

Chapter 1

Economic Activity in Estancia

Estancia, Iloilo, is a compact municipality of about 14,000 Ilongo-speaking people on the northeastern coast of Panay, in the Western Visayas region of the Philippines. By road, it is 135 kilometers from Iloilo City, the provincial capital, and 65 kilometers from Roxas City, the capital of the adjacent province, Capiz. An insignificant subsistence-farming settlement in the 1890s, Estancia has since grown to be a major production and marketing center for the commercial fishing industry in the central Philippines.

The *poblacion*, or town proper, is situated along the shoreline and slopes up steep hills rising almost directly from the sea. An irregular coastline and several islands one to five miles offshore provide a well protected anchorage. In 1935 a concrete pier was constructed one kilometer south of the poblacion, and currently three Manila-bound interisland steamers load fresh and dried fish, miscellaneous cargo, and pick up and discharge passengers there every week. It is the only deep-water pier facing the Visayan Sea, one of the Philippines' richest fishing grounds and provides the sole direct outlet to the Manila fish market for thousands of fishermen in the coastal communities of northeastern Panay, southern Masbate, northern Negros, and on the smaller islands scattered throughout the Visayan Sea. The wholesale value of the fish passing through Estancia in recent years has ranged between ₱7 million and ₱10 million annually, representing some 2 to 3 percent of the fish caught by commercial fishing vessels in the Philippines (Philippine Fisheries Commission 1965). Approximately 30 percent of this is from outfits operating directly from the town, while the remaining 70 percent comes from fishermen and dealers in other communities around the Visayan Sea.

The income and general economic advantage to the town, however, far exceeds its share of the catch, because 65 to 80 percent of the total is shipped to Manila, and all the return payments pass through Estancia. Instead of sending cash or checks directly to the shippers in their home communities, the Manila purchasers entrust them to the shipping company agents in Estancia. The agents in turn distribute the funds to the outfit owners and fish dealers as the payments arrive, or on the occasion of subsequent shipments. This system, bringing about the physical presence of large volumes of cash in the town has encouraged the establishment and constant expansion of business

enterprises, dealing in marine hardware, fuels, and foodstuffs--the basic supplies of the fishing industry. Estancia has thus become a major commercial center as well as a production and shipping point for the fishing industry throughout Western Visayas. This unusual concentration of resources and economic activity in a community "hardly on the map" at the turn of the century makes Estancia unique among the towns of Iloilo. Careful analysis of its development should therefore provide theoretical and practical insights into economic growth in the rural Philippines.

Ecological Zones

The town and the surrounding region can be differentiated into three economic or ecological zones. Including Estancia's 14,000, these zones contain some 40,000 people and include parts of several other Visayan municipalities.

The core community

The first zone is the core community--the economic hub of the town and region--consisting of the Estancia poblacion, one adjacent barrio, and about half of two other adjacent barrios. In 1967, the entire zone contained some 6,141 people in 1,013 households distributed over an area eight-tenths of a square kilometer. Toward the commercial center and marketplace the community seems almost urban. It contains the base of operations for numerous large fishing outfits, the processing and storage areas for local fish dealers, the large enterprises supplying the industry's equipment and fuels, the marketplace in which fish destined for other communities on Panay is regularly sold, and the pier. It is also the site of the municipal building (*municipio*), a large elementary school, a complete barrio elementary school, two high schools, four churches, and is the terminal for various land transportation companies. The growth of this core community will be the focus of this report.

The fishing communities

The small coastal and island communities comprising the second zone are largely populated by fishermen, though trading, small-scale farming, and gardening are not completely lacking. The fishermen share a variety of fishing techniques and depend on the core community for marketing their catch and for purchasing fishing supplies and home-consumption items they do not themselves produce. Many of these communities are as much as 50 miles, or a good two- to three-hour boat ride away from the poblacion. Included in this zone are many small fishing communities on the southern coast of Masbate, fully four hours away by fast boat. The population of these communities usually numbers in the low hundreds, though several have over 1,000 resi-

dents, and one, barrio Binon-an, in the town of Batad, has over 2,600. In all, these fishing communities contain some 28,750 people.

The farming communities

The third zone is composed of Estancia's 11 interior barrios where mixed farming of rice, coconut, and cassava is the primary occupation. While many men in this zone are also subsistence fishermen on occasion and while residents do their marketing in the town proper, the people of this zone are out of the orbit of the fishing industry and have been minimally affected by the town's rapid growth. The rhythm of life and local incomes of the 3,560 residents of these barrios of 140 to 580 people are determined largely by the technological and economic patterns of heavily tenant agriculture.

For a comprehensive understanding of the town's economic structure and development, a detailed analysis of all three zones would be needed. However, since we are focusing more particularly on the patterns and process of economic growth, we will only dwell at length on the core community, where most of these have taken place, and will touch on the other two zones only insofar as they aid in this regard.

Economic Activity in the Core Community

Occupations

The fishing industry is by far the dominant economic activity in the core community, directly supporting some 60 percent of the resident-families and indirectly contributing to most others. Nearly all the owners of the commercial fishing outfits and their crewmen live in the core community. It contains over 200 "buy and sell" dealers who wholesale and retail fresh and dried fish in Estancia and other nearby municipalities. Also resident in the core community are the industry's land-based laborers: the women who sort and spread the fish in the sun for drying, and the men who handle heavier labor--salting, turning, guarding, packing, and transporting the fish. Numerous stevedores are also regularly employed loading fresh and dried fish on the Manila-bound steamers. Many other families are supported by members who own or work in the large stores in and around the marketplace which supply fishing equipment and consumption goods for the fishing outfits and for the hundreds of families from the fishing communities who sell their fish to local dealers. Several families operate welding and engine-repair shops which are constantly busy building or reconditioning equipment from the fishing outfits. Still others operate three marine gasoline stations and a bulk plant which together sold ₱1.7 million worth of fuel in 1966. All these people are directly dependent upon the local fishing industry for their livelihood.

Even those residents not directly engaged in fishing often ultimately depend upon it for their income. The owners and helpers in the many small *carinderias* (restaurants) are supported largely by the patronage of outsiders passing through Estancia, buying or selling fish. The volume of business at the ice plant is heavily affected by the quantity of large fish to be iced for shipment to Iloilo City and Manila. The income of the *mahjong* parlor operators and those involved in other gambling enterprises depends very closely upon the amount of cash generated by the sale of the previous night's catch. Incomes of independent craftsmen such as carpenters and tailors also vary with the fishing seasons. Finally, some 45-50 percent of the income of the municipal government, with 45 employees, comes directly from taxes and fees placed upon the fishing industry.

The only persons in the core community economically independent of fishing are: (1) the doctors and dentists, though they are especially busy on market days and when fishing is poor they often find it difficult to collect their fees; (2) the elementary- and high-school teachers and employes paid directly by the national government; (3) the employes of the bus lines operating from Estancia; and (4) agricultural laborers, landlords, and a handful of tenant farmers. The current state of the fishing industry deeply affects the livelihood and welfare of nearly every one living in the core community.

Economic cycles

Within the fishing industry economic activity is marked by great temporal variation. Three highly regular cycles--weekly, monthly, and annual--control the flow of goods and income as well as much daily behavior of the adult population.

Weekly marketing. The weekly cycle is based on the weekly "market day," traditional in rural Visayan towns, when the volume of buyers, sellers, and goods available is many times that of the other days. In Estancia, Tuesday is the general market day. This normal cyclical "peak" of economic activity is further accentuated, however, by a special wholesale fish market on Monday when hundreds of fishermen from all around the Visayan Sea and middlemen and merchants from the four provinces of Panay gather to trade in Estancia's fish market. Some arrive on Sunday, or even as early as Saturday, in search of better prices before the competition becomes too great. Others, anticipating big gains at the last minute, delay their transactions until Tuesday morning, especially if fish are abundant and relatively inexpensive. The regular general market on Tuesday morning continues and augments the level of economic activity, as more than 500 vendors of all sorts of goods and thousands of householders from all over the region crowd into the marketplace in search of profits and bargains. Market activity peaks at about 10 o'clock on Tuesday morning but then slacks off rapidly so that by noon, the

marketplace is almost empty and streams of buses, jeeps, and boats return both buyers and sellers to their homes. On Tuesday afternoon only the mah-jong parlors are busy, with many of the local vendors staking their two days' profits against the laws of chance. Most businessmen estimate that they receive at least 50 percent of their income on Mondays and Tuesdays. During the rest of the week economic activity slows while most of the fish is being stored in *bodegas*, or warehouses, in anticipation of the next big market day. These colorful and lively weekly markets continue throughout the year.

Lunar fishing. The second cycle influencing economic activity in Estancia is that of the moon. All of the large commercial fishing outfits operating from the town and nearly all such outfits based in other Visayan communities work at night, using one of several systems of lights to attract fish to their nets. During the *dulúm*, the three weeks of the month when the moon is waning, new, or waxing, and lights are effective, 50 to 75 outfits can often be seen from Estancia at night. Hundreds more are scattered about other parts of the Visayan Sea. From the core community alone some 420 men go to sea each night and perhaps 800 from the town as a whole, leaving hundreds of families asleep in Estancia without fathers or older brothers. In the morning they return with a small string or basket of fish and/or 20 centavos to ₱1, depending on the size and price of the *diario*, their immediate share of the night's catch, if and when it is sold to the dealers who board the boats as they arrive each morning. This may be a family's entire income during the *dulúm*. During the *sanag*, the week when the moon is fullest, fishing stops and the outfit owners make an accounting, *husay*, of the month's catch and expenses. On the basis of this, *parte*, or cash shares, in the month's profits are distributed to the crewmen. These shares are usually very small, often less than the total *diario* during the *dulúm*, but paid in a lump sum, they have an immediate effect on local consumption. Debts built up during the *dulúm* are paid or at least reduced during the *sanag*. Since there is no work for the men, dances and drinking parties are common in the evenings. The price of *tubá* (fermented coconut sap) rises 30 to 50 percent. This pattern of three weeks continuous work followed by one week's rest, based on the lunar cycle, is repeated throughout the year, and is only broken by bad weather, or when boats are under repair.

Annual fish migration. The third cycle affecting the local economy is determined by the annual movements of the fish in and around the Visayan Sea. Estancia's fishing industry depends largely on pelagic or migratory species which appear in the local waters in varying volumes at different times of the year. From November through March the most common fish are anchovies, locally called *gurayan* (*Stolephorus commersoni* and *Stolephorus indicus*). During March and April the first mackerels, known as *hasà-hasà* and *aguma-a*

(*Rastrelliger brachysoma*), arrive, and by June or July larger mackerels known as *bulaw* (*Rastrelliger chrysozonus*), are usually found in quantity. These may continue until August or September and are slowly replaced as the dominant fish by increasing numbers of sardines, nowadays largely the *tabagak* (*Sardinella fimbriata*), which may remain plentiful through February or March. Prior to World War II another species of sardine, the *tuloy* (*Sardinella longiceps*), was predominant in these waters, but they are now rarely found near Estancia, though commonly caught off eastern Palawan. Small species of slipmouths, locally called *sapsap* (of the genus *Leiognathus*), are caught in varying numbers throughout the year but are commercially less important. Many other fish are also caught by Estancia's outfits, but with insufficient regularity or volume to significantly influence the local economy.

The seasonality of the major species determines the profitability and to some extent the type of fishing outfits operating at different times of the year. During the anchovy season (November to March), the *lawagan*, the largest of the local outfits with crews of 45 to 60 men, cease operation or fish elsewhere because their relatively coarse mesh nets cannot catch such small fish. The crewmen usually go without work although a few may find temporary jobs until they can resume fishing. Despite the good prices anchovies can bring, their presence marks the "low season" characterized by a diminished flow of fish, and fewer employment opportunities. This period also closely corresponds with the official "closed season" locally referred to as *limitasyon* (November 15 through March 15), when a ban on fishing for sardines, hering, and mackerels is imposed on a large portion of the Visayan Sea. Because the prohibited species are in any case not very common during that period and because the regulation is only weakly enforced, the existence of an official closed season hardly affects the local economy. For the most part, it merely provides the natural low point of the fishing cycle with an official designation.

On the other hand, during the *kotsitsa sang isda*, or fishing season (the rest of the year), all local outfits are in operation. And when the mackerels are at their peak in June, July, and August, as many as 40 to 100 *kubkuban* (outfits using hand operated purse seines) normally based in the Eastern Visayas join the local fleet. With crews of about 25 men each, they add 1,000 to 2,000 Warays and Cebuanos to the local population and further stimulate the local economy. Because the larger mackerels are too thick to dry properly when whole, scores of women and children find work in the market and at the salting sheds at this time, splitting and cleaning the fish. If the night's catch has been particularly good, several hundred people may spend the entire morning at this job. During this season employment is high, cash flows freely, accumulated debts are paid, and major household purchases and construction are more common.

The seasonal variability in the quantities and species of fish also influences marketing arrangements. Because of good prices offered for mackerels and sardines, 80 percent or more of the dried fish passing through Estancia go to Manila during the high season. On the other hand, during *limitasyón*, shipments to Manila normally drop to one-sixth or one-seventh of the high season volume, not only because of the smaller quantities of fish available, but also because anchovies command a better price in Panay itself.

Though always maintaining the same general form, the yearly cycle is the most variable of the three. Particular species may arrive a month or two before or after their usual schedule. In one year all the species may be unusually plentiful; in the next perhaps only one species will be abundant; the following year may see the total quantity of fish suddenly decline. In such cases the fishermen can only seek sympathy from their creditors and hope for a change in the times. On the whole, Estancia's fishermen prefer the high season when fish are more plentiful, but prices and profits ultimately depend upon the quantity of fish both in Estancia and in the Manila market, the latter of course, receiving its supply from all over the Philippines. Thus although the annual fish cycle controls the kinds and levels of economic activity in the town, the profitability of fishing from Estancia is greatly affected by what is being caught in the nation's other major fishing grounds. If, as is often the case during the "low season," fish are scarce elsewhere, even small quantities may give dealers higher earnings than is usual during the so-called "high season" because their profit margins rise faster than their costs. Estancia's fishermen and dealers are well aware of this supply/demand mechanism, but without more effective preservation techniques (at best, salted and dried fish keep only for three weeks) they are rarely able to take advantage of it. In general, the incomes and pattern of activities of the population vary with the annual migrations of the fish.

These three cycles--weekly marketing, lunar fishing, and annual fish migration--establish the rhythm of the fishing industry and thus of life in Estancia. However, this is further elaborated by a daily cycle of activities largely controlled by the current technology of fish capture and preservation. The normal daily cycle is, of course, seen only during the *dulúm*, when the outfits are in operation, and, unlike agricultural or industrial work cycles, calls for round-the-clock activities.

Daytime activities

Since all the large commercial outfits fish at night, returning with their catch at dawn, it is about then that activity begins in the town, both at the marketplace and at the private boat landings. At the seaside entrance to the fish market, dealers gather to await the arrival of small quantities of fish purchased by still other dealers who, early in the morning, set out in small boats

to intercept the fishing outfits while at work, on their way home, or as they drop anchor along the coast. These enterprising dealers then sell their purchases--either medium or large fish caught with hook and line by the men of the outfits, or boxes of mixed varieties of smaller fish caught by the outfit itself--to the dealers waiting at the market. Depending on complex circumstances these dealers may: (1) sell the fish to other men for retailing in the Estancia market later in the morning; (2) retail them themselves in the market; (3) resell them to the wholesale and retail dealers from other towns who arrive in Estancia every morning by bus and jeepney; (4) hire a jeepney, fill it with as much fish as possible, and then personally sell the fish (preferably wholesale) in the nearby towns; or (5) salt and dry them for sale in the next big Monday fish market. Whichever they choose to do, they complete their labors within a few hours, certainly by noon, and have the afternoon free for other activities.

At the *kamalig*, the seaside worksheds of the outfit owners, the men who handle the salting and drying of the bulk of the night's catch assemble shortly after dawn to await the arrival of the boats. As soon as the boats are secured on their moorings, the fish are unloaded and, if they are of any of the smaller varieties, dumped directly into tanks containing a strong brine solution, *sanaw*. Many of the women and children living nearby come to the shore to watch the boats arrive--both to assure themselves of the safety of their menfolk, and to learn of the night's catch, and thus the amount of fish or cash they can count on to carry them through the day. If it is mackerel season and the catch has been large, many women remain at the *kamalig* to split and clean the fish before they can be salted. After the night at sea, the fishermen return to their homes for a few hours of sleep.

An hour or two after sunrise, 100 to 150 small-scale fish, vegetable, and *sari-sari* (general goods) vendors will have set up their stands in the marketplace, and the larger general stores and bakeries will all be open. At about this time, women and children stream toward the market to purchase items for the midday meal. Both in the volume and variety of goods, ordinary daily markets are much smaller than on Tuesdays, being frequented only by residents of the core community and a small number of people from the nearby barrios. By 10 a.m., the customers thin out and the vendors begin to return home, either having sold out their stock, or leaving the remainder in the care of a trusted person in the market area.

The late morning is a quiet period in the life of the town though some women and children return to the *kamalig* then to sort the brine-soaked fish and spread them on split bamboo trays (*capel*). These operations may take from a few minutes to an hour, depending on the size of the catch. Rarely does it take longer, for a larger catch draws more people and the work is

divided accordingly. The trays are set on bamboo racks, and the fish dry in 12 to 18 hours or more, depending on the species, the wind, and the heat of the sun. They are turned several times, guarded from rain through the day, and eventually packed in boxes by the same men who handled the unloading and salting earlier in the morning.

In the early afternoon the fishermen begin to gather at the local sari-sari stores, tubâ stands, or at the kamaligs, exchanging stories and jokes until it is time to board the boats again for another night's fishing. Depending on the distance to the fishing grounds they may leave anytime between 2 p.m. and 4:30 p.m., usually planning to arrive at least an hour before dusk. This allows the men to prepare the gear and drop hand lines for fish to accompany the rice they boil for their dinner. After the sun goes down and the sky darkens, the work begins.

Back in town, the marketplace grows active again in the late afternoon, as wives and children, and the maids of wealthier families purchase their requirements for the evening meal. As the light dims, the marketplace empties, save for a few stalls, stores, and carinderias which remain open for last-minute stragglers and chance passers-by. Since only several of the wealthier families and one of the schools have generators for electricity, once dinner is finished and the sun is down, most townspeople go to sleep, to rise again with the following dawn.

This basic cycle is repeated daily, except during the sanag or periods of bad weather when the outfits are not operating. Throughout the day there is always some activity in the town--children going to and coming from school, women washing and ironing the family's clothes, people visiting friends to talk or play mahjong, bingo, or cards, or shopping in the larger stores in the market area. Young boys peddle locally made "icedrop" all around the town especially during the hotter hours. And of course those not directly involved in fishing--tailors, bakers, pharmacists, doctors, and teachers--go about their usual business. There is also a small but continuous stream of fishermen and dealers from the nearby islands and coastal communities who bring fish for sale as well as an occasional merchant from another town looking for fish to buy. Local dealers are always on hand to accommodate them. In fact, cash, fish, and other commodities change hands in small quantities throughout the day, but this is simply background "noise" to the basic rhythm of economic activity in the town basically determined by the technological cycles of the fishing industry.

Despite the "lows" or "fills" of this system of cycles, few towns in Panay can compare with Estancia in terms of the intensity or volume of economic activity. Towns much larger in area and population match it only during their harvest periods, while the fishing industry generates relatively large cash flows

throughout the year. Comparing their municipal-market collections seems to confirm this, but such comparisons are not very accurate--because of variations in tax rates and levels of tax-collection efficiency from one municipality to another. Perhaps a more reliable, if still impressionistic, confirmation of Estancia's higher pitch of economic activity, comes from traveling salesmen and itinerant retailers who easily agree that year-round, Estancia is the most active municipal trading center in Panay.

Though obviously still not a major contributor to the Philippine GNP, in comparison to other Iloilo towns, Estancia represents a large step toward "economic development." At the end of the nineteenth century, however, Estancia was an insignificant agricultural barrio. Thus the process and pattern by which it grew so rapidly are both of academic interest, and may help construct models of and for economic growth in other rural lowland communities. Furthermore, the social, economic, and political consequences of its rapid growth may also anticipate the broader changes to be expected in other rural communities as they begin to exploit their local resources more effectively.