

OVERSEAS CHINESE AND TRADE BETWEEN THE PHILIPPINES AND CHINA

**THE INTERTWINING OF FAMILY, SOCIAL, AND
BUSINESS INTERESTS IN PROMOTING TRADE**

R. N. W. HODDER

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Business Interests in Promoting Trade

R.N.W. Hodder

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For

Dr. Mario Borillo (1955-2003), surgeon, who gave his life to others;
and for his father, Angel (1925-2002).

salahat nang ginawamo maraming salamat

安婉悲

大雪下了，扫出寻她
这路连到山上，山上都是松柏，
她是花一般，这里如何住得，
不如回去寻她，
啊回来还是我家

鲁迅

COMMENDATORY PREFACE

The Philippines occupies a vital strategic position between Southeast Asia and the Pacific. The significance of this fact is growing with China's huge economy and its status in the world. Yet the Philippines nation remains weak economically, and its polity seems unprepared to restore to its people the economic strength and self-confidence they must have if they are to play a crucial role in the region and globally in this new century. How this might be done is of crucial interest to the Philippines, the region and the world.

Rupert Hodder's book on the political economy of the Philippines and its trade with China is a timely and most interesting contribution to this discussion. It is scholarly, original in its approach, rich in ideas, and possesses many levels of debate.

Its central theme is that social relationships are the basis of economic and political life; and that the quality and efficacy of those institutions can alter dramatically following very subtle changes in attitudes towards social relationships. The organisation of business may help to stimulate those attitudinal changes that can lead to a more general formalisation of the political economy. The organisation of political institutions, too, may contribute to shifts in attitude. In the details of this argument the book provides a new dimension, and greater specificity, to the suggestion that trade and institution-building can foster political, economic and social change for the better.

Another theme taken up by this book is that the details and differences in institutions and practice across varied cultural, social, political, and economic contexts are aspects of an underlying commonality among peoples. Behind this discussion lies yet another. It asks the reader not to take for granted even the most

conventional and familiar understandings of the social world. This is necessary to maintain intellectual development, and to preserve a tolerance and flexibility in everyday life.

Layered upon these debates is an appreciation of the practice of economic and political life. It asks academics to consider the impact which their ideas can have upon the people they analyse. It acknowledges that there are within government and business in the Philippines women and men of integrity and ideals who are genuinely committed to improve the lot of Filipinos. And it suggests a broad strategy to encourage these hopeful tendencies. At the same time, the book warns against blindly sacrificing the social emphasis of Filipino society for the Puritanism of Western formalism. This social emphasis is essential to effective institutions (economic and political) in the long term, and is the hall mark of any true civilization.

These themes are woven together to provide an unusual, original and scholarly text which I commend to the reader.

Senator Miriam Defensor-Santiago, Republic of the Philippines.

Chair, Committee on Foreign Relations; Professor of Law, University of the Philippines; PhD (Michigan).

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For their courtesy, generosity, candor, and patience, I am also very grateful to the Representatives of Congress (both Houses) and to their staff. I am especially indebted to: Ricky Castillo; Representatives Aquino, Ocampo, Valdez, and Zubiri; and to Senators Angara, Biazon, Defensor-Santiago, Enrile, Estrada (J.), Lim, Lapid, and Revilla. The patience of staff of the Senate Library and Senate Archives in the face of all my requests was extraordinary, and for this, too, I am most thankful. Gratitude is due also to Henry Sy (Filipino-Chinese Chamber of Commerce) and to the many businessmen and women in Davao, Manila, and Shanghai, who took the time to answer my questions so graciously. In China I was fortunate enough to have been aided by Professor Shen Yufang (沈玉芳) and students of the East China Normal University (华东师大长江流域发展研究院), Shanghai; by Professor Gao Jianguo (高鉴国), School of Philosophy and Sociology, Shandong University (山东大学哲学与社会发展学院); and by officials at the Industrial and Commercial and Administration Bureau (Shanghai) (上海市工商管理局), and at the Bureaux of Customs (上海海关综合统计处) and Statistics 上海市统计局 (2002).

Special thanks are owed to An ka-pi (安妮悲); and to the 'Three Ladies' – Consuela Tanebro, Teresita Gonzalez, and Obeth. They organised my days in the Philippines and in China, and, through the very long hours, grumbled not once. Finally, my thanks to the Economic and Social Research Council in the United Kingdom for their financial support of my fieldwork through grant RA000223785.

Some those whom I interviewed have asked that I not use their names; and this request for anonymity I have applied as best I can to all those working in companies and in the bureaucracies. The politicians made no such requests: they are used to all this; but I alone am responsible for the material that follows.

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Introduction

The immediate purpose of this book is to examine business organisation, the practice of trade, and the political support of these activities in the Philippines and China. Particular, but not exclusive, interest is paid to those businesses trading between the two countries. The study begins with a consideration of the overseas Chinese who, it is commonly said, dominate the Philippines' domestic trade and its direct trade with China. However, it soon becomes clear that the apparent certainty of this knowledge does not fit with the highly complex circumstances on the ground. The people whom we study have a far more dimensional view of self and others, of their relationships and practices, and of their representations of the world. The reasons for this and, as a consequence, for the diminution of ethnicity and kinship in business organisation and trade within (and between) the Philippines and China, may be understood as part of the broader question of the transformation of these two countries' political economies from a condition of informality to one of relative formality.

This question is of interest to many branches of the social sciences, and to the people of whom the social scientist writes. In this book it is argued that transformation (informal-formal, and formal-informal) is an expression of shifts both in attitude towards social relationships and, consequently, in the quality of thought. It is the movement from a personalistic (or instrumental) state of mind to an affective state of mind – to a state of mind in which social relationships and, therefore, our ideas about the world are treated *as if* important in themselves, and from which our formalised institutions and procedures emerge.

From this attitudinal perspective, it is apparent that the staples of social science thought - the denizens of the formalised societies of western Europe and America - are only *possible* interpretative devices; and that in these devices - such as those of culture and structure - and in the details of the interpretations they cast, the influence of a writer's own attitudes and relationships is strongly felt. We also begin to see the political significance of our ideas about the world. When held with too much certainty, or treated with too much expediency, the social sciences' analyses may work contrary to informal-formal transformation. More particularly, cultural and structural explanations of the overseas Chinese, presented almost as absolutes, have inflated the economic significance of the Chinese, encouraged hostility towards them, and obscured the dimensionality and commonality of practices and organisations across ethnic and political boundaries. These scholarly representations of the Chinese, together with the social sciences' explanations of the informal quality and weakness of the Philippines' polity, have - in concert with similarly negative street representations of the political establishment - helped to erode the confidence of Filipinos in themselves and in those who govern them.

Our attitudinal perspective also suggests that there is emerging in 'the West' an excessive formalism rooted in a denial of our personalistic qualities. This Puritanism, it is argued here, starves us of a true appreciation of the affective; and may yet lead us into bouts of instability. The problems facing the informal-formal transition of 'developing' societies, then, include the very practice of analysing those societies, and the Puritanism out of which that practice emerges.

Although the immediate concern of this book is the Philippines and China, it has other interests. One is the political importance that the dialectic between street and scholarly representations confers upon social science thought. Another is to move towards an understanding of the general principles of the play of relationships,

attitudes, and representations* which, it is argued, form the substance of our social world. It is with this end in mind that this present study attempts to untangle the play of *particular* relationships, attitudes, and representations, among politicians, civil servants, merchants, and scholars. It is from this emphasis on the particular but with the general in mind – for the general, I argue, is a mental device to help us organize the particular (our true lives) – that arise further representations of the Chinese overseas, of business organisation, of political institutions, and of transformation. These representations are not the end to which we are working, nor are they intended to be definitive or objective. They, too, must be drawn into subsequent rounds of similar analyses and made the subject of scrutiny and revision. Yet, because they arise partly and directly from the minds of the people in whom we are interested, they may provide some indication of those people's future actions and behaviour and, therefore, of possible change†.

A third matter is the question of how we think. Here I refer not to a discussion of the merits or demerits of positivist, humanist, structuralist, behaviouralist or cultural approaches, but to the problem of the nature of thought itself. How and why, as we have implied, do our relationships and attitudes influence our thought?

* This is an idea that takes us in many directions at once. See, in particular, Collingwood, R.G. (1946); Dilthey, W. (1976); Fodor, J. (1987); Frege (see Geach, P. and Black, M. eds. [1960]); Brentano, F. (1976). See also Baum, E. (2004); Moscovici, S. (1981); and Mauss, M. (1969).

† Around 120 interviews in Manila, Davao, and Shanghai were held with businessmen and women, with politicians and their staff, and with civil servants. In the course of these interviews the representations of each interviewee were, if relevant, introduced into discussions with subsequent interviewees. For instance, in the case of this book's study of the Philippines' Legislature, the representations of politicians were contrasted each with the other, and considered alongside the accounts of congressional staff, civil servants, and businessmen and women. We must recognise that politicians in Congress may often express opinions in order to advance their interests as well as disparage, criticize and undermine opponents, and that observers (including academics) are all too easily caught up in political disputes and hubris. Yet one cannot afford either to be too suspicious or to allow oneself to believe that an interviewer (especially if an academic) is more important to the interviewee as a channel for seeding rumour and allegations deliberately than is probably the case: for otherwise it becomes impossible to see beyond one's own doubts, cynicism, and self-belief. Although we must do what we can to weigh up the interviewees' representations carefully, we must also consider the possibility that politician, merchant, and civil servant, are either telling the truth or, more likely, are recounting what they believe to be a true representation of their world.