sa kagamitan sa produksyon halimbawa ay lupa, desisyon sa gagawin sa lupa. Maliban sa cash crop iba pang gamit. Minsan yung pagconvert sa commercial na lupa at maaari magintroduce ng pesticides at sakanya bibili.

Interviewee: Pano naman po ang political power?

Interviewee: Yun ay ang control sa ekonomiya sa isang lugar. May kapangyarihan na magtakda ng polisiya, mayroong koneksyon sa pulitiko at kinikilala sa lipunan.

Interviewer: So, in terms of basic commodities, how can you relate political power to economic power?

Interviewee: In terms of basic commodity, like sugar and coconut, nagtatakda ng presyo.

Interviewer: In terms of basic commodities, how is political power exercised?

Interviewee: May power sila para itakda ang presyo at produksyon at sumusunod ang mga tao.

Interviewer: Were there instances in the past in which control over a basic commodity resulted in gaining political power?

Interviewee: Yes. There are many instances. Hindi lang dati meron pa rin yan hanggang ngayon. One example would be the Yulos, Cojuancos who monopolize “tubo” and the like.

Interviewer: What happens when there is scarcity of a basic commodity?

Interviewee: Well, syempre, tataas ang prices. Pwede tong sanhi ng manmade such as hoarding and low production. Ang nangyayari mataas ang demand pero there is low supply.

Interviewer: Who has control over rice production?

Interviewee: Yung mga landlords, rice traders kasama dito yung importers.

Interviewer: What are the effects of having a control over a basic commodity, especially rice?


Interviewer: Does this control over rice production signify political power? In what way?
Interviewee: Yes, dahi kapang ang lupa, kagamitan sa pagsasaka/kagamitan sa produksyon, farm inputs including binhi, herbicides, pesticides, fertilizer, kapital at makinarya ay kontrolado ng Asyendero, Komersyante at Usurer siya ang nakapagdidikta sa kung anong uri ng pananim ay dapat itanim ng magsasaka, presyo ng mga inputs sa panahon na ng anihan pati sa presyo ng palay sa merkado/farmgate price.

Interviewer: How would you describe the current situation of the Filipino farmer’s political power?

Interviewee: Madaling maipakita ito, through mass movement, dapat organisado, may define na kampanya at may target na layunin na dapat na maabot.. e.g. pinapalayas na ang mga magsasaka sa lupa ng isang panginoong maylupa dahil organisado di basta2 mapapa-alis dahil may isang bose para resolbihin ang isyu, may bargaining power eto gusto ng panginoong maylupa pero ayaw ng mga magsasaka, naglalatag sila ng counter proposal maging sa minimum o sa maximum na nais makamit.... halimbawa pinapaalis na ang mga magsasaka sa lupa, dahil sa paglalatag ng kanilang demokratiko at makatarungang kahilingan ay napilipilitan ang panginoong maylupa o asyendero na harapin ang mga magsasaka. halimbawa; ang target na magasakang mapakilos 100 katao ang makipag-usap sa mayor pwede pang gawin yan na 150 ng mga magsasaka so may pressure tactics ang mga magsasaka at may tukoy na mga opisyal na tagapagsalit mula sa hanay ng mga magsasaka.

Interviewer: What are possible policies that you can recommend to strengthen the control of the peasantry on the supply of rice?

Interviewee: Dapat may regulation, increase in subsidy, isulong ang sustainable agriculture at mga programs in agriculture. Hindi din dapat ma-privatize ang NFA. It should retain its mandate to buy, supply and distribute rice. And there should be people participation in Agrarian Reform.
Interviewer: So sir, start po muna tayo with what is your concept of economic power?

Interviewee: In an economist’s perspective, political power is rarely problematized from economic power. The only manifestation of power for an economist would be monopoly wherein you have the power to affect the price. You have the ability to affect the price or alter it beyond the market price. You therefore get an incentive – there is more profit - that is derived from the control of inputs whether in terms of prices or mode of production and the amount or quantity that you can actually produce.

Interviewer: What is your concept of political power?

Interviewee: Although this concept is very hard to define, there are many forms of political power. One would be representation. If a certain social group is represented then it is one form of political power but it should not be limited to that. It is very hard to dichotomize political power from economic power. It is rare for an individual to have political power without possessing economic power.

Interviewer: In terms of basic commodities, how can you relate political power to economic power?

Interviewee: The economic power that monopolies possess would enable them to increase price. Moreover, the new technologies that they possess make the smaller firms unable to compete against them. In terms of political power, monopolies would always want to affect the government so they may ensure their privileges and benefits. One example is Cojuangco, who uses economic power to avail political power.

Interviewer: Were there instances in the past in which control over a basic commodity resulted in gaining political power?

Interviewee: Of course, historically, in the Philippines, one subject is rice since it is a staple but it doesn’t necessarily have to be a basic commodity. It can be shown in the inputs used for the production of rice such as land, labor and capital (fertilizer, etc.) But the common situation lies with the ownership of land and control of this land. There are cases in which land is not owned but the controller, nevertheless he gets to control the land. Sometimes this control is manifested in the control of input that in turn, generates economic power.

Interviewer: What happens when there is scarcity of a basic commodity?

Interviewee: There is of course high demand and low supply. There would be a greater need to import since the amount produced does not meet the demand of the consumers.

Interviewer: What are the effects of having a control over a basic commodity, especially rice?

Interviewee: The economic power generated by the control of inputs would lead to the tendency to preserve this power. Political power is actually in the same way, used as an instrument to gain economic power so some enter the government. Some examples are charismatic leaders who are not economically wealthy but are using their current position to advance their status economically.
Interviewer: Does this control over rice production signify political power? In what way?

Interviewee: Control of rice production can signify political power in terms of the ability of power to become convertible for example political power can be converted to different forms like economic power and social power. At a local level, some instances where landlords happen to be the governors or a family relative of a political leader, they tend to play with policies so they may retain their economic power. Maybe it is inherent to the system on the assumption that man is self-interested. If an individual has power, he/she would use this to preserve it.

Interviewer: How would you describe the current situation of the Filipino farmer’s political power?

Interviewee: First, we should be clear about what form of political power we are talking about. Representation is of course present because of the party-list but beyond that, it is important to trace the problem to where it originated. The political power of farmers is severely limited by a number of factors like their level of education and lack of assets. There are too many constraints that affect their political participation like lack of food and as I’ve said, their limited education. Furthermore, it is also hard to organize the peasantry. You have to go through a lot before you can mobilize them. Their political power is limited by lack of goods and their capital is severely constrained. Culturally, they have also grown passive in this kind of system due to years of domination. Therefore, their political power must not only be measured in terms of representation but through their way of thinking and control of assets, if they have any.

Interviewer: What are possible policies that you can recommend to strengthen the control of the peasantry on the supply of rice?

Interviewee: Of course there should be land reform. But it would not work without giving the farmers certain control on services like technology and capital. Granting them land would not be enough. It is also important to realize that the rural sector can be a source of growth. Many economists would suggest the opposite but once the rural sector is given attention, it would show long-term growth. Finally, the farmers should be granted self-determination. They should be able to have access to land, labor and capital. However, peasant empowerment cannot be achieved by implementing one policy alone. The policies mentioned are integrated. They should be implemented at the same time.
Interview via Electronic-Mail  
Nature of the Interview: Semi-structured, informal  

Interviewee 3  
Professor Fatima Castillo  
Research Expert  
University of the Philippines  

Interviewer: What is your concept of economic power?  

Interviewee: Let us first clarify what power is: according to CW Mills, power is the ability of anyone or any group or institution to determine the course of events, decisions of others, making of state policies, therefore the capability to influence how many other people will live their lives. Economic power is power that is derived from one's control of economic resources. The economic resources under one's control have to be of such magnitude or even if its not of great magnitude, these are located strategically in the overall politico-economic landscape such that these can be used to threaten or pressure or influence to one's advantage. An example is rice, where because it is the staple food, control of supply or rice brings tremendous leverage for political power. For example, shortage of rice for a month or 2 can lead to popular unrest and threaten the legitimacy of the state. Rice, like oil, is an example of a strategic economic resource that can create dramatic political consequences in a fairly short period of time. Thus, if you control a sizeable portion of rice supply, you can manipulate toward artificial shortage to jack up prices. Even if it is not your intention, shortage that lasts for a month combined with high prices, could create the ground for people to challenge the govt. Of course, any analysis should always contextualize it. Thus, if the government has a fairly high level of popular support, this may not necessarily lead to popular unrest. There has to be a combination of specific circumstances for this kind of manipulation of rice supply to result to the challenge of government.  

Interviewer: What is your concept of political power?  

While it may be useful at times to delineate political from economic power, such delineation is quite theoretical because in reality, it is impossible to delineate political from economic power; but for purposes of analysis, political power is the capability to determine or influence the behavior of the state and state actors, and in so doing, determine or influence the political situation or political course of events.  

Interviewer: In terms of basic commodities, how can you relate political power to economic power?  

Interviewee: I think I have answered this in Q1  

Interviewer: In terms of basic commodities, how is political power exercised?  

Interviewee: Just take out pertinent portions from my answer in Q1 to transfer here  

Interviewer: Were there instances in the past in which control over a basic commodity resulted in gaining political power?  

Interviewee: There are several. One clear case is oil, where the oil cartel in the 1970s virtually determined state policy regarding the oil industry, and the deregulation. If you examine the pronouncements of oil companies about deregulation prior to government lifting of price regulation, it looks like they wrote the deregulation law.
Interviewer: What happens when there is scarcity of a basic commodity?

Interviewee: In the market economy like ours, if it is a staple, then prices go up, because people got to buy it no matter the price; some level of demand may go down (i.e. poor families reduce rice consumption) but it cannot go down beyond a certain point because people got to eat.

Interviewer: Who has control over rice production?

Interviewee: You must realize that we import rice more than we produce today. Thus who controls rice importation is the more relevant question. Anyway, local rice production is not controlled by cartels because farmers are the ones producing rice. The question is: who controls the distribution - that is where you have cartels. The NFA is being avoided by farmers as a buyer of their rice because it is so bureaucratic such that farmers get paid many days after delivering their rice to NFA, so farmers sell to the private sector which usually buys at lower price than NFA but pays immediately. So because government is inept, farmers are forced to play by the rules of the game of the private sector.

Interviewer: What are the effects of having a control over a basic commodity, especially rice?

Interviewee: You can dictate pricing, supply;

Interviewer: Does this control over rice production signify political power? In what way?

Interviewee: It is potentially, but if one does not use the latent political power it carries, it won’t be necessarily political power; however in real world, business always wants that the political environment is favorable so they would not want government to regulate their pricing for example and they would use their influence to see that that is so

Interviewer: How would you describe the current situation of the Filipino farmer’s political power?

Interviewee: Farmers who are organized have more opportunities than unorganized farmers to influence political currents but if you do a comparative analysis of their political power to say rice cartel, it is very minimal.

Interviewer: What are possible policies that you can recommend to strengthen the control of the peasantry on the supply of rice?

Interviewee: I believe its not primarily in the arena of policies because that would be like saying that the farmers' empowerment is dependent on the state; I think farmers' empowerment lies primarily in their organizational work – their empowerment from their own ranks and by themselves; if ever government should see to it that farmers' exercising their rights are not executed or tortured.
Interviewer: *Ano po ang history ng San Benito?*


Interviewer: *Paano po nagsimula ang land reform dito sa San Benito? At ano na po ang sitwasyon ngayon?*


Interviewer: *Meron po bang nageclaim sa lupa sa ngayon?*

Interviewee: *May dumating lang dito kamakailan. Nanggulo. May dala pang pang sukat ng lupa at sinusukat niya yung sabi niya na kanya daw. Sabi niya de Ramos daw siya. May dala siyang papeles galling ng DENR. Hindi naming alam kung pano nangyari iva pero ngayon pina-process na sa korte at problema namin.*
Personal Interview
Nature of the Interview: Semi-structured, informal

Interviewee 5
Juana Aquino

Interviewer: Ilang taon na po kayo?
Interviewee: 60.

Interviewer: Gaano katagal nap o kayo dito sa San Benito?
Interviewee: Dito na ako ipinanganak kaya 60 years na din kami dito.

Interviewer: Pag-aari niyo po ba ang lupa?
Interviewee: Oo

Interviewer: Naipagkaloob po ito sa inyo sa pamamagitan ng CARP?
Interviewee: Oo naipamahagi na matagal na.

Interviewer: Saan po kayo kumukuha ng capital tulad ng makina, pampataba, etc.?
Interviewee: Sa Coop, minsan sa labas kung mas mura. Parehas lang naman eh.

Interviewer: Kamusta naman po ang ani?
Interviewee: Okay naman mataas naman ang benta ng bigas eh.
Personal Interview
Nature of the Interview: Semi-structured, informal

Interviewee 6
Gregoria Mendoza

Interviewer: Ilang taon na po kayo?
Interviewee: 63.

Interviewer: Gaano katagal na po kayo dito sa San Benito?
Interviewee: Mga 50-60 years na.

Interviewer: Pag-aari niyo po ba ang lupa?
Interviewee: Oo saamin na

Interviewer: Naipagkaloob po ito sa inyo sa pamamagitan ng CARP?
Interviewee: Oo

Interviewer: Saan po kayo kumukuha ng capital tulad ng makina, pampataba, etc.?
Interviewee: Sa Coop,

Interviewer: Kamusta naman po ang ani? Magkano po ang bentahan niyo sa bigas?
Interviewee: Nagbebenta ng 50 kaban tapos nagtitira para sa pagkain naming
Interviewee 7
Simplicia Daing

Interviewer: Ilang taon na po kayo?
Interviewee: 63.

Interviewer: Gaano katagal na po kayo dito sa San Benito?
Interviewee: Simula pa 1949.

Interviewer: Pag-aari niyo po ba ang lupa?
Interviewee: Oo

Interviewer: Naipagkaloob po ito sa inyo sa pamamagitan ng CARP?
Interviewee: Oo

Interviewer: Saan po kayo kumukuha ng capital tulad ng makina, pampataba, etc.?
Interviewee: Sa Coop, minsan naman sa labas pag mas mura.

Interviewer: Kamusta naman po ang ani? Magkano po ang bentahan niyo sa bigas?
Interviewee: Maganda naman, kumikita.
Nature of the Interview: Semi-structured, informal

Interviewee 8
Victoria S. Aquino

Interviewer: Ilang taon na po kayo?
Interviewee: 54 years old na.

Interviewer: Gaano katagal na po kayo dito sa San Benito?
Interviewee: Mga 36 years simula grade 3 ako dito na ako.

Interviewer: Pag-aari niyo po ba ang lupa?
Interviewee: Oo

Interviewer: Naipagkaloob po ito sa inyo sa pamamagitan ng CARP?
Interviewee: Oo

Interviewer: Saan po kayo kumukuha ng capital tulad ng makina, pampataba, etc.?
Interviewee: Sa Coop.

Interviewer: Kamusta naman po ang ani? Magkano po ang bentahan niyo sa bigas?
Interviewee: Okay naman.
Personal Interview  
Nature of the Interview: Semi-structured, informal

Interviewee 9  
Yolanda Masilingan

Interviewer: *Ilang taon na po kayo?*  
Interviewee: 50

Interviewer: *Gaano katagal nap o kayo dito sa San Benito?*  
Interviewee: 44 years na kami dito.

Interviewer: *Pag-aari niyo po ba ang lupa?*  
Interviewee: *Oo*

Interviewer: *Naipagkaloob po ito sa inyo sa pamamagitan ng CARP?*  
Interviewee: *Oo naibigay na saamin*

Interviewer: *Saan po kayo kumukuha ng capital tulad ng makina, pampataba, etc.?*  
Interviewee: *Sa kooperatiba*

Interviewer: *Kamusta naman po ang ani? Magkano po ang bentahan niyo sa bigas?*  
Interviewee: *Nakakapagani naman kami ng maayos mga 5 sako yung ibebenta namin. Depende sa palengke ang bentahan.*

Interviewer: *Kumikita naman po kayo?*  
Interviewee: *Oo. Kumikita din.*
Personal Interview
Nature of the Interview: Semi-structured, informal

Interviewee 10
Alberto Rancap

Interviewer: Ilang taon na po kayo?
Interviewee: 46

Interviewer: Gaano katagal na po kayo dito sa San Benito?
Interviewee: Naku, dito na ko lumaki, 46 years.

Interviewer: Pag-aari niyo po ba ang lupa?

Interviewer: Paano po ang negosasyon niyo sa may-ari?
Interviewee: Depende sa usapan Minsan 100,000-200,000 hectares ang kapalit nun 20 kaban

Interviewer: Ano po ang epekto nito?
Interviewee: Mababang produksyon. Bawas sa ani

Interviewer: Saan po kayo kumukuha ng capital tulad ng makina, pampataba, etc.?
Interviewee: Sa kinikita sa pagpapahiram ng makina at sa ibinebentang palay

Interviewer: Kamusta naman po ang ani? Magkano po ang bentahan niyo sa bigas?
Interviewee: Sa ngayon mababa
Interview
Nature of the Interview: Semi-structured, informal

Interviewee 11
Jovito Mesina

Interviewer: Pag-aari niyo po ba ang lupa?

Interviewee: Hindi. Pinapaani, tax basis.

Interviewer: Paano po ang negosasyon niyo sa may-ari?

Interviewee: Magbabayad ganun yung usapan base sa kung ilan yung kaban na maaani. Kung gano kalawak yung lupa, ibabase yun sa presyo ng palay sa palengke

Interviewer: Ano po ang epekto nito?

Interviewee: Eh minsan, nalulugi lalo na pag may kalamidad