

RESEARCH NOTES

Chinese Merchant Society in the Philippines

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The Philippine Chinese have been a subject of scholarly and popular writing in the Philippines for a hundred years, and it would seem that no aspect of their economic, political, and social life could be left untouched. Historically, their contact with Filipinos is ancient (Aga-Oglu 1961). Their influence on even the language of the Filipinos has been measured (Manuel 1948). Edgar Wickberg (1965) and Alfonso Felix (1969) have analyzed the Chinese adjustment under the Spanish regime, and K. K. M. Jensen (1956) and Antonio Tan (1972) have chronicled their political awakening under the Americans. A list of materials relating to Chinese immigration, citizenship problems, schools, political views, and assimilation to the Filipino nation have filled a hundred pages in Chinben See's (1972) bibliography.

The participation of the Chinese in the Philippine economy and the way they conduct business have also been major concerns of writers on the Philippine Chinese (Alip 1959; Liao 1964; Ravenholt 1955; Yoshinara 1972). Many students quote official statistics and discuss their importance, but there are few first-hand studies of the economic behavior of the Philippine Chinese.

Any first-hand study of an insecure and defensive group such as the overseas Chinese is difficult, as the dearth of writings in that area attests. Jacques Amyot (1973) has a

meritorious ethnography of the Chinese in Manila. George Weightman (1960) has worked in Jolo but has not yet published his findings. Harriet Reynolds (1964) and Hubert Reynolds (1964) studied acculturation and the family in the Ilocos Provinces. Liu, Rubel, and Yu (1969) and Belen Tan-Gatue (1955) have also published family studies based on original research. There are a few fine M. A. theses on Chinese communities by Filipino and Chinese students, such as Crisologo Atienza y Panganiban's (1926) study of Batangas merchants. In the final analysis, however, the topic of the Philippine Chinese has been much more exhaustively handled in political, moral, rhetorical, and economic contexts than in social studies.

The following paper discusses the Chinese community of Iloilo City from the point of view of an economic anthropologist interested in merchant families.¹ After roughly establishing the composition and boundaries of the Chinese community, I shall compare it to others in the Philippines and sketch its history. Finally, I will examine some aspects of Philippine Chinese business life and merchant families.

Identifying the Community

The Chinese in Iloilo Province, if one counts only aliens, number about 2,500, of which 2,200 dwell in Iloilo City and its environs. Iloilo provincial census data show that the

Chinese citizens have decreased by about 400 since 1948, but the number of ethnic Chinese increased, as many subjects of China become naturalized Filipinos. Ethnic Chinese should include both Chinese subjects and naturalized Filipinos who still think of themselves as *nan-nang*, or "our people."

The actual number of ethnic Chinese in the province is an elusive figure to establish. Chinben See of Xavier University, Cagayan de Oro, has suggested that ethnic Chinese may be estimated from the enrolment in Chinese schools.² By this means I arrive at a figure of 5,000 to 6,000 ethnic Chinese in Iloilo, including a large number of mestizos and a few Filipinos who were adopted in infancy by Chinese.

About 50 percent of the ethnic community are native-born or naturalized Filipino citizens. Among the younger Chinese, born in the Philippines, the percentage of Filipino citizens is even higher.

The ethnic community includes some Filipino-Chinese and Spanish-Chinese mestizos. From a sample of 10 percent of the community's households, I estimate that 10 percent to 20 percent of the ethnic community are mestizos who still participate in the Chinese merchant life and culture.

About 90 percent of the Chinese in Iloilo are immigrants or descendants of immigrants from Fukien Province in South China. About 60 percent or 70 percent of these are from Chin-ch'iang County, with other commonly represented areas being Nan-an County and the Amoy City area. About 10 percent of the community are Cantonese, primarily from three counties around Macao Colony: Tai-shan, Kai-ping, and Nan-hai.

Iloilo City's Chinese community consists of about 500 businesses and roughly the same number of households. Most shopkeepers live in the downtown business district over their stores, prompted by habit, convenience, and frugality. While the density of Chinese residences and businesses in the business district is high, Iloilo definitely does not have a Chinatown. Filipinos are also storekeepers in the area, and they comprise the vast majority of customers thronging the streets and employes manning the stores.

Approximately 25 percent of the Chinese community live in suburban houses in Jaro, Molo, and La Paz; the remainder live in the downtown area but in houses or apartment complexes rather than over stores. Although only a quarter are permanently suburban residents, about half of all families (including the storedwellers) have suburban houses or country places where part of their families may live and where they entertain.

Chinese families in Iloilo average about 5.5 nuclear family members; because of the presence of other family members, complete household size (excluding nonrelatives and servants) rises to about 7.5. Half of the households are simple nuclear families or nuclear families with a few other dependent relatives. One-fifth are stem families; that is, a couple and one of their married sons or daughters who will take over the business after them. Only about 5 percent of the city's Chinese live in extended-family households, but another 7 percent may be considered extended families who reside simultaneously in a split residence — the store and a suburban house. Less than 12 percent of the community live in other household groupings. These usually involve several unmarried kinsmen of the same generation.

Today, most Iloilo Chinese under 35 years old are native-born, locally educated, and Filipino citizens. About 25 percent of the young men are marrying Filipinas, many are moving to the suburbs, and some are even moving out of the merchant life of their fathers altogether. Yet because the wealth, the power, and the business still lie in the hands of the elders, many of whom are immigrants, it is they who wield the most direct influence on the Iloilo Chinese community. The elders' wealth coupled with their desire to preserve Chinese culture make it possible for the Iloilo Chinese to build and maintain a visible, viable ethnic community of shopkeepers and merchants.

Iloilo and Other Provincial Chinese Communities

Outside of the greater Manila area, where about 60 percent of the Philippine Chinese live, Cebu and Davao can claim larger alien

populations than Iloilo. But in terms of "dues-paying" Chinese businesses, as measured by the number of establishments in Chinese business directories, Iloilo is third, behind Cebu and Manila (Federation of Filipino-Chinese Chambers of Commerce 1965).

Most towns outside of Manila have one, perhaps two Chinese schools, and perhaps a school run by Chinese Jesuit clergy. But only Iloilo has three competing nonsectarian Chinese schools and also a Jesuit Chinese school. An additional point of uniqueness is Iloilo's two active and competing chambers of commerce.

Provincial Chinese communities differ in their proportions of Chinese regional groups. I have said that Iloilo is composed of 60 percent Chin-ch'iang County people. Daniel F. Doeppers (1970) reports that Dumaguete is 70 percent Ho-shan Chinese, Dagupan is 90 percent Chin-ch'iang County people, while Davao is 80 percent Nan-an County people. As Doeppers explains, the provincial Chinese communities have recruited their populations at different times and through different immigration channels. Once a community is started by a certain group of immigrants, it tends to grow along home village, home county, and kinship lines. Thus, each town may have a specific regional character. Similarly, the percentage of Cantonese and other Chinese groups varies from town to town. In some towns, the percentage of Cantonese reaches 25 percent, as in Davao, and in others it is below 10 percent, as in Vigan.

In comparison to other Chinese provincial communities of all sizes, Iloilo's Chinese community has a nationwide reputation as a conservative, frugal, old-fashioned shopkeepers' community. Iloilo Chinese are slower to borrow from the bank, to speculate, to consume conspicuously, to allow Filipino-Chinese marriages, to forget old customs and beliefs, to move out of their stores, to become Catholic, or to give up various old political and cultural factionalisms which have cracked their unity from time to time.

Explaining a town's ethos is filled with peril, but two themes do emerge from Iloilo's economic and social history. First, the Chinese are old-fashioned because the Filipinos of Iloilo are

also old-fashioned; that is, the Chinese merely reflect the ambience of the whole town. The stamp of Spanish rule on Iloilo was deep and it lingered long among both Filipinos and Chinese, for whom, for example, Spanish was the commercial language well into the American era. Economically, Iloilo's position relative to other provincial urban centers has slipped since the Spanish era. Neighboring Visayan cities like Bacolod and Roxas City, which were once Iloilo's customers, have now become competitors directly linked to suppliers in Manila. Enconced at the center of the economic life of Iloilo and dependent upon its ebb and flow for the shape of their own life, the Chinese merchants have relied primarily on their old ways of thinking and doing business to keep alive in an old city and economy.

Second, the Chinese are old-fashioned because the more progressive elements about them have left the city. All those Chinese, mestizos, and Filipinos brave enough or rich enough to venture where the new money moved — Bacolod, Cebu, and Manila — have done so. Those remaining behind are the Filipinos and Chinese least likely or able to change.

Before World War II, the city's folk history has it, there were a number of very successful Chinese in Iloilo whose wealth, cultured style, and high living gave the community a livelier image. These Chinese were primarily from Ho-shan, the western-influenced area around Amoy City. Most of these people today have returned to China, completely assimilated into Filipino society, dispersed to other Chinese communities, or gone bankrupt with a flourish. Replacing them in the 1930s and '40s were the more rural, less western-influenced, less educated immigrants from Chin-ch'iang and other counties.

Besides the urbanized Ho-shan Chinese, Iloilo's mestizo community has also departed. Throughout the Spanish era and into the American era, mestizos constituted the dynamic element of Iloilo's cultural and social life (Wickberg 1965). These mestizo families were Catholicized and Filipinized landholders, big businessmen, agriculturists, or industrialists. The neighbor towns of Molo and Jaro were built,

ruled, and practically filled by mestizos. However, in the last 50 years the mestizos have almost ceased to exist as a force in the city as they moved out to greener pastures in sugar, politics, the professions, and manufacturing (Grageda 1966). The families who developed Bacolod from satellite status to progressive competitor with Iloilo are descendants of those mestizos and bear the names Lacson, Locsin, Tayengco, and Tantoco, among others.

Some Historical Highlights

Until 1860 all Chinese were confined to Molo, where the Spanish port was located, in a *parian* or ghetto. There they engaged in retailing, crafts, and handling native products. Chinese introduced *mongo* beans and peanuts to the area and originated the simple *muscovado* sugar mills and brick salt-evaporating operations still in use today. The mestizo Chinese thrived at this time as a separate ethnic community and specialized in wholesaling, export crops, and weaving. The Spanish were uninterested in shopkeeping and restricted themselves to large export companies, dealing preferentially with Chinese and mestizo middlemen.

With the opening of foreign trade to Iloilo after 1860, the building of Iloilo City's port, and the relaxing of Chinese ghetto restrictions, the Chinese began successfully to compete with and displace the mestizos in exports, coastal trade, and wholesale operations (Loney 1964). British, Spanish, and American investors encouraged the mestizos in turn to go into sugar in the undeveloped Negros Island.

There is little evidence of Chinese community life in Spanish times, except that there was a Fukien Club and a Cantonese Club. The Chinese finally won recognition as a separate self-governing and self-taxing political unit in the 1890s, but with the arrival of the Americans in 1899 this political system lapsed into inactivity.

As Antonio Tan (1972) has pointed out in his history of the Philippine Chinese in the twentieth century, the developments in revolutionary China raised the political consciousness, organizational zeal, and cultural pride of the Chinese. Cultural and political organizations flourished under the *laissez-faire* government of

the Americans. Chinese family or surname associations, political "reading societies," poetry clubs, Buddhist temples and schools appeared everywhere. Heretofore a quite independent community, the Iloilo Chinese began looking to Manila for leadership, protection, marriage partners, and occasionally, money.

Women appeared in the Iloilo Chinese community and the first pure Chinese were born there. Comprising only a handful in 1920, Iloilo's female Chinese population rose quickly to almost 1,000 when China went to war with Japan in the 1930s (Philippines [Commonwealth] Bureau of the Census and Statistics 1939). For the first time, the Chinese community looked like something other than a bachelor men's club.

Although the Americans made some effort to limit Chinese immigration, the Chinese continued to pour in, primarily by declaring (or fictionalizing) kinship to merchants already present. While ambivalent about the Chinese culturally and politically, the Americans tacitly encouraged them in business by patronizing them on the one hand and failing to do much to make the Filipinos competitive with them on the other hand.³

In the years before World War II, the Chinese in Iloilo provincial towns acted as middlemen for the big Chinese and American wholesalers in Iloilo City and virtually dominated provincial retail and wholesale operations. Today the enclaves of Chinese merchants in provincial towns like Balasan, Sara, Pototan, and Janiway have declined, as the larger businesses have moved into Iloilo City.

During the prewar years, the Japanese, too, entered Iloilo City's business, mainly in the retail lines such as department stores that the East Indians operate today. Japanese goods in Japanese stores were competitive with Chinese goods and cut into their trade. In addition, some Japanese storekeepers secretly filed espionage reports on local Chinese anti-Japanese activities.

When the Japanese occupied Iloilo in 1942, most of the anti-Japanese leaders were caught and forced to form a "Japanese Friendship League," the *Hua Kiao Hap Hui*, paying ransom

to the Japanese garrison. Some Chinese resisters in provincial hiding places were killed when they failed to return to the city for surveillance. During the war, some Chinese moved the meager amounts of goods they had hidden. Others engaged in native industries like cigarettes, soap, and wooden shoes. Some actively supplied goods and information to Filipino guerrillas. Most Chinese, however, were in the awkward position of having to survive by passive acceptance of both Japanese invaders and Filipino resisters.

One of the major social effects of the war years was to bring Filipinos and Chinese closer together and increase their cooperation economically and politically. There were many marriages to girls in the barrios. This subsequently weakened the stigma of intermarriage in the eyes of both groups. There are politically and commercially important relationships today between Iloilo Chinese and Filipinos who owe much to each other for cooperation during the war.

The years after Liberation and the early 1950s were a wide-open, mobile time of immigration, resettlement, China visits, high-finance business, and political maneuvering. Many a man made 30 to 100 percent profit selling new consumer goods and war surplus, and some unscrupulous men made as much as 1000 percent. New lines of business opened up, such as auto supply, and new techniques like air cargo were available for the innovative. Most of Iloilo's biggest Chinese businessmen's success stories began in this period.

With the virtual closing of the China mainland to the Philippine Chinese because of the communist victory in 1950, immigration and a centuries-old way of life came to a sudden halt. Some men in Iloilo lost fortunes in land, houses, and cash in mainland banks. Many also lost contact with mainland villages and kinfolk. The Kuomintang Nationalists, politically dominant among Chinese in the Philippines, took retribution against the active minority of communist sympathizers and not a few innocent independent liberal Chinese. As the communist victory occurred at the time of the Hukbalahap movement in the Philippines, Chinese and Filipino politics swung in harmony to the right.

Compared to the prosperous and hopeful years following Liberation in 1946, Iloilo's economy and the lot of the Chinese merchants in particular has soured somewhat. Labor problems and political corruption have destroyed her eminence as a port and slowed industrialization. Iloilo City's markets for wholesale distribution are shrinking, as Bacolod, Roxas City, Kalibo and other urban centers hook up directly with Manila's distribution system. This particularly cuts into Iloilo Chinese wholesalers' profits. Nationalization of a number of industries and marketing lines have squeezed the Chinese more into certain lines and increased their competition against each other. These restrictions coupled with Iloilo Chinese population growth have increased business competition in the city to the point where one-quarter of its Chinese-school graduates leave their town and family for better conditions elsewhere.

Despite the cut-off during the last 23 years from China and despite Iloilo's sagging mercantile status, the Chinese community continues to thrive socially. The schools are flourishing and their enrolment grows. New family associations, new sports clubs, and new buildings are appearing. Chinese wedding banquets are bigger than ever. The cultural pride and civic spirit of the older and wealthier men are in part responsible for this activity. Manila's cultural and political leadership has also given the Chinese the interest and the means to preserve their identity as a Philippine minority in spite of their surely permanent cultural isolation from China.

Some Business Facts

An occupational breakdown for Iloilo's adult employed Chinese population is presented in Table 1. It is clear from these figures why the Philippine Chinese deserve to be called a merchant society: over 70 percent of Iloilo's men are self-employed shopkeepers. Another 16 percent are either big businessmen or employees and managers of other merchants.

Of the more than 500 businesses operated by the ethnic Chinese, 67 percent are retail-wholesale operations, 9 percent are in native

products, 11 percent are in manufacturing, and 11 percent are services.

Of these operations, 87 percent are single proprietorships, 6 percent are family partnerships, and 4 percent are partnerships between unrelated men. About 3 percent are corporations, mostly family corporations.

Though comprising only 2 percent of Iloilo's population, the Chinese pay 35 percent of the city's business taxes and operate 20 percent of all retail-wholesale stores, clustering mostly in the medium range, with 10 to 50 employes, and in the downtown business district.

The Chinese are not represented proportionately in all lines of business. For example, virtually no Chinese participate in tailoring, dressmaking, undertaking, tire and battery repair, fresh-food sales, or the central market. But the Chinese operate 50 percent of the town's bakeries, 80 percent of its glassware stores, over 50 percent of the dry-goods and shoe stores, 80 percent of the groceries, 60 percent of the rice and corn warehouses, and

half of the hardwares, lumber yards, and furniture stores.⁴

In keeping with its conservative reputation, Iloilo's Chinese community is very cautious in commercial and other investments. Only since the great fire of 1966 have the Chinese begun to invest to any extent in cars, houses, land, and buildings. Compared to the Chinese in other provincial cities, Iloilo's Chinese have avoided investing in haciendas, out-of-town enterprises, high finance, or diversified lines. The two Chinese banks and a number of Filipino banks in Iloilo are filled with Chinese savings. However, the Chinese depositors do not turn to the banks themselves for credit or loans. The joke the Chinese tell on themselves is that a well-dressed businessman from Bacolod with a swimming pool in his backyard comes every week to Iloilo to ask credit from his supplier, who still lives over his store and works in his slippers, as he did 50 years ago.

Agribusiness seems to be the new frontier of investment for the Chinese, as the sugar industry is growing in Iloilo. In other lines, competition is stiff, and it is difficult to develop new enterprises. Many more Chinese leave Iloilo than arrive to start a business. One growing trend is to cut back storefront operations to a minimal level and speculate with the accumulated capital, making loans at high interest to trustworthy Chinese individuals who do not want to use the banks. The most common investment is an expansion or branch in a son's name, or a silent partnership with a friend or kinsman. In the former case, the son's civil status as a Filipino citizen is more secure than his father's. Being registered in his name, the son's branch is tantamount to an anticipatory inheritance.

During all the years of immigration to Iloilo from China, the "secret" to receiving a rural, uneducated immigrant boy and making a businessman of him lay in the overseas Chinese apprentice system. It operated in Iloilo in the American era as follows. A kinsman or a professional middleman would acquire the necessary documents claiming that a young man was the son of some merchant already in the Philippines. A patron businessman in Iloilo was a prearranged receiving party on hand to take

Table 1

Occupational breakdown of Iloilo City's ethnic Chinese, 1972¹

Occupation	Number	Percent
Small and medium business (self-employed owners and/or operators)	504	71.0
Big businesses (proprietors or branch managers)	13	2.0
White collar employees, executives, managers, clerks, salesmen ²	103	14.0
Professionals (including teachers and C.P.A.s)	65	9.0
Craftsmen and artisans	23	3.0
Government employes	5- 10	1.0
Total	713-718	100.0

¹A breakdown of adults who are employed, excluding unemployed and housewives. There are about 10 to 15 unemployed who are not supported by extended family connections but rely on community agencies, odd jobs, and panhandling. There is virtually no blue-collar labor force of Chinese.

²All employes not in other categories are tabulated here.

charge of the new recruit immediately. This patron might have been a kinsman, a man from the same China village, or merely a friend of a friend. He sometimes would adopt the young recruit if he had no heirs of his own.

Depending on the new man's age and ability, he would work a few years for his patron. He was first assigned to the backroom jobs, cooking, and cleaning the quarters of the other employes. As he progressed and learned a little Hiligaynon, the apprentice would get some contact with customers. He learned the merchandise, inventorying, and a little bookkeeping as well as money handling. There was a rigid hierarchy among the employes and partners, and the patron was like a very strict father over all his employes. He rigidly controlled the lives of his young charges, and should one lose his trust and be fired, he could be ruined in the Philippines for all time.

Sometimes the young recruits would receive no salary other than their room and board and a little money to send back to their parents or young wife. Sometimes the patron kept the young man's salary and banked it, holding it for the day when he started out on his own, or sometimes the patron invested the salary in shares of his own business, and the young apprentice eventually became a partner.

When the employe was finally trained, trusted, and versed in Philippine life and language, the patron gave him a partnership, or a job as salesman, buyer, or free agent. This last system is the twentieth-century descendant of the *cabecilla* system described by Edgar Wickberg (1965). The young recruit took his capital and bought stock, much of it on long-term credit, from his patron. He struck off on his own, perhaps next door or perhaps in a nearby barrio, operating as a distributor for his patron's goods.

Sometimes a man would form a partnership with another ex-apprentice and start a larger enterprise, but these rarely lasted, as the men began to call their wives from China and raise families. It is a strong reminder of the close interdependence of the Philippine Chinese family and business that the vast majority of partnerships which disintegrate do so because

of changes in the partners' families. These changes overburden the business by forcing adjustments in the profit, power, and labor arrangements.

A man who is processed into Philippine business life through the apprentice system rarely forgets his obligations to his patron. This patron often becomes his Filipino-style *compadre* or godfather. The younger man will also carefully avoid coming into direct business competition with his patron.

This apprentice system is the main reason why the Chinese seem to be distributed in certain lines based on their last names or their home towns. It is the explanation for the Cantonese being bakers, grocers, and restaurateurs, and for most of the Yus and Yaps from Chin-ch'iang being in textiles in Iloilo.

Besides the chambers of commerce which fill a wide variety of social, commercial, charitable, and political roles, the primary business organizations in Iloilo are the trade associations. The most important of these are the Sari-Sari Store Association, the Cigarette Association, the Restaurant Association, the Bakery Association, and the Hardware and Lumber Association. Filipino and foreign observers of the Philippine Chinese have sometimes implied that Chinese economic organizations are price-fixing, monopolistic cartels restraining free trade. No one would deny that the Chinese economic associations are useful, otherwise they would not exist, but in Iloilo they are acquitted of this harsher charge. Contrary to popular belief, most Chinese trade associations are not mutual-aid societies in the sense of pooling capital, cooperative buying and selling, making loans, or sharing business secrets. There is some price manipulation, but often association members actively try to undersell one another at those set prices.

Business associations have primarily an emergency and information function. They offer aid if a man's store burns down or if he has a hospital bill he cannot pay. Members elect respected wealthy men to leadership who have their ears to the merchant grapevine and who can keep them informed as well as donate to association coffers. Leaders help to halt price wars and other unhealthy competition among

members. Business associations serve to form a sense of community among otherwise aggressive competitors. Another major function of these groups is providing protection against political extortion. By paying *tong* in a group, business organizations get a discount.

Even the biggest and oldest of associations, the Sari-Sari Store Association, sometimes can exert only minimal control over its members. A few years ago a Cantonese salesman to the stores refused to pay his dues to the association, so the officers declared a boycott of the salesman. The vast majority of the stores continued as usual and the boycott fizzled. This is hardly a tightly run monopolistic cartel. Clearly, the popular image of Chinese business associations has been too harshly drawn.

The Family Business

Over nine out of 10 businesses among Iloilo's Chinese are single proprietorships or family partnerships. The Chinese themselves consider the family and the business virtually synonymous. "*Sing di ke si chueh hiak e lang,*" they say, "All business operates through just one man." The head of the family business and the head of the family are the same person. If there are family troubles, the business falters. If there is a loss of profit, the family suffers. In both direct and subtle ways, the shape of the business is influenced by the shape of the family and vice versa.

To understand family and kinship among the Philippine Chinese one has to examine the transformation of their economic base from rural, land-holding units to urban, inventory-holding, buy-and-sell operations. This is one of the major keys to overseas Chinese social structure. Living in a city store instead of a country cottage, owning a building full of dry goods instead of a parcel of riceland, the immigrants found it useful to alter their imported lineage organizations, community exogamy, household composition, investment psychology, power politics, and their social ranking. The status of women, inheritance practices, and relations with affines also changed. The immigrant sons of Chinese farmers have molded their cultural heritage into conformity with their merchant

livelihood, and the molding process still continues.

Let us sketch some characteristics of the merchant family as a socioeconomic unit. In terms of personnel, a business is organized in three concentric circles. In the inner circle are the family members: the father and mother, sons, sons-in-law, daughters, grandchildren, and occasionally some nephews or other kinsmen. In the second circle and closed almost completely from the inner circle are the Chinese employes: the trusted managers or accountants, the salesmen, the poor kinsmen taken on as dependents, and the nonrelated minor partners. In the third and last circle are the Filipino employes and the new recruits from the Chinese community. Members of this latter group may move into the second, trusted confidence circle, but unless they marry into the family they are closed from the inner circle for all time. And it is of course in the inner circle where all money is held, all decisions made, all responsibility shouldered, and where the profit accumulates.

The Chinese family business is organized in a strict hierarchy and subsequent division of labor. Sons are apportioned profit and responsibilities according to their birth order as often as according to their ability. Money is controlled by the head of the family, who is either the father or his widow, or the eldest son if the parents are dead. Any expansion or branching of the family business is as dependent on family resources as it is on the availability of capital. That is, are there family members to manage the new development? If not, there is liable to be no development. And inevitably, business expansion or branching results in changes in family relations: sons will become more independent or adjust their status to each other, or married daughters and their husbands may be called back to the extended family to help manage the new enterprise.

The advantages to a Chinese businessman of marrying a Filipina have been described before, as has the subsequent bilateral emphasis in the family (Zarco 1966). But there were drawbacks, too. Chinese employes who married Filipinas were often summarily dismissed as a liability. Merchants who married Filipinas before the war

were frequently pressured out of the major mercantile lines by large cuts in their credit. Often they shifted to *sari sari* stores in provincial areas where their Filipina wives were helpful in managing the employes, dealing with customers, or maintaining good rapport with the community. Only in these latter cases is it justified to speak of Filipina wives' equality in the business. When urban Chinese men in other lines married Filipinas, their wives were helpful, no doubt, but quite restricted. The husbands were still in exclusive control of the family business purse strings. These husbands made careful efforts to limit their contact with and obligations to their Filipino in-laws, except as dependent employes. As any small entrepreneur learns, nothing makes capital evaporate more quickly than responsibility for one's kinsmen.

Since World War II the situation has been changing toward more equality of the Filipino wives in business and toward greater acceptance of Chinese businessmen marrying Filipinas. But the biggest change has occurred in the work of the Chinese wives, heretofore virtually excluded from important urban business activities. Among the younger women, especially those educated in the Philippines, far more are agitating for and receiving independent bank accounts, freer access to allowances, and greater roles in their family businesses. Today a growing proportion of Chinese wives and sisters control, help manage, or do office work in their family businesses. About 43 percent of the Chinese married women are so engaged, compared to 55 percent of the Filipino wives of Chinese. In this atmosphere of greater freedom, about 8 percent of the Chinese and Filipino wives have begun business sidelines, or *ko lin e seng di*, for their own pocket money.

I have said that the Chinese have been careful to avoid entanglements with the seemingly infinite kinship networks of their Filipino wives and in-laws. On the other hand, one of the major postwar developments has been the rise of business alliances between Chinese affinal kinsmen. This is, in part, simply a result of the increase in marriages in the Philippines between people whose natal families are also local rather than in some remote Chinese village.⁵ Almost

every family now who marries off a daughter creates an alliance with another Chinese business family, and the number of families who utilize this potential connection for business is increasing. Affinal kinsmen may form partnerships, or a father-in-law may set up a son-in-law with capital. Or perhaps one affine becomes the distributor for the other's manufactures. The loss of one's daughter is now compensated for by the gain of some potential business allies.

Overseas Chinese inheritance practices in Southeast Asia are a virtually unexplored phenomenon but are crucial to understanding how a family business holds together or falls apart through the generations.

Philippine Chinese inheritance practices neither adhere strictly to a written legal code nor rely on a written will. Each inheritance case is a rather improvisatory affair, mixing both Chinese and Filipino practices. After several generations in the Philippines, certain conventions have been established which each community or family group is inclined to follow. But innovations, especially in the direction of Filipino practices, constantly occur. Until recent decades, adjudication within the Chinese community by invited mediators and family associations was the only way to enforce the conventions. As Filipino customs work into the inheritance practices, more recourse is made to Filipino law courts to supplement internal Chinese mechanisms.

Compared to Filipino customs and laws, the Chinese inheritance practices have the effect of better conserving the physical assets, inventory, and working capital of a Chinese business simply because fewer people are expected to share in it. Such is the case because it is common to exclude daughters from inheriting shares of the business itself. Presumably the family has helped her to marry a successful businessman; she therefore does not need the inheritance. Today a woman is sometimes offered a share by her brothers when the father dies, but if she is married her husband usually declines the share as a point of honor. The daughters are not neglected by any means: houses and dowries of ₱50,000 to ₱100,000 are common among the upper levels of Iloilo's Chinese.

If a man has more than one wife, either in China or in the Philippines, a careful settlement must be negotiated among the various branches of the family in the presence of the *kon-chin-lang*, or respected family friend and mediator. Lawyers are never involved unless a crisis develops. If the various wives and children, common-law or legal, Chinese or Filipino, cannot agree to a settlement, then sometimes a vigorous feud develops and the whole patrimony may be destroyed in formal court battles.

Until recently, family heads assiduously avoided turning over property and control to their heirs before they died. But the nationalization campaigns since Liberation have had the effect of breaking this elderly patriarchy and initiating a practice of anticipatory inheritance. The Retail Trade Nationalization Law of 1955 and the Rice and Corn Nationalization Act of 1960, among others, placed a premium on Filipino citizenship, for which usually only the sons of the business family were eligible. Fathers have had their sons naturalized to be eligible to continue their businesses or to open new ones. Promoting the naturalized sons and daughters as the legal heads of the family commercial enterprises has increased their control of those enterprises and consequently improved their status in the family itself.

Conclusion

This short outline on the Iloilo Chinese adds to the small collection of first-hand community studies of Philippine Chinese a picture of the mutual interdependence of commercial life and social life, especially regarding the family business.

Anthropologists have studied the cultures of hunters and gatherers, pastoralists, peasants, and others, but they have had little to say about ethnic groups who make their living as shopkeepers. The Chinese of Iloilo City, of the Philippines as a whole, and most Chinese throughout Southeast Asia are merchants whose whole social life and customs are congruent with that profession.

George Weightman (1960) describes the Philippine Chinese community as a "marginal

trading community"; they are indeed a community and are also culturally marginal to mainstream Filipino life, but economically the Chinese are dead center: the legendary middlemen. Manning Nash (1966: 25) reminds us that worldwide there are many "resident strangers," as he calls them, playing central roles in peasant and tribal economies. Besides the Chinese and Indians of Southeast Asia, there are Chinese and Indians in East Africa, Lebanese and Syrians in West Africa, "Turcos" (Levantine immigrants) in South America, and Greeks and Indians in the Caribbean, among many others. The Iloilo Chinese shopkeepers apparently have their counterparts the world over.

A reasonable next step for anthropologists and other social researchers of the overseas Chinese should be to adopt a more truly cross-cultural perspective on their subjects. The culture of the Southeast Asian Chinese merchants may be examined as but one of a worldwide sample of "resident strangers" or "marginal trading communities." A great welter of topics interesting to every type of social scientist will beg study when such a sample is drawn. What are the similarities and differences in the way various kinds of minority merchants conduct their business? What are the similarities and differences in the structure and operation of these merchants' families and kin groups? How do they differ in their relations with their host societies or resident foreign powers?

In the long view, each contribution to our understanding of the Philippine Chinese, the overseas Chinese, or overseas merchants in general becomes a part of such a crosscultural project. To that end this sketch of Iloilo's Chinese is offered.

Notes

The author spent approximately 18 months (1971-73) in Iloilo Province, particularly in Iloilo City and vicinity, studying the role of the Chinese community in that part of the Philippines. His research was supported by a grant from the U.S. National Institute of Mental Health. At present Mr. Omohundro is teaching at the University of Michigan and is a candidate for the doctorate in social anthropology.

1. This research note is abstracted from my doctoral dissertation (in progress), based on 18 months of fieldwork in Iloilo City as a doctoral candidate from

the University of Michigan and a Visiting Research Associate at the Institute of Philippine Culture. I am grateful to the U.S. National Institute of Mental Health for the grant to carry out this research.

2. In talks with me, See has suggested that 60 percent of the ethnic Chinese youth in the Philippines attend Chinese schools; further, according to a standard demographic curve, 40 percent of the ethnic population should be of school age. Therefore, the number of ethnic Chinese = $2.5 \times$ Chinese school enrollment / .60; however, in Iloilo City virtually all ethnic Chinese attend Chinese schools, so I have dropped the divisor from the formula.

3. See Khin Khin Myint Jensen (1956) for a discussion of the intended and actual effects of the American regime's attempt to restrict Chinese immigration.

4. These figures are gathered from official business censuses in Iloilo's Bureau of the Census and Statistics and apply only to businesses with fewer than 10 employees.

5. Fully 85 percent of all Chinese marriages in Iloilo City in recent decades have been with other Iloilo Chinese producing a bewildering network of affinal ties throughout the merchant community.

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Implications of Various Family-Size Averages in the Philippines

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One of the primary objectives of any effort to reduce population growth is to convert demographic projections for a nation into meaningful guidelines for individual and family decision making. The average villager or village leader may find it difficult to understand references to age specific fertility rates, total fertility rates, or even birth, death, and growth rates, since some basic arithmetic concepts are involved even in the most simplistic demographic presentations. As a result, population planners are turning more and more to presentations using the net reproduction rate (NRR).

The NRR is the average number of female children born to each woman in the population throughout her full reproductive span. By doubling the NRR we obtain a close approximation of average finished family size. Program administrators should be able to use projections based on the NRR to relate average family size to national population growth. These "sim-

plified" projections should not only be easier for local leaders and the citizenry to understand, but should produce sufficient corollary information to allow them to be used for a variety of purposes to which more traditional projections cannot be so easily adapted.

The figures presented with this note depict graphically the effect of various approximate family-size averages for the Philippines. The projections upon which the figures are based were derived from age and sex data from the 1970 census, and fertility data from the 1968 National Demographic Survey conducted by the Bureau of the Census and Statistics and the University of the Philippines Population Institute. Longevity and death-rate adjustments were based on past Philippine trends. Data processing and printout were accomplished by the U.S. Bureau of the Census, International Demographic Statistics Center.

The attached figures could be used to give