

Evolution of the Philippine Elite: From Landed to Corporate

Last February 2015, the Philippine Educational Theater Association, commonly referred to as PETA, remade the play *Cherry Orchard* written by Anton Chekhov into a Filipino-inspired production entitled *Arbol de Fuego*. The play is about the downfall of an oligarchic family in Negros Occidental during the 1970's. In the play, the lead character Henrietta Jardeleza-Sofronio, portrayed by actress Cherie Gil, is faced with a financial dilemma regarding her family's wealth and estate. Conflicting with her desire to reminisce their once lavish lifestyle is the fact that their wealth has already been depleted and their estate is on the brink of government sequestration. The family is now in danger of losing the lifestyle they were accustomed to and regressing into poverty. During the transition period between the 1940s to 1960s and the Martial Law era, several landed families experienced the same dilemma due to the agrarian reform instituted by President Diosdado Macapagal's Agricultural Land Reform Code. This law abolished agricultural share tenancy, thus reducing the revenue of these agricultural lands and redistributing these lands among the farmers. Because of these reforms, the socioeconomic background of most individuals comprising the Philippine elite class shifted from agricultural landowners during the post-World War II era to professionals and business owners during President Ferdinand Marcos' regime.

Definition of Key Terms Used

In this article, the term *elite* follows the definition provided by Dante Simbulan in his book *The Modern Principalia* which stated that "[t]he term elite...shall be made to refer to individuals who hold high positions in a given society....Also, elite status may be attained by any individual who becomes 'successful' that is to say, one who acquires the key values of

the society that are necessary for the exercise of influence” (Simbulan 5). The term elite may also be “...used interchangeably with the term *oligarchy* because they both refer to the same group of people” (6). On another note, the term postwar refers to the period between World War II (1945) and the 1965 presidential inauguration of President Ferdinand Marcos. On the other hand, it should be noted that President Marcos’ regime lasted from 1965-1986. Lastly, the term “influential” was based on a 1975 survey of the Institute of Philippine Culture on the members of the elite class whom Manila citizens considered as a decisive factor on the political and economic affairs of the Philippines.

Philippine Elite’s Income Sources (1946-1965)

The top-tier of individuals comprising the elite class during the postwar period were mostly agricultural land owners who had little political and influential power. The Filipino elite was divided into three categories based on the individuals’ source of wealth: landed elite, corporate elite and syncretic economic elite.

The first category consisted of landed individuals who have built their wealth on managing agricultural land. During the 1950s, individuals who owned more than 4000 hectares of land, topped the list of richest Filipinos. According to the article *Elites of Wealth and Elites of Power*, David Wurfel said that these families “...owned 13% of the nation’s farm land in the early 1950s [b]ut none of the top thirteen families held political elite status in the late 1960s” (236). Examples of landed individuals who were influential during the 1950s included Mariano Garchitorena, a Cabinet member and *hacendero* from Bicol during the 1950s, and Carlos Fortich, a congressman, rancher and lumberman who was termed as the “political king and father of Bukidnon” (Simbulan 120-122). The influential power of these families decreased or was almost lost in the late 1960s under the Marcos regime.

Next, the class of business owners who managed the top 100 corporations of the Philippines during the 1950s was also included in the enumeration as the corporate elite but only a few of them were considered part of the list of influential politicians. Examples of these included Joaquin Elizalde, a Cabinet member and businessman from a prominent Manila family with holdings in various industries, and Eulogio Rodriguez, a senator and businessman who built his own real estate, insurance and banking company (Simbulan 120-122). Even though only two of the top fifteen richest corporate individuals did not wield political power during the late 1960s and another 4 of them were even known as lawyers, most Filipinos still did not recognize these individuals as influential to national affairs (Wurfel 327). This is partly because of their limited ownership of agricultural land which powered the national economy during this period giving them the role of government officials who exercised the interest of the economic elite.

Lastly, a third class of individuals who controlled both agricultural land and corporations (termed *syncratic economic*) were listed through the top thirteen richest *syncratic economic* individuals during the 1950s. Examples of such individuals included Maximino Noel, a congressman, planter and businessman, and William Chiongbian, a congressman, rancher and businessman with his own shipping and cattle herding company (Simbulan 123). Of these thirteen individuals, only three were not recognized in the national political arena as influential by 1969. Most of these families either held political power in 1969 or held political power in the previous decades (Wurfel 237).

Clearly, the individuals who comprised the post-war elite class were considered influential and owned large tracts of land that powered the national economy. However, according to the article *Industrial Restructuring in East Asia*, “[f]rom 1946 to 1960, agriculture’s share of [the Philippine economy’s] GDP fell ten percentage points from 40 to 30 percent” (Masuyama et al. 74). It can also be noted that these families lost or reduced

their influence and political power in the late 1960s, the same period when Ferdinand Marcos became the President of the Philippines.

Transition of the Elite during the Marcos Administration (1965-1986)

When President Ferdinand Marcos established his government, it was composed of instituted officials who eventually became part of the new elite class of professionals and businessmen. When President Marcos declared Martial Law in 1972, "...[he] relied on the Church, the military, technocrats and new middle classes to whom he promised an end of the decaying features of the country's backward-oriented oligarchy" (Karadag 15). In his article, David Wurfel said that "President Marcos himself [had] been eager to describe the launching of his 'New Society' in terms of intra-elite conflict, that is, his battle against the 'oligarchy'" (Wurfel 240). Examples of members of this "New Society" include Roberto Benedicto, a lawyer and close family friend of the Marcoses who had a controlling stake in the sugar industry, and Jose Campos, a businessman known for establishing United Laboratories and monopolizing the pharmaceutical industry during the Marcos regime (Crewdson).

There are several studies indicating that there was a shift of socioeconomic background among the "New Society" elite. It was seen in a 1975 study of the Institute of Philippine Culture that ten out of the top thirty individuals considered influential to the national economy were businessmen. On the same note, a number of corporate and syncretic economic families became influential to the national economy and government (Wurfel 241). To justify, an informant was quoted as saying that "[t]here are those who have become affluent under martial law... The inheritors are now either members of the First Family or very close friends of the President or the First Lady" (240). Also, of the top sixteen members of the elite class in 1975, only Sixto Roxas was not a member of Marcos' Cabinet (241). "Alongside his efforts to downgrade the landed elites and earlier steps to dispossess

some 'oligarchs', President Marcos [pursued] policies designed to force open the closed family corporations that dominate the entrepreneurial landscape" (242). This statement of David Wurfel further justifies the fact that Marcos worked to discredit the landed elite and distribute the power to his "New Society" cronies.

Conclusion

The transition of the elite's socioeconomic background from agricultural landowners to professionals and businessmen between the two periods can, therefore, be clearly seen in the number of elite class members constituting the government. In a democratic country like the Philippines, government officials are voted by its citizens. These citizens also determine whether an individual can be deemed influential as seen in the 1975 IPC Survey on National Influentials. Aside from personal wealth, members of the elite class may be defined by the voting population based on whom they vote in the national and local elections. It is up to the voting population to determine the socioeconomic trend of the elite's background based on the personal background of the candidates they vote.

BIBLIOGRAPHY

Crewdson, John. "*Marcos Graft Staggering: Investigators Trace Billions in Holdings*."

Chicago Tribune 23 (1986): 20-1.

Karadag, Roy. "*Where do regimes come from? Where do they go?: the Philippines between neopatrimonialism and oligarchy*." (2011).

Masuyama, Seiichi, Donna Vandenbrink, and Chia Siow Yue, eds. *Industrial restructuring in*

East Asia: towards the 21st century. Vol. 25. Institute of Southeast Asian Studies, 2001.

Simbulan, Dante C. *The modern principalia: The historical evolution of the Philippine ruling oligarchy*. UP Press, 2005.

Wurfel, David. "Elites of Wealth and Elites of Power. The Changing Dynamic: A Philippine Case Study." *Southeast Asian Affairs* (1979): 233-245.