

Peasants, Patrons and Cooperatives

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The 1986 People Power Revolution ushered in new strategies for change especially for the Philippine Left. For Bernabe 'Commander Dante' Buscayno, founder of the New People's Army (NPA), change could be achieved not through the communist insurgency but through an economic venture, the People's Livelihood Foundation-Tarlac Integrated Livelihood Cooperative (PLF-TILCO). Yet despite a new political dispensation, problems of the past such as powerful socioeconomic forces, patronage politics and government inadequacies continued to linger. Buscayno's cooperative ultimately collapsed under the weight of these problems.

IN THE 1960s, BERNABE 'COMMANDER DANTE' BUSCAYNO BELIEVED that the only way by which he could end the peasantry's exploitation was through an armed revolution. Thus he initially joined the *Hukbong Mapagpalaya ng Bayan* (HMB), a peasant guerrilla movement in Central Luzon. Because of disagreements with the HMB leadership, Dante formed the New People's Army (NPA) which was to become the military arm of Jose Maria Sison's Communist Party of the Philippines (CPP). It was through the communist insurgency that a genuine agrarian reform was achieved in Dante's hometown of Capas, Tarlac and this was to be replicated in the other provinces throughout the country. Dante's capture by the Marcos authoritarian regime in 1976 did not put an end to the struggle as the communist movement grew in number and spawned new leaders due to the growing gravity of the dictatorship's abuses.

Upon his release from prison after the February 1986 People Power revolution, Dante was dismayed to see that the situation of his family, friends and comrades had not changed at all. In his own *barangay* of

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Sta Rita in Capas, Tarlac, he saw that the people still lived in the same old shacks and could hardly make ends meet. Although they had come to own the land they had been fighting for through a people's revolution in the area, the absence of government support in terms of infra-

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structure, technology and capital had perpetuated the peasants' impoverished status. The same predicament affected the five other adjoining and nearby *barangays* whose residents formed the initial core of Dante's NPA. Although he was saddened and even angered by what

he saw, Dante resolved that he would exert all efforts to improve the farmers' life. The goal was still there, that is, to improve the peasant's economic condition. The strategy, however, had changed. Instead of armed struggle, Dante used the cooperative as his vehicle for the peasantry's economic emancipation.

This essay looks into the manner in which the former NPA commander sought to reorient the members of his NPA communities by directing their energies for change toward an economic venture rather than a communist insurgency. It focuses on the success and failure of such an effort, particularly in redefining the peasantry's perception of social change and the obstacles which hinder such an endeavor.

RATIONALIZING THE STRUGGLE

ONE of the first things which Dante had to do was to rationalize to his former NPA communities why he was suspending his participation in the armed struggle. He noted that after the 1986 February People Power revolution, the Philippines was confronted with a new political situation which warranted a different kind of popular action. The Filipinos were now experiencing a liberal political atmosphere which provided an opportunity to go and organize in the countryside. He noted that for as long as people were allowed to express their views openly, associate with each other and participate in solving society's problems peacefully, there was no need to take any form of violent action (Buscayno 1986). For the former NPA commander, what was needed was to strengthen the mass organizations, raise the consciousness of the people

and adopt whatever strategy there is to achieve these even if it required some compromise. What was important, Dante stressed, was that the revolutionary does not lose sight of the class which he is fighting for (Panayam 1987). Dante, therefore, is part of the sector of the Left which has argued from within and outside the CPP to look into various strategies aside from the armed struggle to bring about changes in society.¹

It was not surprising that majority of his former comrades would share his view. A number of them spoke of 'war weariness'; they welcomed this period of peace to pick up the pieces they left off before joining the revolutionary struggle. The farmers recalled the militarization of the Capas area in the 1960s where the Barangay Self-Defense Unit (BSDU), a forerunner of the Civilian Home Defense Force (CHDF) and the Citizens Armed Force Geographical Unit (CAFGU), was notorious for summary executions, like the abduction and murder of a barangay captain. The residents also remembered the military's arbitrary arrests of community members who were then brought to a cemetery where they were killed. In those times, the people would generally retreat to the mountains; those who did not, shut themselves inside their homes.

The Cooperative Alternative. The alternative which Dante pursued was the establishment of a cooperative, the People's Livelihood Foundation-Tarlac Integrated Livelihood Cooperative (PLIF-TILCO). Dante felt that, through this economic venture, he would be able to provide the farmers with the needed capital or technical support so that they could earn a decent living from the land which they now own. His target-beneficiaries agreed with him because a majority of those who are Certificate of Land Transfer (CLT)² holders had difficulty in amortizing the loans they received from the Land Bank of the Philippines (LBP) as payment to their former landowners. A survey conducted by the PLF-TILCO during its organizing stage revealed appalling figures concerning the farmers' situation. In Barangay Sta Rita, for example, out of the 99 farmer-beneficiaries of Presidential Decree (PD) 27,³ only six were not saddled with debts. A majority of the farmers were 'neck-deep' in loans ranging from 12,000 to 50,000 pesos. Thus the distribution of CLTs to these farmers did not end their problems and only

served as a first step in solving the agrarian issue. The reality was that the newly 'liberated' tenants easily fell prey to loan sharks who charged them monthly interest rates of 10 to 15 percent and to unscrupulous traders, cartels and rice millers who bought their *palay* at a cheap rate and sold it for double the amount. Aggravating the situation was the farmer's harvest which was only 40 cavans per hectare, not even enough to pay off their loans.

Thus, for Dante, the cooperative could be utilized to empower the farmers in meeting their economic needs. His major goal was to accord people a quality of life due them, i.e. the satisfaction of the people's basic needs so that they would never go hungry again. The organization which Dante envisioned was a broad-based cooperative composed of various livelihood projects, foremost of which was rice production (the main source of livelihood of his target-community). The concrete manifestation of his vision was the establishment of the People's Livelihood Foundation (PLF), a non-governmental organization in 1988. By April 1990, the Tarlac Integrated Livelihood Cooperative (TILCO), a spin-off from the PLF, was formed. Dante's organization is referred to as the PLF-TILCO.

The response of Dante's target-community, i.e. the six *barangays* which constituted his initial NPA areas was positive. Although there were some misgivings concerning the use of the cooperative because of their previous experience with the failure of government-initiated cooperatives such as the Farmers' Cooperative Marketing Associations (FACOMAs) in the 1950s and the *Samahang Nayan* in the 1970s, the farmers were willing to give the PLF-TILCO a try. It was not difficult for Dante to organize them since the core of his organization were his six original NPA communities. Thus, on its first year, the cooperative already had a mass base of 506 farmers occupying 1,019 hectares.

Support of the State. Another aspect which Dante stressed was that the state could be an ally in building their economic venture. As the PLF-TILCO head, Dante noted that the failure of the FACOMAs and the *Samahang Nayan* was due to the absence of the government's political will for it to succeed. One way in which he sought to do this was to gain the support of then President Corazon Aquino. Mrs Aquino

and the former NPA commander had a special relationship. Her husband, ex-Senator Benigno 'Ninoy' Aquino was Dante's political ally during the Marcos regime.⁴ For Mrs Aquino, assisting no less than the NPA founder in his economic endeavor would provide a powerful example for her administration in its attempt to attract former rebels back to the fold. Thus, all the pertinent agencies for cooperative development such as the Department of Agriculture (DA), the Department of Agrarian Reform (DAR), the National Irrigation Authority (NIA) were mobilized to support the PLF-TILCO.

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The Land Bank of the Philippines (LBP) provided an initial loan of 2.5 million pesos for the first cropping in October 1988. The interest rate given was 12 percent per annum as compared to the usurers' 10 percent a month. The cooperative's 100 percent repayment of its loan facilitated the release of a 50 million peso credit line from the LBP. The Technology and Livelihood Resource Center (TLRC) also played an important role in the growth of the PLF-TILCO. Aside from training PLF-TILCO members as employees of the cooperative, it also extended credit facilities and technology assistance to the farmers and paved the way for government assistance in infrastructure through the DAR's Dutch Rural Development Assistance Program (DRDAP) loan of 24 million pesos for the establishment of post-harvest facilities (PHFs).⁵ Funds from the Comprehensive Agrarian Reform Program (CARP) were also used to build farm-to-market roads in the six incipient PLF-TILCO barangays.

The PLF-TILCO as a Popular Alternative. What the farmers liked most about the cooperative was the extension of credit at a low interest rate of 1.5 percent a year as compared to the 10 percent monthly interest charged by money lenders. Because of the technical assistance they received, the farmers increased their yield from 40 cavans per hectare to 80 cavans, thus doubling their income from the rice harvest. During its initial years, the PLF-TILCO cooperative was also able to raise

the price of *palay*. The popularity of Dante's economic venture was seen in the expansion of its membership from 506 in 1988 to 11,150 in 1991 (an increase of 2,103 percent). During that period, the membership of barangays increased from six to 83 (an increase of 1,283 percent) and the total land area increased from 1,019 to 20,236 hectares (an increase of 1,886 percent).⁶ The barangays covered were not only based in Tarlac but also in the neighboring provinces of Pampanga and Nueva Ecija.

The cooperative also became a major employer for the PLF-TILCO communities. At the cooperative's peak, there were around 200 employees receiving fixed salaries from the organization. The cooperative employees were trained to take care of not only its major activity, which was rice production, but also the other PLF-TILCO business ventures such as duck-raising, reforestation and soya bean-farming. The cooperative's personnel also received salaries higher than the prevailing rates in the industries in Capas. The farmers' children were also trained to occupy office positions. Women who were in their late teens and early twenties were taught office skills such as accounting and computer work. The women were generally tasked with office jobs while the men generally took charge of the PHFs, rice classification and truck driving. A PLF-TILCO activity which saw an almost equal distribution of men and women employees was in the production loan division where a female coordinator and a male technician worked together as a team to assist the farmers in rice production. The coordinator took charge of releasing and collecting loans from the farmers while the technician assisted the farmers with the production technology.

During the first three years, the PLF-TILCO was able to meet the farmers' needs in terms of access to low-interest credit and technical advice. The economic venture also increased the members' yields and fetched them a better price for their products. Jobs were generated by the economic venture's related activities since it had its forward and backward linkages. The cemented roads, for example, brought about the rise of tricycle driving as a source of livelihood.

Thus, in the first three years, the roles within the PLF-TILCO community were defined and the goal was clear. The farmer-beneficiaries were to receive credit and technical support from the cooperative, and

repay their loans to the cooperative during harvest time. Under the leadership of Dante, the cooperative took charge of accessing the credit line for its economic ventures and of collecting loan payments from the farmers. The goal of self-reliance was to be attained through the elimination of the farmers' agricultural 'enemies', such as the usurers and middle-traders which had replaced the landlord. More importantly, the whole experience was geared toward the popular empowerment of target-beneficiaries as they pursued a livelihood through participation in the cooperative. It was through this experience that Dante sought to redefine the peasants' perceptions of how social change was to occur in their lives — no longer through an armed struggle, but through an economic venture.

REALITY HAUNTS THE COOPERATIVE

DESPITE its initial success, the PLF-TILCO was saddled with an enormous debt in 1995, caused mainly by the 42 million pesos in arrears to the LBP. This was the result of the non-payment of loans by its farmer-members. A reason given was the inability of the cooperative to confront the power of the rice cartel or middle-traders despite massive government assistance.⁷ Thus, the cooperative's primary lending agencies, e.g. the LBP, concentrated mainly on the extension of credit or the establishment of PHFs, e.g. the TLRC, instead of a marketing scheme. The government's National Food Authority (NFA) could only purchase 10 percent of the country's rice output. This situation was aggravated by the late release of government loans or the partial release of the loan which deprived the PLF-TILCO of the cash to buy the farmers' agricultural inputs, e.g. fertilizer and pesticide as well as rice. The absence of inputs, such as pesticides, made the farmers' crop more vulnerable to disease. Such situation forced farmers to turn to usurers. The delayed credit line also forced the farmers to sell to the middle traders at a low price. The LBP policy of accepting payment only in cash further aggravated the problem of cash flow. This is because the PLF-TILCO had a difficult time marketing its rice output.

Much is left to be desired in the performance of key government agencies which play a crucial role in supporting cooperative endeavors. Cooperatives, like the PLF-TILCO, cannot do it alone. They need the

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support of state agencies. What seems to be pertinent, therefore, is an advocacy campaign to make these line agencies more effective in the GO-NGO partnership in livelihood projects. Government assistance should go beyond the extension of credit and must include putting in

place an effective marketing scheme to make cooperatives more viable.

Cooperative mismanagement is also to be blamed for the massive loan default by farmers. The rapid expansion of the PLF-TILCO spread its financial assets too thinly. Money which was intended for the production division was used for other purposes, e.g. to start another livelihood project. As a result, the farmers some-

times could not get their inputs, e.g. fertilizer and pesticides, at once because the PLF-TILCO did not have money to make these purchases. Because of this delay, a number of the farmers went to usurers; when it was time to pay up they preferred to pay the usurers rather than the PLF-TILCO. It was also noted that when the economic venture was smaller, i.e. when it covered only six barangays, repayment was more or less 100 percent. But this could no longer be sustained when the cooperative had expanded; the management staff could no longer oversee the collection of the loans.

Cooperative mismanagement is also attributed to Dante's leadership. The PLF-TILCO head is said to have ignored the advice given by his staff members and government consultants on such matters as the cooperative's rapid diversification and investment in economic ventures with low-yielding financial returns. Dante's decisions were based on the need to 'strike when the iron was hot', i.e. since there was money available, it was only logical to invest it in other economic ventures. However, Dante did point out later on that government agencies should have ceased from extending loans to the cooperative once it began to encounter repayment difficulties among its farmer-clientele. The LBP should have closely monitored the loans it gave out to the cooperative. There were instances when production loans were used to pay for the tuition fees of the farmers' children. On the other hand, it is argued that these

government agencies continued to extend these loans because the PLF-TILCO was the Aquino administration's model cooperative which had to succeed at all cost. Another problem was corruption. A management technician, for example, used the 60,000 pesos that he had collected from the members to bet on a cockfight while a coordinator made use of the farmers' money to secure herself a job as an overseas contract worker in Taiwan. There was also the perception that Dante listened only to those who were themselves guilty of stealing from the cooperative.

Between 'Paternalism' and 'Professionalism'. For Dante, cooperative mismanagement could be addressed by professionalizing the staff which he attempted to do in April 1991. This ranged from buying a bundy clock to make sure that the staff put in a total of eight hours of work to systematizing the collection scheme whereby the cooperative technicians and coordinators had to immediately remit the money they received from the farmers. He also saw a need to eliminate the discrepancy between the vision of the leadership and his staff who seemed to view the organization as a source of employment and nothing else. One of Dante's biggest frustrations was that the young women in his staff seemed to dream only of being popular singers and actresses just like the 'megastar' Sharon Cuneta.

But the most difficult problem, however, was the centralized form of decision-making which centered on Dante. The staff members and the farmers complained that they did not play a significant role in the decision-making process. Although Dante attempted to train his staff to assume responsible positions within the cooperative, he still made the major decisions. This kind of training was not available at the grassroots level. The farmers did not particularly mind the centralized decision-making process for as long as the PLF-TILCO, or Dante, took care of them. Thus, the *bayanihan* spirit where farmers help out one another was not inculcated in them. Instead, the farmers were more concerned with maintaining their individual relationship to Dante as the PLF-TILCO head. Also, what could not be erased was Dante's reputation as an NPA commander whose followers were these farmers. One farmer confessed that he found it so difficult to bring his complaints

to Dante that he had to be drunk in order to do so. As for the younger employees, they had been told stories about Dante as NPA chief by their parents who were members of the movement. Because of this, none of the farmers and the employees openly defied Dante's leadership.

Although there were attempts by the employees to establish a labor union within the cooperative, this did not last. The grievances of the staff were generally directed at the immediate boss, not Dante. The farmers, on the other hand, generally did not argue against Dante. They

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basically saw him as their 'patron'. They considered him as the 'money bag' whose close ties with government, specifically with President Aquino, enabled him to gain access to so much capital. The farmers used the cooperative as a source of patronage for their credit and employ-

ment. What seemed to be lost on the farmers was Dante's constant reminder that the loans they would get from the government must be paid back. More importantly, the farmers failed to grasp the long-term vision of the cooperative which was self-sufficiency, i.e. that the ultimate goal is for the organization to generate its own internal funds, thus putting an end to external debt.

Despite Dante's efforts to dissociate himself from this role of patron, there was strong community pressure for him to meet such 'social obligations'.⁸ The community even complained that Dante had become inaccessible. To the community, Dante's inaccessibility meant that he had already turned 'capitalist'. Dante, however, admits that he found it difficult to cut off his ties with former comrades who supported him during his NPA days. When staff members argued for the dismissal of those caught stealing from the cooperative, Dante invoked this past comradeship, i.e. '*mayroon kaming pinagsamahan*' (we have come a long way together). But what seemed to be more of a dilemma for Dante was his inability to cut himself off from his political patron, i.e. Mrs Aquino. When the cooperative was experiencing a massive default of loans by its members, the solution was to get more loans from government agencies which was made possible precisely because the PLF-TILCO was the government's model cooperative.

Losing out in the Political Arena. In general, the role of the patron which the peasants accorded Dante was based on his access to state resources. For as long as the PLF-TILCO could extend its credit line to them at a low interest rate, the farmers stayed on as members of the cooperative. But unfortunately for PLF-TILCO, two events radically altered the situation. The first event was the eruption of Mt Pinatubo in June 1991. Although the PLF-TILCO areas were not overrun by lahar, the ashfall from the eruption had destroyed their 1991 harvest. In the long run, the lahar also dried up the farmers' irrigation system which prevented them from planting *palay*. The government was helpless in bailing out the farmers from such a disaster.

But what seemed to be the straw that broke the PLF-TILCO's back was the 1992 presidential elections which witnessed the emergence of a new set of politico-economic elite that was not enthusiastic about the Buscayno experiment. Mrs Aquino and the Cojuangcos supported the presidential candidacy of Fidel Ramos, but Dante did not because Ramos was his jailer during martial law. Instead, Dante supported Ramon Mitra with whom he had a close relationship when he was still an NPA commander. Although Ramos, upon his ascendancy to the presidency, had announced his continued support to cooperatives in general and to the PLF-TILCO in particular, this was little more than lip service.

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The entry of a new administration witnessed a new set of officers in the two line agencies which had played an important role in the rise of the PLF-TILCO, i.e. the LBP and the TLRC. During a presidential campaign sortie for Ramon Mitra, the LBP president at the time had made a pledge to condone the loans of farmers who were adversely affected by the Pinatubo eruption. The pledge was not honored by the new LBP president who declared that the LBP would now act as a 'commercial bank'. As for the TLRC, a debate on whether or not to continue the support for the PLF-TILCO had been raging within the agency even before the May 1992 elections. One camp argued that the TLRC should continue supporting the cooperative since it was the time their

help was most needed. The other camp argued that, with the millions already spent on the cooperative, it was about time that the PLF-TILCO weaned itself from the agency. The latter argument prevailed when the TLRC had a change of officers after the 1992 elections.

The PLF-TILCO did not only lose its patrons at the national level but at the local level as well. Although the new governor, Margarita Cojuangco, was Mrs Aquino's sister-in-law, she was not enthusiastically supportive of the Aquino administration's model cooperative. This was probably because both women found themselves in two different camps during the 1992 presidential elections. The new governor's attitude was unlike that of the previous governor who, together with the TLRC, helped make the blueprint of the PLF-TILCO. He even provided for bridge financing when the cooperative was still waiting for the release of loans for its PHFs. But then, this was not surprising since the governor was a Cory appointee. After the 1992 elections, Dante had also lost the support of the mayor in the Capas municipality. This was because Dante had fielded his own candidate who failed to win. At all levels, therefore, from the national to the local, the PLF-TILCO lost all its patrons. In a country where access to resources is still largely dependent on patronage politics, this proved to be very disastrous for the cooperative which was grappling with the massive default of its members who were also adversely affected by the Pinatubo eruption.

To a certain extent, Mrs Aquino tried to continue helping the cooperative after her presidency. Because majority of the PLF-TILCO areas could no longer plant rice, the cooperative shifted to planting sugar cane which required less water to grow. Since the Cojuangcos owned the *Central Azucarera de Tarlac* (CAT)⁹, Mrs Aquino facilitated the purchase of the cooperative's first harvest (Montelibano 1994). In general, however, the assistance of the former president to the PLF-TILCO came in the form of trip tickets to the *Central* which also did the milling of the cooperative's sugar cane. This was an important feat in itself because the *Central* is the only sugar mill in Central Luzon and it can only mill a limited number of sugar cane. Thus, soliciting these trip tickets was viewed by farmers as a form of political largesse, i.e. Dante had access to the *Central* through Mrs Aquino.

THE PEASANTRY'S AGE-OLD STRATEGIES FOR SURVIVAL¹⁰

ACCESS to trip tickets, however, did not solve the problem of a credit line for the PLF-TILCO, which was made difficult because of the cooperative's outstanding loan with the LBP. For as long as the farmers were unable to get the loans they needed from the cooperative, they resorted to other sources, such as the planters. Ironically, sugar planters are viewed as the reincarnation of the farmer's previous enemy, i.e. the landlords. This however did not seem to disturb the farmers because the ability of the planter to provide loans immediately was a very attractive proposition. Consequently, farmers no longer wanted to borrow from the bank even when it offered a monthly interest rate of two percent compared to the five percent charged by the planter. The bottom line for the farmers, therefore, was who could give them the better 'deal' and it did not really matter at what cost. Alita, a farmer tried to rationalize the role of the planter and said that planters were not running a cooperative and, therefore, were not expected to help people. On the other hand, Ness, another farmer, felt that the planter was also like a cooperative because he lends out money. But, unlike the PLF-TILCO, she did not need to buy shares from a planter to get a loan. These members felt that they were being treated unfairly by the planter, yet ironically, they were too embarrassed to leave him. In the case of Alita, she felt that it did not seem right to do this since the planter gave them the financial assistance when they needed it most. He was the one who spent on everything required to harvest their sugar cane. She intended to break her ties with the planter when she no longer owed him anything. For most Filipino farmers, this could mean forever.

Aside from getting loans from the planter, the farmers also resorted to getting loans from middle traders who, unlike the planters, were licensed to sell the sugar in the market. The rice cartel, on the other hand, had been replaced by the *Central de Azucarera de Tarlac* which determines how many piculs there are in one ton of sugar. For the former PLF-TILCO members, therefore, the failure of the cooperative to meet their financial and planting needs led them back into the arms of the socioeconomic forces which the PLF-TILCO wanted to eliminate, i.e. the sugar planters and the middle traders. Even the Cojuangco's *Cen-*

tral is a monumental reminder of elite monopoly over sugar. These age-old alternatives also caused farmers to be delinquent in paying back their loans to the PLF-TILCO. There were those who tried to avoid paying their loans to PLF-TILCO by making false claims that their harvest was

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destroyed when, in reality, they had already harvested their sugarcane and sold it off to a planter. Despite the fact that the sugar planters/traders continued to exploit the farmer, the sugar planters/traders were able to play the role of the 'patron' who can take care of the farmers' needs. For the farmers, it was vital that they had somebody in the cooperative who could solve their problems immedi-

ately. But because the PLF-TILCO did not live up to their expectations, the peasants left the organization and pinned their hopes on their age-old 'enemies' to bail them out of their financial distress.

Non-Payment of Loans as a Form of 'Passive Resistance'. As for the farmers' loans from the government agencies such as the LBP, the farmers simply refused to pay them back, claiming that presidential candidate Ramon Mitra and the former president of LBP had told them that the loans given to the Pinatubo victims would be regarded as '*tabla-tabla na*'. According to an LBP officer, farmers who were not affected by the volcanic eruption also assumed that the same terms applied to them. A similar situation occurred in the *Samahang Nasyon* (SN) which witnessed the massive default of loans by the farmers. The SN members were much to blame for the failure of the cooperative as they were mainly motivated by self-interest. Studies revealed that an overwhelming majority of the members were keen to get something out of the organization than to give their time and effort to it (Quintana 1989). The government agencies, i.e. the LBP, the TLRC and the DAR which had big loan exposures to the PLF-TILCO, were at a loss. According to a DAR official, those farmers who had originally wanted to reduce their loans had decided otherwise because they saw that the others had chosen not to pay.

This is a common practice among farmer-borrowers. As pointed out by Kerkvliet (1990) 'delaying payment to government agencies or even banks is usually less risky because delinquent peasants have greater anonymity by virtue of distance and their large numbers. Peasants also calculate that these agencies cannot readily impose sanctions.' However, it can also be seen as 'rural theft' which is 'nearly a permanent feature of stratified agrarian life whenever and wherever the state and its agents are insufficient to control it' (Scott 1986). Moreover, 'when such a theft takes on the dimensions of a struggle in which property rights are being contested, it may become an essential element of any careful analysis of class relations' (Scott 1986). It is within this context that such peasant (re)actions are regarded as a kind of resistance to the power of capital which may provide a strong basis for a counter-hegemonic coalition formation (Culture and Development 1995). The farmers' refusal to pay their loans to the LBP, for example, unwittingly produced a positive effect in bringing about a much needed reexamination of the agency's lending policies in the light of the massive default of the PLF-TILCO, in particular, and cooperatives in general. The agency was much criticized in its incessant lending of loans without properly monitoring these.¹¹ As noted by White (1986), 'state plans are often unrealistic and peasant non-compliance a valuable corrective'.

Attempts to Replicate the Buscayno Experiment. Dante was therefore caught between such peasant resistance and the need to pay back the loans. Although he himself felt that the creditors, especially the LBP, had been unfair in their policies toward the cooperative, he also realized that the farmers' non-payment of their loans could spell the end of the PLF-TILCO. Moreover, he was convinced that changing the system was not the major preoccupation of the farmers. This was because the farmers seemed to think that there was no need to change the system for as long as they had continued access to loans by joining or establishing other cooperatives or livelihood projects, an experience which they learned from the PLF-TILCO. What the farmers tried to replicate also included the manner in which Dante was able to gain financial assistance from politico-economic elites and government agencies. According to Scott (1976), this is the peasantry's actions to fight

the system, i.e. 'in traditional society, where most of the peasantry... do not expect to be part of the politically relevant public, the unwritten understanding that preserves these boundaries is that the elite political class will assure subsistence and protection to the nonparticipant lower

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classes.' Furthermore, it was through the cooperative that the peasants sought to establish durable connections with patrons for reliable access to credit or preserving linkages (Kerkvliet 1990). This is seen in the experience of members of Barangay San Jose, a core PLF-TILCO barangay.

The closest the San Jose community members got to in replicating the PLF-TILCO was the establishment of the San

Jose Multi-Purpose Primary Cooperative which is also referred to as the SJPMPC. The head of SJPMPC, Kong Mike Lapus, was urged by former PLF-TILCO farmers to start his own cooperative because of their dissatisfaction with the PLF-TILCO. It was initially able to get the assistance of the Municipal Agriculture Officer (MAO) of the Department of Agriculture (DA). This was quite crucial; the LBP does not usually lend to a cooperative if it does not have the DA's approval because the DA is tasked with providing training programs to these organizations.

As for getting support from politico-economic elites, Kong Mike initially approached an in-law of Mrs Aquino for 9 million pesos but was refused. He approached another Cory Aquino in-law who agreed to support his cooperative with money from his countrywide development fund (CDF). Mrs Aquino's relative gave a loan of 490,000 pesos to the cooperative as a counterpart fund for the organization's purchase of two ten-wheeler hauling trucks to transport their sugarcane. The rest of the amount was financed by the LBP which agreed to extend a 3 million peso credit line. This allowed the SJPMPC to engage in both sugarcane and rice production. From an initial membership of 34 in 1991, membership had increased to 128 by 1995. All the members were required to give a share of 500 pesos each. Thus, for the former PLF-

TILCO farmers, the SJPMPC was an alternative to the planters and to Dante's cooperative which, by that time, had very limited funds.

However, the farmers also had complaints about Kong Mike's style of leadership. They claimed that he was authoritarian and that he arbitrarily decided on who was to be kicked out of the cooperative. Mang Roberto Lopez and Mang Ofelio de los Reyes, for example, were both expelled from the organization because their criticism of the cooperative's rules and regulations had offended the leadership. Another complaint was the lack of openness in the cooperative. A farmer said that after his sugar cane was milled, he was not shown any original receipt and was presented only with a handwritten statement. Some described Kong Mike as irritable and unable to accept criticism. Kong Mike has been known to refer to members who question his decisions as stupid or uneducated.

SJPMPC members also complained about the interference of Kong Mike's wife in the affairs of the cooperative as well as the 'favoritism' that operated in the organization. Farmers who were closest to the SJPMPC head or the cooperative's board of directors had their crops harvested first. Aside from the management style, members also complained about the economic assistance they received from the cooperative. One married couple left the cooperative because they felt that it was wrong for the SJPMPC to deduct 5,000 pesos from the 18,000 pesos production loan that the LBP had extended to each farmer. The SJPMPC had justified this deduction as payment for the harvesting of their sugar cane. As for emergency needs, Aling Lydia, a former PLF-TILCO farmer and now an SJPMPC member, complained that the money Kong Mike had said would be available for emergency loans never came. Some farmers also questioned the fact that Kong Mike was a planter whose interests were in conflict with the organization. They were uncertain about his priorities when it concerned the assignment of limited slots available for milling sugar cane at the *Central*. Kong Mike's use of the organization's tractor to harvest the land of non-members was also criticized, especially since his earnings from this did not go to the SJPMPC. A case was filed against Kong Mike by Maria Magtanggol on behalf of her sister-in-law who was a cooperative member. Magtanggol believed that Kong Mike had failed to reveal her sis-

ter-in-law's statement of account. But the case of Magtanggol was more of the exception rather than the rule. The SJPMPC members generally preferred to keep quiet for as long as the SJPMPC continued to give them loans. A farmer pointed out that going against the leadership was like 'biting the hand that fed them'.

There was a feeling of helplessness among the SJPMPC members who were in dire need of economic assistance and had no choice but to stay on. In order to be able to leave the SJPMPC, they were hoping that the PLF-TILCO would make a financial recovery or that a third cooperative would be set up in the community. What they did not seem to realize was that the leader of the cooperative was also dependent on its membership because, without them, he could not get bank loans. Farmers rationalized that their passive behavior was a result of their being 'uneducated' but it was pointed out this was invalidated by the fact that the PLF-TILCO community was 'politically conscious', having fought an armed struggle for years against the dictatorship, and should not have allowed these 'undemocratic' ways to hold sway.

For some SJPMPC farmers, the solution to their complaints was to look for another cooperative. In this sense, they did not see the importance of working hard for the survival of their organization since another one could be set up with the help of a 'generous benefactor' and

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a 'sympathetic' leader. This was the reason why some farmers tried to convince Ka Rey Teodoro, a former NPA commander, to accept the offer made by a Cory Aquino relative and a Tarlac congressman to establish a third cooperative in Barangay San Jose. Ka Rey refused to

do so; he viewed such offers as palliatives in a society where the concentration of wealth and power still lies in the hands of a few. As the former NPA commander aptly puts it, the farmers failed to internalize the cooperative concept, an observation that Dante had also made. Cooperatives were thus competing with one another for funds, generally those coming from the state.

The situation brings forth the view that 'the great bulk of peasant resistance is not directly to overthrow or transform the system of domi-

nation but rather to survive it — today, this week, this season — within it' (Scott 1985). This may be so because the farmers were engaged in a new ball game. Unlike the political revolution of the past decades, this new game was economic; though with similar actors, it had a different set of rules. What seemed to be the farmers' recourse was their 'silence and anonymity' which can be seen as a form of resistance (Scott 1986).

ATTEMPTS AT OTHER LIVELIHOOD PROJECTS

THE San Jose community did not rely on the politico-economic elite. Under the Aquino administration, government agencies, as well as non-governmental organizations (NGOs), were also viewed as potential 'patrons' of the farmers' livelihood projects.¹² During the early years of the PLF-TILCO, for example, the Peasant Aid Program (PAP), a left-leaning NGO, encouraged the farmers to set up their own livelihood projects in the PLF-TILCO core areas. The NGO, however, did not have much success mainly because the farmers were not able to pay back their loans. Another left-leaning NGO, the Help for Livelihood Peasant Projects (HELPP), also attempted to initiate economic ventures in San Jose with the aim of assisting the Pinatubo victims. It gave financing for duck-raising. However, it was noted by one member that the NGOs lent money but did not train the farmers to handle the livelihood project. It was also observed that the recipients did not work as a group. This situation was apparent among the other small economic ventures in the barangay. There were other instances when members of the San Jose community were invited to NGO-sponsored seminars on livelihood projects but nothing came out of it. Some farmers felt that they were just being used by these NGOs. This is not surprising. With the current popularity of NGOs, there have emerged 'fly-by-night' NGOs whose main concern is to raise funds for itself at the expense of the marginalized sectors.

The San Jose community tapped government agencies to support its economic endeavors such as the *Kaisahan sa Livelihood* programs which included a piggery project. Again, the problem was the farmers' lack of skills to sustain the project. The lending agency, for instance, did not teach them how to market the livestock. The farmers could not dictate the selling price of the pigs nor could they get any dealer will-

ing to sell them at a good price. The *Kaisahan sa Livelihood* program was also able to get credit from the Department of Labor and Employment (DOLE) to buy cows. This amount of 100,000 pesos was re-lent to only 14 beneficiaries. But like its first economic venture, the members could not pay on time and also found it difficult to sell their cows.

In general, therefore, the attempts to replicate the Buscayno experiment, whether through the form of a cooperative or another livelihood project, were failures. Either the farmers refused to pay back their loans, claiming that the project was a failure, or the creditor, i.e. the government agency or the NGO, failed to educate its recipients on the technical aspects of the livelihood venture which included loan monitoring, livelihood training programs and product marketing. Because of the absence of such assistance, the projects collapsed and were written off as a dole-out.

CONCLUSION

THIS leads to a reexamination of the nature of the new dispensation ushered in by the 1986 People Power Revolution. Members of the Left, such as Dante, had felt they could redefine peasant perceptions of social change through development efforts. For Dante, this took the form of an NGO, the PLF which established and assisted a cooperative, i.e. the TILCO. Thus, the major vehicle for socioeconomic change would have been the PLF-TILCO. A reality which Dante had to confront was

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the replacement of the Marcos authoritarian regime with elite democracy. For Dante, the latter was a better alternative than the former which had jailed him for nearly a decade. More importantly, the head of the elite in power, i.e. Mrs Aquino, was the wife of his former po-

litical ally. In a society where connections are very important, Dante saw this as a means of gaining access to state resources for his cooperative. The farmers in the PLF-TILCO community, majority of whom were Dante's NPA comrades, welcomed this change of strategy. The PLF-TILCO's success during its first three years convinced the farmers that change could be brought about through a cooperative with the support

of state agencies such as the LBP and the TLRC. Such an attitude was fostered by low-interest loans, increased harvests, and the employment opportunities provided by the economic venture.

The problem, however, was sustainability. After three years, the PLF-TILCO began to experience problems of non-payment from farmers. Blame was placed on cooperative mismanagement which involved the rapid expansion of the organization and corruption in the bureaucracy. In response, the PLF-TILCO professionalized and streamlined its organization. Another set of problems, however, proved to be more difficult. These were structural forces that worked against the organization. One was the power of the rice cartel and the middle traders. The PLF-TILCO had a difficult time selling its rice in the market. The situation was aggravated by the fact that the cooperative's major creditors, i.e. the LBP and the TLRC, were mainly concerned with extending credit. What sealed the fate of the PLF-TILCO was the Pinatubo eruption. A natural disaster which the government was helpless to confront, the Pinatubo eruption led to the massive default of the cooperative members, especially among those whose harvests and lands were adversely affected by the ashfall and lahar. All these had reinforced the farmers' feeling of helplessness against factors which they had previously blamed for their current state of subsistence, i.e. the power of the rice cartel and middle traders and natural disasters. Moreover, it reinforced their view of the government's inability to bail them out of trouble.

It is then quite understandable why the farmers ultimately abandoned the PLF-TILCO for sugar planters/traders when the cooperative shifted to planting sugar cane and why they refused to pay off their loans from government agencies, particularly from the LBP. The farmers argued that, unlike the PLF-TILCO, the usurers, middle traders, sugar planters/traders will always be there. The farmers viewed the PLF-TILCO not as their own but one belonging to the state, mainly because of the Aquino administration's support for it.

The farmers, however, also realized that one way they could escape from the combined exploitation of the middle traders and the planters and rice cartel was to look for another cooperative or to establish one which would give loans at low interest. They also pinned their hopes

on a leader who had access to these loans. Thus, although they complained of Dante's centralized style of leadership, they also tolerated this for as long as he was able to obtain resources. This was also their attitude towards the SJPMPC head, Kong Mike Lapus. Despite their complaints about the lack of transparency and abusive language of Kong Mike, they put up with it for as long as they could get their loans at low interest rates. The farmers also realized that connections with members of the politico-economic elite were a prerequisite for the cooperative's ability to harness assistance for their economic project.

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Thus, once they saw that the support of Mrs Aquino had ceased to be substantial after her term as president, they abandoned the PLF-TILCO for another cooperative, the SJPMPC, which was able to get a substantial loan from a relative of Mrs Aquino. Those who were not happy with the SJPMPC and the PLF-TILCO, on

the other hand, pressured Ka Rey Teodoro to establish a third cooperative in the same *barangay* because of the support being offered by another Aquino relative and a Tarlac congressman. The farmers' choice of a patron at the local level was dependent on who their patron's patron will be at the national level. With elections bringing about changes in power among the politico-economic elite, one can assume that the farmers will be perennially shifting their alliances.

Under the Ramos administration, the search for a patron by the farmers also took on an indirect form. They solicited patronage through the cooperative or other forms of livelihood projects. Moreover, they no longer relied on the politico-economic elite alone but also on government agencies. NGOs are also viewed as 'patrons' within this context. Nevertheless, it is the sustainability of such efforts which remains the issue. The farmers continued to default on their loans and technical and marketing assistance was unavailable. Thus, Dante's attempt to redefine the peasant's perception of social change may be viewed as one step forward and two steps backward. That is, for the moment, the armed struggle does not seem an option for as long as the farmers continue to see the advantages of establishing economic ventures, like the

cooperative, to improve their living conditions. The problem, however, is that they see the success of such an endeavor as dependent on the assistance of the state and the politico-economic elite. In this sense, the peasantry continues to

derive their normative force and strategic value from the fact that lip service is still being paid to them by the locally dominant elite. There is virtually no radical questioning of property rights or of the state and its local officials.... Almost everything said by the poor fits easily within the *professed* values — within the hegemony — of local elites. (Scott 1985)

This can be viewed positively within the context of the 'everyday forms of 'peasant resistance'. However, this is not what Dante envisaged when he set out to empower his former NPA comrades through the PLF-TILCO. From the perspective of a revolutionary who wanted to transform the system, the major concern was determining to what degree there was 'peasant compliance with and acceptance of the system which exploits them' (White 1986). Although he referred to the peasantry as the most reactionary force in society, Dante was nonetheless optimistic about their capacity and also of his own to cope with the elite-dominated system. The task which faced Dante remains unfinished, i.e. transforming such notional perceptions of power to one of reality which will allow the peasantry to challenge those who hinder their access to resources (Dube 1988). The PLF-TILCO experience made the peasantry take two steps backward, i.e. the farmers continue to redefine themselves within their image of the past while socioeconomic forces continue to perpetuate such an image.

Dante's attempt to redefine the peasant's perception of social change may be viewed as one step forward and two steps backward.

NOTES

This article is based on the author's monograph on 'Possibilities and Limitations of an Alternative Cooperative Philosophy: The Buscayno Experiment', University of the Philippines-University of Amsterdam Joint Research Project on Agrarian Issues in Central Luzon, 1993, her

doctoral dissertation on 'Non-governmental Organization Approaches to Cooperative Development: Two Case Studies of the Philippine Experience', University of Hong Kong, August 1997, and an article she wrote for the *Philippine Political Science Journal* entitled 'Confronting Patronage Politics in Cooperative Development: The Buscayno Experiment'.

1. Because of in-fighting in the mainstream Left, i.e. the Communist Party of the Philippines (CPP), its ranks ultimately split in 1993 between the 'reaffirmists' (RAs) and the 'rejectionists' (RJs), i.e. between those who support and those who disagree with Armando Liwanag's assessment of the last 14 years of the national democratic movement as embodied in 'Reaffirm Our Basic Principles and Rectify Errors'. Armando Liwanag is alleged to be CPP leader Jose Ma Sison and the document attempts to limit the debate to the movement's loyalty or betrayal of the strategy of protracted people's war (FOPA 1993). Dante generally kept his cooperative experiment away from the other factions in the Left. He felt that allying himself with members of the Party's factions would draw his PLF-TILCO community into the debate raging in the CPP. The Party leadership however initially sent in some of its cadres to the cooperative community in an attempt to keep Dante and his experiment within the Party's political line. Some of them eventually ended up as cooperative members themselves.

2. The CLT is given by the government to an agrarian reform farmer beneficiary. After the farmer is able to pay the amortization of the land, he/she will be awarded the land title by the government.

3. PD 27 called for the 'emancipation of the tiller from the bondage of soil', i.e. tenants in rice and corn areas were now to be owners of the land they tilled. A system was initiated whereby some tenants could begin to purchase their farmlands by installment. The others who remained as tenants would be shifted from share- to fixed-rent leasehold tenancy (Adriano 1991).

4. Such a relationship was not rare in Central Luzon whereby 'the region's politicians knew the rules and many prominent officials developed close relationships with Huk commanders' (Jones 1989).

5. The PHFs allowed the PLF-TILCO to mill its own rice. The facilities also included a warehouse where the *palay* could be stored as well as a solar drier to dry the *palay*. Dry *palay* fetches a higher price than wet *palay*.

6. According to Dante, they had to turn away potential farmer members who not only came from Tarlac but also from Pampanga and Nueva Ecija.

7. A cartel is an 'exclusive group of firms whose members collude to fix prices and manipulate supply' (Romero 1995). Because of this, they are also accused of being rice hoarders. The country's rice cartels cur-

rently control 90 percent of the *palay* and rice trading in the country. These consist of around 22,000 rice dealers. The biggest among them is the so-called 'Binondo cartel' which is run by Filipino-Chinese rice traders (AngKoop 1989).

8. When Dante, for example, 'fired' three old women, including his own aunt, since their work which involved mending of rice sacks was deemed impractical, i.e. it would be more practical to buy new sacks, the women's community refused to talk to Dante. The three women were rehired after a couple of days.

9. The CAT is found in the Cojuangco's estate, *Hacienda Luisita*, which is located in Capas and covers 11,316 hectares of land. Its sugar central is capable of refining 7,000 tons of sugar everyday. The PLF-TILCO rice mill in Barangay Talaga is approximately 4 barangays away from Hacienda Luisita.

10. Because of sensitive issues, the names of persons and places in this section have been changed.

11. It seems that the PLF-TILCO's non-repayment to the LBP is not an isolated case. A Cooperative Development Authority (CDA) official revealed that the agency, which is the government regulatory body for cooperatives, held a consultation meeting with the LBP concerning the millions of unpaid cooperative loans to the bank. Furthermore, when a new leadership emerged in the LBP after the 1992 elections, the agency did some 'soul-searching'. As an LBP field office manager explained it, insofar as the extension of credit was concerned, they were all given a quota to meet and no stress was given on the feasibility of the economic ventures.

12. The popularity of the NGOs can be seen in their rapid expansion after the 1986 People Power Revolution. In 1982, before the Aquino assassination, a survey by the Philippine Business for Social Progress (PBSP) listed over 16,000 NGOs throughout the country. This number increased by almost 100 percent during the first year of the Aquino administration. NGOs registered with the Security and Exchange Commission (SEC) numbered to about 26,000 to 29,541 (Ocampo 1990 & Serrano 1994).

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