

Jamail A. Kamlian and Juvanni A. Caballero. Informal Credit (Pagsanda) Among the Tausug of Sulu, Mindanao, Philippines: The Interrelation of Economic, Social and Religious Factors (New York: The Edwin Mellen Press, 2018)

A Book Review

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Abstract

Focusing on an indigenously evolved informal credit system (*pagsanda*), the book dwells on the centrality of money-lending and indebtedness as the fulcrum of the dynamics of society. How is it that the *pagsanda* as a communal self-help mechanism intended to lend a hand in moments of need is tied up with, or even central to the dynamics of conflict among the Tausugs in Sulu? How can something so condemned as un-Islamic become so prevalent and widespread among the Muslims in the area? The book opens the discourse to help find answers to these questions. And it did so by weaving a narrative that captures the interplay of various issue areas that feed on the other to create a self-sustaining system that becomes a precarious social powder keg. The *pagsanda's* pristine form of unselfish assistance has clearly morphed through time into many variants of exploitative and even oppressive callous social exchange. By analyzing the complex network of connections between the *pagsanda*, local politics, economics, socio-cultural practices and violent conflict, the book sheds light into the nature and causes of the social dynamics in Sulu.

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Let me preface my review with a curious find.

Among the pre-Spanish artifacts we have in the National Archives is a Copper Plate Inscription (CPI) measuring 20x30 cm. It has been dated to the 9th century and is considered as our oldest historical document.

What was the inscription all about? It is not a song. Neither is it a poem. Rather, it is a document for the relinquishment of a debt, a receipt if you will. The extant document is testament to the centrality of money lending and indebtedness in the dynamics of our society then, as it is now. This same centrality of indebtedness is likewise the very essence of the book.

Published in 2018 by the Edwin Mellen Press, New York, USA, the book curiously carries two distinct International Standard Book Number (ISBNs). Following the usual format for academic researches, it has 158 pages excluding the preliminaries and the peripherals, and is divided into five chapters. The book's condensed version formed an integral part of a larger book entitled "*Out of the Shadows: Violent Conflict and the Real Economy of Mindanao*". It was singled out as the Best Book in the Social Science category during the 36th National Book Awards.

The book must have indeed struck a socially responsive chord!

The title itself is really a mouthful and promises a lot of coverage. The authors however, did not disappoint. They delivered. The discourse is well calibrated and thematic in structure so much so that keeping track of the common unifying thread is relatively easy. The summative chapter is as encompassing as it is substantive. The casual reader may even do as well by simply reading the last chapter.

How can something so condemned as un-Islamic become so prevalent among the Muslims in Sulu? How is it that the *pagsanda*, an indigenously evolved informal credit system, with intentions to lend a hand in moments of need is tied up with, or even central to the dynamics of conflict in the area?

The book opens the discourse to help find answers to these questions. And it did so by weaving a narrative that captures the interplay of various issue areas that feeds on the other to create a self-sustaining system that becomes a social quicksand. The *pagsanda pagtabang*, as the *pagsanda*'s pristine form of unselfish assistance has clearly morphed through time into many variants of exploitative and even oppressive callous social exchange.

By analyzing the complex network of connections between *pagsanda* and local politics, economics, socio-cultural practices and violent conflict, the book sheds light into the nature and causes of the social dynamics in the area.

Using the *pagsanda* as the prismatic lens with which to analyze the goings on in Sulu, the authors did not mince words and went straight to the jugular. Banking on extensive case studies, the essentiality of the economics of things is established as the fulcrum of the story.

With the *pagsanda* as the analytical anchor, the authors introduced, rather very lightly and even indirectly, a specific theoretical frame to make sense of the data. This can only be gleaned however, as there is no specific discussion on this point. From what is gleaned, the

book's analytical paradigm ventured into the materialist school of historiography. This framework argues that economics drives the dynamics of society.

This being postulated, the theory argues that it is the economic substructure that defines the contours of any superstructure that may be built upon it. Consequently, despite the condemnation on the grounds of usury (*riba*) by the religious and legal superstructures, the *pagsanda* remains strong as it provides the means to satisfy the cultural expectations of holding lavish celebrations demanded by society so as not lose face (*Sipug*).

The economic demands of culture, in effect, drives the *manananda* (debtor) into indebtedness from the *magsasanda* (creditor). The moral qualms are silenced by the economic substructure as its necessity is justified by the cultural superstructure.

Employed as the conceptual anchor, the *pagsanda* is taken to be the axle upon which the spokes of the wheel of society are linked. It binds society as it satisfies the culturally prescribed social celebrations as a defined need no matter how ridiculous and unreasonable they may seem to appear particularly to outsiders. In the process, it encapsulates and defines the very nature, character and the possibilities of society itself.

With few but very efficient strokes, the authors used statistical references to describe the social landscape — a setting that inevitably push people into the sinkhole of indebtedness to satisfy the lavish demands of their culture. In this defined social context, the thriving of the *pagsanda* as an institution becomes a historic necessity.

The mix of factors in this social equation generates a vicious cycle of poverty, indebtedness, powerlessness and exploitation. In the process, it accumulates a social powder keg of sorts that can explode any moment. The intensity and inevitability of such explosion is contingent with the proliferation of loose firearms that are put into play when these social volcanoes erupt.

Despite the moral condemnation from the religious and the academics, the society justifies the *pagsanda* for its pragmatic social function. This tendency is a universal phenomenon and is corroborated by the Structural Functionalist Theory. It posits that when a function is fixated to a need, it becomes an institution that is difficult to live without. The *pagsanda* has become a necessary social coping mechanism which explains its staying power despite the moral arguments against usury.

But what about the formal credit institutions that operate within the regulatory powers of the state? This sector is cast aside by the authors for lack of willing respondents as data sources to be the basis of any meaningful and socially significant narrative.

It is rather unfortunate that the formal credit institutions were not given their rightful share of the narrative. Had the authors succeeded in engaging those in the formal credit sector, the book could have been substantially enriched. It could have triggered a fruitful dialogue to possibly amalgamate the two systems of credit by learning from the experiences of both.

This gap is worth pursuing, given the allegations that even formal businesses serve as fronts of the informal sector. When pursued, the substantiality of the new material could immediately warrant a revised edition of the book. An edition that should also

reconceptualize the book's cover design to do justice to the dynamism embedded in the discourse. As it stands, the book's cover design leaves a lot to be desired.

After reading the book, one is compelled to ask and rethink the proverbial chicken and egg blame game of the issues as they impinge on the broader concerns that bedevil the entire country today:

1. Are the factors that drive the people to resort to excessive borrowings not the necessary starting point for analysis?
2. Is not failure of government in instituting an accessible credit system the primary issue that must be tackled first?
3. Is not the obsessiveness and excessiveness of culture to satisfy social expectations not the primary point for reforms?
4. Can the tried and tested *pagsanda* provide a blueprint to inform the operations of the Philippine Amanah Bank?
5. What is the definitive dividing line between usury (*riba*) and legitimate profit (*hudjara*)? Is this not an area worth looking into by both the religious, academics and the business community as we now live in a social order markedly different from whence it was first instituted? And particularly so since the Quran is only indicative and illustrative but not definitive in this regard?

The study has raised insights into the interplay of social forces in propelling the dynamics of society. A culture of indebtedness is apparently encouraged as it is reinforced by the social circumstance of the people. Indebtedness does not recognize cultural boundaries. It cuts across the divide.

Where do we go from here? How do we go from here is the better question. The authors point to education as the key. But going back to the theoretical frame, is not education another superstructure that is erected to legitimize the economic substructure of society? Does it not serve as a force driven to perpetuate the status quo?

On another slant, could it be that we are dealing with a combination lock which requires not a single key but a series of correct combinations where a couple of things must simultaneously fall into their rightful places for social progress to be unlocked?

Certainly, the road ahead is not an easy one. The complexities in these multi-layered social issues require a thorough understanding to be bull's eyed by policy prescriptions. After all, any solution can only proceed from a proper understanding of the problematic landscape. This book, to its credit, has pointed to the right direction and has taken the very first step towards that end. It has legitimately acquired its enduring relevance until a comprehensive and long-lasting solution, in whatever form, is finally found.