

Philippine Agrarian Reform Today: Fallen Hopes and New Possibilities

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The Aquino administration has time and again pronounced agrarian reform as its centerpiece program. From this declaration, one is therefore made to understand that land reform is the single most important component of the strategy to rehabilitate the country from the depredations of the Marcos regime. Incidentally, Mr. Marcos called his version of land reform his government's cornerstone program. We now know that it was a failure of immense proportions. As one farmer spokesperson would often remark, by the time Marcos was unceremoniously ousted from power, his agrarian reform had been reduced to a mere stone in the corner. On the point of accordg agrarian reform its required place in official pronouncements, both Mrs. Aquino and Mr. Marcos, at least, shared a common view. We may thus pose the question: Is Mrs. Aquino's centerpiece going the same way as Mr. Marcos's cornerstone?

Republic Act No. 6657, otherwise known as the "Comprehensive Agrarian Reform Law" (CARL) was signed into law by President Aquino on June 10, 1988. From the start, however, it failed to gain the support of the major farmer and farmworker organizations. Non-government organizations engaged in agrarian work echoed peasant criticisms of the new law. In summary, RA 6657 was rejected for the following reasons:

- (1) Its redefinition of agrarian reform by allowing schemes such as stock distribution which take the place of land distribution;
- (2) Its limited coverage which could exempt as much as 90 percent of agricultural lands from redistribution;
- (3) Its landowner compensation scheme which could make the program too costly to implement;
- (4) Its long schedule of implementation which gives time for landowners to evade coverage;

(5) The low priority for private land redistribution; and,

(6) The lack of participation of farmer-beneficiaries in program implementation.

Since then, many controversial events have marked the implementation of the Aquino agrarian reform program. Taken together, they all point to the conclusion that two years and three months from its inception, the program is already approaching a standstill. Not necessarily in the order of importance, these events include:

- (1) The Garchitorena land scam;
- (2) The questionable Hacienda Luisita stock option scheme;
- (3) Standoffs in the multinational plantation sector;
- (4) The Drilon rulings on land conversions and the Cavite land conversion case;
- (5) The issue of the position of agrarian reform secretary and the takeover of DAR by "middle-of-the-roversers;"
- (6) Exaggerated claims of achievements;
- (7) The decision to limit cash releases to DAR;
- (8) The transfer of land valuation responsibility from the DAR to the Land Bank;
- (9) The decentralization of agrarian reform implementation; and,
- (10) The striking out of CARP from the agenda of the meeting to raise funds for the Philippine Assistance Plan.

While government clumsily implements a faltering program, farmers' groups and non-governmental organizations are undertaking grassroots-based initiatives aimed at improving both tenurial arrangements and livelihood opportunities. These popular movements are

now seen as components of an alternative agrarian reform program.

This paper examines the problems besetting the government program and the controversies that have tainted it. Against the official agenda, the new possibilities opened up by grassroots projects are then presented.

The Land Scam

In the Garchitorena land scam, 1,888 hectares of mountainous cogon lands in Camarines Sur were voluntarily offered for distribution and passed off as a prime agricultural area. It had been bought a month earlier for 3.2 million pesos by Sharp International Marketing from the United Coconut Planters' Bank. DAR officials connived with the landowners to value the land at 62.7 million pesos or 20 times its purchase price.

The Garchitorena scandal was made possible because of the "kid gloves" policy of implementation ordered by then DAR Secretary Philip Juico of the Department of Agrarian Reform. Under this policy, the concentration was on voluntary offers of sale rather than compulsory acquisition.

During that time, the atmosphere was ripe for shady land deals and the word was passed around the local branches of DAR that the "sky was the limit" in valuing lands submitted for agrarian reform coverage. After all, it was argued, under R.A. 6657, the farmer-beneficiaries would not have to pay the price of the valuation.

The Hacienda Luisita Stock Plan

Similarly abused was the stock option scheme of agrarian reform. Under this program, shares of stocks the total value of which corresponds to the value of the land are distributed to farm workers. This formally entitles them to equity shares in the farming corporation.

As every student of agrarian reform knows, stock distribution is not the same as and can never be a substitute for land transfer -- which is what the reform process is all about. At best, it can be considered as a transitory measure pending final land distribution. Yet, under Philippine law, land reform was conveniently redefined to accommodate the inter-

ests of a few powerful families who end up continuing to control vast agricultural lands.

Objectionable as the stock option plan intrinsically already was, it was further made more worthless in the case of the 6,000-hectare Hacienda Luisita, which is owned by President Aquino's family. Since only stock equivalent to the value of the lands could be transferred, over-valuation of non-land assets probably occurred, which would assure that only a minority of shares will accrue to the farm workers. And in the valuation of the land, the Hacienda Luisita corporation excluded land improvements such as roads, irrigation canals, culverts, bridges, and water reservoir, thus further reducing the value of transferrable stocks.

Through the management-controlled labor union, the plantation workers were then pressured into accepting a stock distribution plan that assured continued control over the land and all operations by the corporate owners. This was achieved through a systematic campaign of misinformation and intimidation waged by the plantation owners and managers.

As of now, the Hacienda Luisita stock distribution scheme stands as the biggest single land transaction successfully brokered by the DAR under the Aquino agrarian reform program. This prompted Sixto K. Roxas to remark that: "Agrarian reform is the centerpiece of the (government) program. But Hacienda Luisita is the centerpiece of agrarian reform." [1]

A total of 34 agro-corporations have pending applications for stock transfer. They include San Miguel Corporation, Monterey Farms, Marsman, and Gamboa-Hermanos. R.A. 6657 (Section 31, par. 9) stipulates that all stock transfers be approved within two years of the law's signing; otherwise the lands in question will be subjected to compulsory coverage. Justice Secretary Franklin Drilon, however, has ruled that, because of the "injustice" that may ensue to the landowner, the DAR may still act on the stock distribution applications even beyond the deadline of 14 June 1990. [2]

In August, Rep. Gerardo Cabochan (Kalookan) filed House Bill 31557 amending the agrarian reform law by scrapping the stock option provision. Rep. Edcel Lagman, Chairman of the House Agrarian Reform Committee, said that he is inclined to favor the

Cabochan amendment. It is doubtful, however, whether such an amendment will win the approval of the House.

TNC Plantations

Another thorn on the side of agrarian reform is the current standoff in its implementation in lands leased from government by transnational agribusiness corporations. Under the CARL, these lands are to be turned over to workers' cooperatives who in turn, as the new landowners, will negotiate with the multinationals on leaseback terms.

Turning over the lands to the workers' organizations was the easiest step since these were all government lands anyway. But when the cooperatives started negotiating with the

TNC, the problems arose. Both Dole and Del Monte wanted a long lease period of 25 years and a low rental of 1,500 pesos per hectare per year. Del Monte initiated the organization of a subservient workers' cooperative which immediately accepted the TNC's terms and hastily signed a memorandum of agreement. The fifteen-member Del Monte cooperative board had only two field workers. This agreement was so blatantly unfavorable to the workers that then DAR Secretary Juico had to suspend its effectivity. In the case of Dole, the existing union organized a cooperative which refused management's terms and asked instead for a 5-year lease and 7,000 pesos rent per hectare per year. The Dole management has stood pat on its original offer and a stalemate has ensued.

The situation has not changed to this day. The CARL worker-beneficiaries find no comfort in a statement made in early June 1990 by present DAR Secretary Benjamin Leong that he favors longer term leases by the TNCs on the grounds that "foreign firms should be allowed the opportunity to recoup their investments." [3] Though he subsequently backtracked in the face of intense criticism from farmers' groups, he was still quoted as saying that the issue is simply "a matter of negotiation between the farmer-landowners and the multinationals." [4] That opinion reveals at best a naive understanding of the lopsided social relations prevailing in these plantations and at worst, a clear case of collusion with foreign companies against the interest of the plantation workers. Leong must be told that the two parties -- the multinational on one hand, and the workers'



cooperative on the other, will never come to an agreement unless government steps in to resolve the matter.

These two test cases show that a halfhearted and unprincipled government approach to agrarian reform could only lead to sorry results. In the Dole pineapple lands, frustrated worker-beneficiaries have written Mrs. Aquino last December 1989 "relinquishing ownership" of the lands given to them because they sense a lack of government support and encouragement in their negotiations with the multinational corporation. In the meantime, the stalemate can only rebound to the benefit of the multinationals as the status quo is maintained. The foreign corporations are aware of this and are not pressing for a speedy resolution of the twin cases. The workers, on the other hand, are getting restive and impatient over government indecisiveness. For them, land reform is rapidly turning into a bad dream.

Land Conversions and the Drilon Ruling

Then came the infamous land conversions. Under the Marcos regime, large areas of agricultural land operated by small tillers in Cavite province were declared as industrial zones. The conversions were not based on any economic development strategy or land use policies. There are strong indications that Marcos cronies pushed for these conversions in order to engage in profitable land speculations in an area which stretched all the way to Puerto Azul.

A Philippine-based American researcher, John McAndrew, has studied the industrialization process in the towns of Dasmariñas and General Trias and came up with the following conclusions:



The coming of industrial and agri-businesses to the municipalities of Dasmariñas and General Trias... had traumatic consequences for local village communities. The corporate takeover displaced hundreds of farm families... In most cases, compensation payments were inadequate. More lamentable, the corporations failed to fulfill promises (of) alternative employment...

By and large, the (land) conversions... never led to industrialization. Rather, it left behind... large tracts of idle and unproductive property that in some instances ended up as assets of a foreclosed company.

Today, the present government, under the instigation of Trade and Industry Secretary Jose Concepcion and former Finance Secretary Vicente Jayme, is seeking to rehabilitate and refurbish the Marcos programs. It is doing this unmindful of the land rights of hundreds of farmer-families and seemingly ignorant of the pitfalls of an industrialization policy centered on "runawayshops" and a low level of technology transfer.

Under the CALABAR project, the government intends to develop industrial enclaves in the provinces of Cavite, Laguna, Batangas, and Rizal under the Countryside Agro-Industrial Development Strategy (CAIDS). Costing \$235 million over ten years, CALABAR is expected

by government to generate \$2.7 billion in investments and create 340,000 jobs.

A group of scientists from the University of the Philippines, under the umbrella of the Scientists Action Committee (SAC), has criticized the CALABAR concept of industrialization because it fails "to fuse the imperative of industrialization and the demand to upgrade the country's scientific and technological capability." SAC Chairman Dr. Jerrold Garcia says that most industries to be established in CALABAR areas "will require little technological and scientific manpower" which would leave the Philippines still far behind its more-developed neighbors. Garcia claims that the concept is no different from Marcos' export processing zones and that "when these firms pack up, all we will have will be empty warehouses."

In the center of the controversy, the 232-hectare land owned by the National Development Company (NDC) and leased to Marubeni Corporation for development into an industrial site, 130 farmer-tillers had petitioned DAR for CARP coverage of the lands. The land, of course, had earlier been classified in 1980 as non-agricultural by the Housing and Land Use Regulatory Board (HLURB) to accommodate the Marcos cronies. The DAR referred the matter to the Department of Justice. In his infamous ruling of February 1990, Justice Secretary Dilon declared that all lands classified as non-agricultural prior to the effectivity of R. A. 6657 (the CARP law) which is 15 June 1987, were outside the jurisdiction of the Department of Agrarian Reform. This ruling is heaven-sent for landowners intent on evading coverage of agrarian reform.

A compromise agreement brokered by then acting DAR Secretary Leong was reached after a referendum showed that only 28 farmers remained in favor of land reform coverage while 98 others opted for conversion. The 98 were granted fifty-five thousand pesos in disturbance compensation while the 28 were given 45 hectares in the NDC lot and 39 hectares in the adjoining Ramos estate as well as eight thousand pesos in emergency family assistance. Everyone was to get 220 square meter homelots, skills training, and preference for employment in the Marubeni industrial zone.

The controversy, however, is not over. The Institute for Church and Social Issues of Ateneo University has pointed out that the rights of 100 farmers in the Ramos estate have been neglected. [5] On the other hand, while the 28 NDC farmers led by Gabriel Medina have already acquired the 45 hectares in NDC property, they have yet to get the 39 hectares in Ramos lands. The Medina group, however, has forged an agreement with the Ramos estate farmers where they declared that the Ramos property should go to its tillers and that 39 more hectares of NDC lands should be set aside for the 28 NDC farmers.

To make matters worse, 16 of the 86 farmers who voted for conversion have occupied 30 hectares of the Ramos property. Having accepted the disturbance compensation, they have relinquished their right to land under the CARL. But since the compensation received is obviously inadequate for setting up a new life, employment in the Marubeni estate is still long in coming and no immediate job opportunities have been provided by DAR and DTI, they are currently jobless and idle.

Other disputes have arisen in the wake of the NDC-Marubeni controversy. In the three Cavite towns of Rosario, Gen. Trias, and Novelete, 275 hectares of land reserved for the Cavite Export Processing Zone are presently tilled by 200 peasant-occupants. DAR Undersecretary Renato Padilla, however, (acting more like an Undersecretary of Trade and Industry) has ruled that these lands are exempted from CARP coverage and that the CEPZ need not apply for conversion as the lands in question had also been reclassified as industrial zones by two Marcos proclamations in 1980. Of the 200 farmers, Padilla could only lamely offer the advice that "they have no choice but to move."

In Calauan, Laguna, the 342-hectare Imok Farm owned by Desiderio de los Reyes, father-in-law of Rep. Jose Cojuangco, has been occupied by farmers belonging to the KMP. [6] De los Reyes planned to convert his land for industrial use by claiming that it falls within the CALABAR zone and had already negotiated for a Malaysian firm to put up a garments factory in the land. While DAR Secretary Leong has placed the Imok Farm under compulsory acquisition, the farmers are skeptical that the order would be implemented because of the strong connections of the land-

owner. The farmers claim to have been harassed by the military after they attended a camp-out at the DAR head office in Quezon City. [7] De los Reyes is also said to be a member of the Provincial Agrarian Reform Coordinating Committee.

The Secretary of Agrarian Reform

It was the Cavite land conversion issue that resulted in the forced resignation of DAR Secretary Florencio Abad. Because he opposed the Cavite land conversions and intended to distribute the lands to farmers, Abad's designation as DAR secretary was rejected by the Commission on Appointments of the landlord-dominated Congress.

The position of DAR Secretary is a critical one since the person occupying that position is the chief implementor of the agrarian reform program. He or she, therefore, should have an informed appreciation of the philosophy and mission of the program as a social justice measure. At the same time, the Secretary should take an unequivocal preferential option for the poor and landless -- in other words, the target-beneficiaries of land reform. In the four years since Mrs. Aquino became President, there have been five agrarian reform Secretaries, excluding those who have served in an acting capacity. When the first cabinet was drawn up in 1986, the position was the last to be filled. And when her first DAR secretary gave up the position to run for the Senate, it was months before Mrs. Aquino appointed a replacement.

There are two probable reasons to explain this negligence. One, the position of DAR Secretary is the object of intense political power play within the administration. High pressure lobbies are conducted by different groups especially from the landlord sector. For obvious reasons, landlords want a secretary who will implement a version of land reform that would not disturb existing power configurations in the countryside. The business

sector prefers a secretary who would not propose the conversion of agricultural lands into industrial estates. On a much lesser scale, the peasant sector and its few allies in government also conduct lobbies but are clearly at a disadvantage. Some say that the appointment of pro-farmer Florencio Abad was a fluke and a lucky accident which will not happen again a long time.

Secondly, the DAR has grown into a gigantic government bureaucracy which penetrates into every town and village in the country. Its personnel force has grown from 9,000 in 1986 to over 15,000 today with 90 percent assigned to the field. It also has a large electoral constituency comprising at least ten million voters. It is therefore a strong base from which to launch or fortify the career of a politically ambitious Secretary.



Abad

Midweek

DAR Takeover By "Middle of the Roaders"

It would appear that the appointment and confirmation of Benjamin Leong as DAR Secretary would constitute a victory for the landlord-business lobby. The Commission on Appointments deliberated for only 20 minutes before approving Leong's appointment. "Positive traits" attributed to Leong which impressed the legislators were "a low key image, non-controversial, and less combative." These traits however, could be translated into what columnist Fermin Adriano calls Leong's "lack of passion for agrarian reform." [8]

Adriano further reports that "only Malacanang, the landlords and their supporters, and the new Secretary's closest aides and friends are rejoicing over his designation. A news item remarked that "Leong's confirmation seems to give validity to allegations made by peasant groups and disgruntled DAR employees that the dominant landlord-traditional politician bloc in Congress had found the right man." [9]

The moderate Federation of Free Farmers (FFF) commented that Leong's appointment is "a sign of lack of government commitment to agrarian reform." [10] FFF President J. Montemayor criticized Leong's "lack of will and character to push through the spirit of agrarian reform, compromising attitude

The overall performance of Leong and his closest aides seem to buttress the charges of his critics. It is believed that, in order to assure his confirmation by Congress, he quickly gave up the fight that his predecessor Florencio Abad started on behalf of the 130 farmers on the NDC-Marubeni property.

Table 1. Summary of DAR's Accomplishments on Land Distribution (July 1987 to March 1990) In Hectares.

Program	Target	Accomplishment		Percent
	(A)	Area (B)	% to Total (C)	B/A
Rice and Corn Lands*	357,972	341,149	79.2 %	95 %
PCGG - Surrendered/ Sequestered Lands**	786	396	0.1 %	50 %
Government - Owned Agricultural Lands***	10,240	28,394	6.6 %	277 %
Resettlement and Landed Estates	126,778	57,321	13.3 %	45 %
Private Agricultural Lands	144,581	3,470	0.8 %	2 %
TOTAL	640,357	430,730	100.0 %	67 %

* This is actually the Marcos land reform program (P. D. 27).

** This involves a single transaction: the 396 hectares of surrendered Jose Y. Campos lands in Laguna.

*** This includes the 17,000 hectares of Del Monte and Dole lands where the worker-beneficiaries are still locked in stalemated lease negotiations with the TNCs.

Source: Department of Agrarian Reform; Notes by the author

towards the enemies of the program, and indecisiveness in responding to urgent problems of farmers." The radical Kilusang Magbubukid ng Pilipinas (KMP) called Leong the DAR secretary "acceptable to investors who wish to convert their lands for industrial use." Rep. Edcel Lagman has expressed doubts about Leong's capability because of the latter's "neither pro-landlord, nor pro-peasant stance." [11] Lagman remarked that: "One who is pro-CARP must necessarily be pro-farmer." The KMP labeled Leong's "middle-of-the-road" position as "criminal fence-sitting." On the other hand, the conservative National Farmer's Supreme Council (Sanduguan) endorsed Leong's confirmation.

In spite of the lapse of the June 14, 1990 deadline for all stock transfer schemes to be approved by the Presidential Agrarian Reform Council (PARC), DAR has announced that it would continue to process such applications. This came in the wake of the Drilon ruling on stock transfers. Despite the fact that this ruling will pave the way for 21,000 hectares of corporate land to evade land reform, Leong immediately agreed with the Justice Department's pro-landlord interpretation of the law.

Exaggerated Claims of Achievements

In the meantime, government has claimed outstanding accomplishments in land reform

implementation. These, however, are highly disputable. Most land titles being distributed are those still included in the Marcos program. Of the 430,000 hectares DAR claimed to have distributed from July 1987 to May 1990, 341,149 hectares (79 percent), were still part of the Marcos land reform program under Presidential Decree No. 27. It would be dishonest for the present administration to claim this as its achievement because most of the work in transferring these lands had already been done under the previous regime.

For the first quarter of 1990, DAR's accomplishment rate dropped to only 29 percent of the target with only a one percent record in private lands. As a whole, the total amount of lands transferred of 430,000 hectares is only 67 percent of the target of 610,357 hectares. This means that in 2 years and seven months, only 6.2 percent of the ten-year program of CARP has been achieved.

DAR claims to have exceeded its distribution target of 10,430 hectares in government-owned lands by transferring 28,394 hectares in the same period. However this figure includes the 8,000 hectares of Del Monte lands and

ment is only 50 percent. DAR Undersecretary Renato Padilla says that they have difficulty in distributing Marcos crony-owned lands because of the presence of private armies and paramilitary groups. [12] In resettlement areas and landed estates, 45 percent of the target has been met.

Also problematic are the 12,000 hectares of reverted U.S. military baselands now under DAR's jurisdiction. Undersecretary Padilla says that the unhampered use by U.S. forces for military exercises in sites situated near the reverted baselands has prevented DAR from undertaking land distribution because these are in areas adjacent to the Crow Valley test firing zone. [13] To date, DAR has distributed only 2,000 hectares of former U.S. baselands.

Under the Marcos regime's PD 27 program 550,000 hectares remain to be transferred. [14] Even after 18 years of implementation, Operation Land Transfer (OLT) under PD 27 has not reached even 50 percent of its distribution target of 822,000 hectares of rice and corn lands.

Sec. Leong traces the problem to the use by the LBP of 1972 values in land appraisal

Table 2. DAR Budget and Availments, 1988 - 1990.

Year	Budget	Availments	Percent Utilization
1988	P 3.6 billion	P 1.3 billion	36 %
1989	P 5.5 billion	P 2.6 billion	47.2 %
1990 (June)	P 5.1 billion	P 2.4 billion	47 %
TOTAL	P14.2 billion	P 6.3 billion	44 %

Source: Philippine Daily Inquirer, Daily Globe

9,000 hectares of Dole lands in Mindanao, the new lease arrangements of which are still the subject of intense negotiations between the new farmer-owners and the transnational corporation.

In the distribution of privately-owned lands, considered the real test of commitment and sincerity of any agrarian reform program, DAR has transferred a mere 2 percent (3,740 hectares) of its target of 144,581 hectares. In government sequestered lands, the accomplish-

which are based on the 1972 price support of 35 and 31 pesos per cavan. This "low land valuation" has spurred landowner resistance. Despite this tall hurdle, DAR optimistically reports that OLT will be completed in 1991.

In its report of accomplishments, DAR makes much of the comparison with the Marcos's government's sorry record of having transferred only 126,000 hectares in 13 years. But Marcos' land reform is hardly a yardstick for comparison and the DAR would do better

to look for other more credible measures with which to assess its own performance. (See Table 1.)

For the first half of 1990, DAR has accomplished only 27 percent of its land acquisition and distribution target. [15] From January to June, the agency has acquired and distributed only 53,962 hectares or 27 percent of its mid-year 202,295 hectare target. In terms of the year-end target of 400,000 hectares, this is only 12.5 percent of the program. The reasons cited for the poor performance include: (1) frequent changes in DAR's leadership, (2) constant revisions in land valuation guidelines, (3) the land scams, and, (4) resistance from landlords. Landowners reportedly refuse to cooperate with DAR personnel, do not turn over required documents, and disallow surveyors from entering their properties.

For the long term, the future looks even dimmer for land reform implementation, according to Leong and LBP President Vistan. Appearing before the Senate agrarian reform committee, both officials reported that the government does not have the capability to realize the targets set for 1992 because CARP funds would dry up by then. [16]

In the area of support services, a Netherlands-funded program administered by DAR aimed at channeling financial resources to non-government organizations and people's organizations is proceeding at a snail's pace. In almost two years of implementation, only 6 percent of the allocated funds have been distributed. NGOs complain that the process of approving grants or loans, not to mention the release of funds, is mired in bureaucratic red tape. Curiously, the DAR did not include this program in its report.

A final touch of farce has been given to agrarian reform by Leong in Tacloban City where he expressed optimism that CARL implementation will be accelerated by the



Liberation

launching of Mrs. Aquino's much criticized KABISIG movement in Region 8. [17] The movement was launched by Aquino based on a partnership between government and non-governmental organizations in implementing official programs and projects. It was meant to isolate traditional politicians whom Aquino felt stood in the way of her programs. However, social development NGOs themselves say its aim is to coopt NGOs in the service of questionable government priorities. To add to the problem, traditional politicians have been busy organizing their own "NGOs" in order to avail of government funding.

The DAR Budget Slash

In June 1990, the Department of Budget and Management (DBM) decided to reduce the cash disbursements to DAR to only 3.7 billion pesos in 1990 from the original outlay of 7.7 billion pesos. This was the result of the inability of the department to utilize fully its budget outlay. As of June 1990, only 6.3 billion pesos (44 percent) out of a total budget of 14.2 billion pesos has been spent by the department. (See Table 2.)

Among the reasons cited for the low availability of funds are the Garchitorena scandal, which practically froze land valuation processes, and the frequent changes in DAR leadership. The latter reason is revealing in that it points to a bureaucratic, highly centralized, and top-to-bottom approach in implementing the program.

While initially opposed to the DBM's move, Secretary Leong subsequently gave in by saying that the slash "is no loss to CARP"

because it is meant to "match the absorptive capacity of agencies implementing CARP." [18]

LBP Takeover of Land Valuation

Executive Order 405 of June 14, 1990 issued by President Aquino has transferred the land valuation function from the DAR to the Land Bank of the Philippines. This was in response to the Garchitorea land scam. This function, however, is very important in setting the bias of the agrarian reform program -- whether to favor the farmer-beneficiaries or the landowners. Under RA 6657, the DAR and LBP have equal say in determining valuation with the ultimate responsibility for setting the implementing guidelines resting with DAR.

Chronicle columnist Adriano gives the reasons why land valuation should have remained with DAR. [18] In the past, DAR and LBP have been at odds over land valuation since the former looks at the process as a developmental issue while LBP regards it purely as a commercial transaction. As a government agency, DAR is engaged in a public service, while LBP operates as a commercial bank. Land reform for DAR is its reason for being, while for the LBP, it is only one of its many responsibilities. Rep. Edcel Lagman reacted strongly to the takeover by saying that "Malacanang has violated the CARP law by transferring land valuation to LBP from DAR." [20]

The LBP is run by Deogracias Vistan, who before becoming Land Bank president in October 1986, was a "very senior officer" of Citibank N.A. where he was employed for 17 years. [21] He headed the Asian Desk of Citibank in New York and was account officer for Benguet Corporation. Benguet President Jaime Ongpin (who became Aquino's first finance secretary), offered the LBP presidency to Vistan and retained the latter's Citibank salary with Cory's approval.

The move to transfer land valuation responsibility to the Land Bank appears to be a half-baked and crisis-management measure that has come to be a trademark of the Aquino administration. What is especially unsettling is that it was Secretary Leong himself who requested that DAR be divested of this function on the grounds that LBP has more

technical expertise in this field. [22] Leong asserts that DAR can now concentrate on distribution of lands. In other words, the department will now function as a mere appendage of the Land Bank, awaiting the latter's go-signal before land transfer can take place.

Decentralization of CARP Implementation

In April 1990, Rep. Jose Cojuangco, Aquino's younger brother and considered the most influential congressman in the House of Representatives, delivered a privileged speech calling for the decentralization of the implementation of agrarian reform. He proposed that local officials should be tasked with this function. On July 12, 1990, it was reported that decentralized agrarian reform in Negros Occidental was now in effect. [23] At the same time, seventy governors asked that they be made the main CARP implementors in their respective provinces.

Decentralization of agrarian reform implementation by assigning this to local officials would be disastrous for the program. It is well known that many local officials are either landowners themselves or dependent on the financial support of landlords for the advancement of their political careers. In implementing agrarian reform in their respective areas, they would be expected to make maximum use of the loopholes in the program to protect their interests.

PAP Ignores CARP

Funding for the government agrarian reform program suffered a setback when the Coordinating Council of the Philippine Assistance Program (CCPAP) recommended the deferment of CARP's presentation to PAP donors. [24] The reason given was the disorganization of DAR due to frequent changes in its leadership. The estimated 8 to 10 billion dollars required for CARP, fifty percent is to be raised from foreign aid in the form of loans and grants. For the coming pledging session, CCPAP planned to raise \$500 million from the World Bank, the Asian Development Bank, and Japan's OECD.

In August 1990, it was further announced that CARP was to be stricken out of the agenda of a meeting in September to raise funds for the Philippine Assistance Program.

ment and Natural Resources (DENR) and the Land Regulatory Administration (LRA). As of April 30, 1990, a total of 180,000 hectares have been distributed to farmer-beneficiaries including 154,000 hectares in public lands. [31] Real estate payments of the new owners have been suspended.

However, distribution in public alienable and disposable lands has slowed down and the number of patents issued by DENR has been diminishing from 112,215 in 1987 to 62,233 in 1988 and finally to only 21,572 patents in 1989.

In the meantime, other officials tasked with implementing agrarian reform make occasional gestures in favor of the peasantry. For instance, the Land Bank announced in early July that it "will allow farmers to occupy and till idle and abandoned lands (private or public) to compensate for delays in CARP implementation." [32] The DAR, however was surprised by the move while the peasant group KMP applauded it.

In at least two cases, DAR secretary Leong showed that pressure exerted by farmers can get to him. His order for the placing of the 264-hectare Imok Farm in Laguna under compulsory acquisition came following threats by farmers belonging to the *Tinig ng Magsasaka ng Imok* to seize and occupy the estate. [33] Despite the order, the skeptical farmers occupied the lands anyway.

In the other case, Leong refused to divert DAR funds for programs aimed at rehabilitating earthquake-damaged areas. He reasoned that this move "would be opposed by farmers" who earlier had resisted the gov't decision to use CARP funds "to stabilize buffer stocks of NFA." [34]

The problem is that the above mentioned moves, while laudable in themselves, appear only as token acts which are easily lost in the context of the overall performance of agrarian reform implementation.

The Jaime Tadeo Case

Apart from the issues enumerated which pertain to the implementation of the agrarian

reform law, a corollary issue has arisen which adds a ghastly touch of irony to the political agrarian reform. This is the recent imprisonment of Jaime Tadeo, KMP chairman, of criminal case and his prosecution with several other peasant leaders on the charge of "inciting to sedition."

What makes these events ironical is that on this day, the Mendiola Massacre of January 1987 where nineteen unarmed peasant demonstrators were killed and dozens injured

by government troops remains unsolved and no one has been charged in court. On the other hand, the judiciary passes summary judgment on Jaime Tadeo. Peasant leaders exercising their right of free speech and expressing justified anger at the government's faltering program are immediately hauled to court on sedition charges.



Tadeo

Midweek

Sen. Rene Saguisag questioned what he calls a "bullet train" arrest and detention of Tadeo, one day after the Supreme Court upheld the lower court's decision. [35] According to Saguisag, the normal procedure would be for the SC decision to go to the Court of Appeals then to the court of origin which would then issue the proper orders to the police. This would take weeks, even months. He remarked that: "It is alarming that the authorities are taking short-cuts in certain cases but are not moving a bit in other cases."

Grassroots Initiatives

The picture looks gloomy and desperate. Virtually all major farmers' and farmworker organizations in the country with ideological tendencies ranging from left to right have given up on the government's agrarian reform program. All hope is not lost however, for the millions of peasants, farmworkers, fishermen and their families. To discover the new possibilities for agrarian reform and rural emancipation

(PAP). [25] Instead, priority for PAP discussions will be the economic crisis resulting from the devastating July earthquake. DAR Undersecretary Dorothy Tadeo, the DAR representative to the CCPAP said: "In view of recent calamities like the earthquake and the Middle East crisis, we felt that foreign assistance should be centered on the rehabilitation of the earthquake-damaged areas." It does not stand to reason why agrarian reform is to be set aside in the face of calamities. Many of those adversely affected are constituents of DAR, including farmer-beneficiaries of land reform. Support services, which are the agrarian reform programs to be funded by foreign aid, are badly needed in the earthquake-devastated areas in order to rehabilitate damaged farms and rural infrastructure.

The attitude displayed by the DAR representative to the CCPAP underlies the poor understanding by the DAR leadership of the role of agrarian reform in economic development and rehabilitation. This frame of mind is exemplified by Leong's compromising stand on the Cavite land conversion case, his role in the transfer of the land valuation function to the Land Bank, his flip-flopping stance on the multinational lease period, his acquiescence to the limiting of DAR fund releases and his uncritical acceptance of the Drilon ruling on the stock transfer deadline.

What is sadly lacking among high DAR officials is the commitment to fight for agrarian reform's rightful place in the overall government program. What we see instead is an ingratiating willingness to always take the back seat and defer to other government agencies and other programs. In the end, this docile mentality of the present DAR leadership could spell the final doom of agrarian reform.

Other Developments

Landowners continue to mock the agrarian reform program. In Negros, 30,000 hectares of sugar lands were offered to DAR for distribution by 500 sugar planters, provided they are paid in cash. [26] The condition imposed by the sugar landlords shows the insincerity of their offer since they know that government would not be able to meet their terms.

Land conversions continue to render agrarian reform an impotent program. In a 170-hectare prime sugar land in Laguna owned by the Yulo-controlled Byme Investments and Development Corporation, 154 farmer-tillers signed an agreement with the corporate owners and Ayala Land, Inc. where they gave up their rights to the land in return for free homelots. [27] Ayala is to develop the area into an industrial estate. Earlier reported as not having been classified as industrial prior to CARL's effectivity [28], the landowners were able to produce Resolution No. 36 issued by the Human Settlements Regulatory Commission (now HLURB) dated 2 December 1983 which approved the conversion of the Yulo estate.

More scandals continue to plague the DAR. In Nueva Ecija, DAR officials were discovered to have titled lands in their name which were intended for distribution to farmer-beneficiaries. [29] The anomalies were discovered in Cabanatuan City, Llanera, Talavera, and Sta. Rosa. DAR Undersecretary Rodolfo Dizon thinks that these may not be isolated cases.

Can Government Reform?

Is it still possible for government to get on the right track and undertake a program that would fulfill the spirit of agrarian reform? It is indisputable that the main direction of government thrusts has been detrimental to the interests of the rural poor. However, on certain rare occasions, officials have shown sensitivity to the program's main beneficiaries.

Speaking at ceremonies marking the second anniversary of CARL, President Aquino "appealed to landowners and private corporations with vast landholdings to set aside their selfish interests and help alleviate the lot of our peasants." [30] She also reiterated the government line that "CARP is the linchpin to our economic restructuring effort." Whether such statements will strike a responsive chord among landowners and the business community will of course depend on the translation of rhetoric into an assertion of active political will. So far, government has consistently shied away from the exercise of such authority.

There are possibilities under the *Handog Titulo* Program of the Department of Environ-

icipation, one has to look beyond the government program and turn the attention to non-government undertakings.

While the government program has been undergoing a painful and tortuous implementation process, the grassroots has been flourishing with new and innovative initiatives. Led by autonomous rural people's organizations and non-governmental organizations (NGOs), alternative agrarian reform models are being formatted and reformatted. These initiatives have been partially documented by the Congress for a People's Agrarian Reform (CPAR), the largest coalition of farmers' organizations in the country. [36] They are classified into two main categories: those directed at reorganizing tenurial relations and those aimed at increasing the productive capabilities of the tillers.

Attempts to correct land tenure relations include land and fishpond occupations, tenancy reform through rent boycotts and refusals to plant crops, and resistance to land usurpation. The land occupations occurred in the aftermath of the February 1986 revolution and continue to this day. In 1988, 200 farmers in the towns of Impasug-ong and Sumilao in Bukidnon successfully stopped the expansion into their lands by Philippine Packing Corporation (PPC), Del Monte's local company. The farmers were aided by social development agencies and students. It was not a permanent victory, however, since Del Monte has reserved the right to renew its expansion moves when market conditions improve. [37] An estimated 70,000 hectares of idle, abandoned, and sequestered lands including lands owned by Marcos cronies have been taken over and made productive by organized farmers' groups. In this regard, they won a partial victory in 1988 by having a provision in the law removed that would have excluded them from being beneficiaries of land transfer.

In the area of developing alternative economic structures, there are grassroots experiments in appropriate technology and alternative economic schemes such as multipurpose cooperatives and savings mobilization campaigns. The latter enables rural groups to generate their own credit needs.

Not all of these initiatives are glowing successes and no claims are being made by the peasant organizations to that effect. But what

is more important is that by engaging in them, the grassroots are showing government the way to a more successful agrarian reform program -- one that is premised on the active involvement of the rural poor in the planning and operationalization of programs aimed at alleviating their plight. At present, there is no assurance that these popular undertakings will last. CPAR has sounded the alarm by warning that "the survival of these initiatives are constantly threatened by different political forces: the military, the rural elite, and other armed groups." The peasant coalition, despite its rejection of CARL, calls on government to lend a hand in order to preserve the gains won by their organizations. They harbor "no illusions that these peasant initiatives will survive without support from the state or other groups." Such outside support is deemed by CPAR "vital" to sustain the momentum already set in motion from below.

In the meantime, vigorous coalition work is being undertaken by the major peasant, farmworker, and fisherfolk organizations. For the first time, the three major rural centers, CPAR, FFF, and Sanduguan have come together in the *Peasants' Forum*. Given the diversity of ideological persuasions represented in it, the Forum's establishment can be regarded as a major miracle. A "Peasants' Agenda for National Unity and Survival" has been approved by the new coalition which establishes the basis for an alternative rural development program. From May 22-23, 1990, the Forum organized the Conference on Agrarian Reform and Rural Development Towards National Development (CARND) to define the broad framework of an overall national development agenda.

Conclusion

These grassroots rural initiatives constitute the new possibilities that will save agrarian reform in the Philippines and rescue it from total oblivion. The Aquino government must realize that land reform cannot succeed without the support of the peasantry and farmworkers. It also cannot be implemented properly without their conscious and committed participation.

The tragedy of the present government lies in its wholesale repetition of the conceptual errors of the discredited Marcos regime. This stems from the fallacy of rooting the causes

of the Marcos-induced crisis by placing central blame on the personal whims and decadent desires of individuals rather than the economic development strategy adopted.

In agrarian reform, the government attempts to tread a middle ground between peasants and landlords, rural workers and agri-business corporations, rich and poor, the

powerful and the powerless. The result of the "middle-of-the-road" stance is already being felt -- the maintenance of an inequitable status quo, the continued deterioration of the living conditions of the rural poor, and a ponderous "centerpiece" program that refuses to move forward.

Notes

1. *Philippine Daily Inquirer*, 3 March 1990.
2. *Manila Bulletin*, 3 July 1990.
3. *Manila Chronicle*, 14 June 1990.
4. *Manila Bulletin*, 2 July 1990.
5. *Malaya*, 20 August 1990.
6. *Malaya*, 4 September 1990.
7. *Malaya*, 11 August 1990.
8. *Manila Chronicle*, 3 March 1990.
9. *Malaya*, 2 August 1990.
10. *Philippine Daily Inquirer*, 2 August 1990.
11. *Malaya*, 3 August 1990.
12. *Malaya*, 15 August 1990.
13. *Ibid.*
14. *Malaya*, 5 August 1990.
15. *Manila Chronicle*, 18 September 1990.
16. *Philippine Daily Inquirer*, 16 June 1990.
17. *Manila Bulletin*, 27 August 1990.
18. *Manila Chronicle*, 5 June 1990.
19. *Manila Chronicle*, 8 August 1990.
20. *Malaya*, 10 August 1990.
21. *Manila Times*, 14 September 1990.
22. *Manila Chronicle*, 7 June 1990.
23. *Manila Chronicle*.
24. *Manila Bulletin*, 9 July 1990.
25. *Manila Chronicle*, 22 August 1990.
26. *Manila Chronicle*, 19 July 1990.
27. *Manila Bulletin*, 6 June 1990.
28. *Manila Chronicle*, 3 July 1990.
29. *Manila Bulletin*, 23 May 1990.
30. *Manila Chronicle*, 16 June 1990.
31. *Malaya*, 5 June 1990.
32. *Malaya*, 10 July 1990.
33. *Malaya*, 11 August 1990.
34. *Malaya*, 15 August 1990.
35. *Malaya*, 19 May 1990.
36. CPAR, "Popular Grassroots Initiatives..." June 1990.
37. *Manila Chronicle*, 27 August 1990.