

Reformulating land reform policy: Insights from a family's landholdings in Bataan*

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Introduction

The agenda of this paper is to raise some issues to consider in the process of rethinking policy for reformed rice lands. This process has been going on for some time now, even at the height of the heated debates over the Comprehensive Agrarian Reform Program (CARP) in 1987. Its impetus comes from the research work of economists.

The discussion of issues is enlightened by the existing literature and the relevant findings of a micro research on changes in the ownership, control, and land use of a family's 225 hectare landholding in Bataan [1]. Although the probable historical consolidation of the landholding from the mid-19th century to the immediate postwar years was reconstructed from interviews with key informants and a few existing records, the time frame of the study is from 1968, or four years before Presidential Decree (PD) 27 was promulgated, to March, 1992, about four years after the Comprehensive Agrarian Reform Law was passed.

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can be sold five years after the formal issuance of the emancipation patent under the former and ten years under the latter. Yet, explicit rules against land transfers have not put a stop to the practice. A covert land market is still very much alive in Central and Southern Luzon despite the legal constraints (Hayami, Quisumbing and Adriano, 1990; Banzon Bautista, 1989; Cornista, et al., 1984; Kikuchi, 1983; Obena, et al., 1980; Rivera, 1985).

The downward trajectory of indebted operators teetering on the brink of subsistence further swells the ranks of the agricultural landless. For the country as a whole, there are different estimates of their number - the figures ranging from 3.3 million to 5 million workers. For the two regions, there are no aggregate estimates but village case studies are one in observing a sharp increase in the number of landless households [6].

The increase in the number of landless workers is the outcome of a combination of factors: increased population density, the tenurial system, and scarce employment opportunities outside agriculture. Whatever the reason, the expansion of the landless population has changed the employment configuration in rice producing areas. Tight competition for the limited employment opportunities has led to the emergence of various types of labor arrangements which have the effect of further depressing wages in the rice sector. Some of these arrangements institutionalize free labor services in other phases of rice production in exchange for the right to participate in harvesting - the most remunerative phase.

The limited and unstable employment opportunities in agriculture in the light of constricted opportunities outside this sector have cast the landless who have neither human nor material capital into a position of extreme insecurity. Since incomes in agriculture are much lower than incomes of the non-agricultural sector, this group has come to constitute the 'poorest of the poor'. Kerkvliet puts flesh and blood into the meaning of being in this structural position by translating a conversation with a landless worker in the village he studied:

A bird wakes up at dawn, and immediately flies about looking for food...The bird spends his day doing this. The next day is the same. Me too. I wake up and scurry about looking for food and work wherever I can find it - splitting wood, killing a pig for Aling Juaning, doing some carpentry for Mang Pepe, harvesting this field, pulling seedlings in that field, going here, going there, flighty like a bird, becoming dizzy trying to keep my family alive. By evening I am tired and weak. At dawn I have to be up again doing the same, like birds (Kerkvliet, 1983:51).

The growing differentiation of farmer households, the increasing number of poor landless workers, the constriction of rural employment opportunities,

and the actual operation of a covert land market even in regions where PD 27 has achieved some success have led to a rethinking of agrarian reform policy. The best expression of policy reformulation is found in Hayami, Quisumbing, and Adriano (1990) although the points raised in the book are also developed in some of the papers produced by scholars from the International Rice Research Institute (IRRI). We single out this reformulation because the probability that it will influence policy is high.

The content of the proposed policy reformulations

The Hayami, Quisumbing and Adriano (1990) package of agrarian reform policy is simple but compelling [7]. The authors take off from the argument that postwar Philippine land reform failed in part because the program was patterned after the success stories of the East Asian countries (Japan and Taiwan) without understanding the nuances of the Philippine agrarian condition.

In Japan, land reform was executed under the authority of the United States 'when the power of the landed elite was at its ebb'. In Taiwan, on the other hand, the reform was enforced by the Nationalist Government exiled from China. In both instances, the enforcers had distance between them and the well-entrenched land-based ruling elite (Hayami, 1991). In contrast, the landed elite in the Philippines was thrust into the role of legislator and executor of the land reform program in the country. The same elite had all the necessary connections to thwart any well laid implementation plan.

The East Asian countries' land reform model was also facilitated by a disciplined bureaucracy and accurate, well-documented data on land ownership and land relations (Hayami, 1991). Furthermore, the land redistribution programs in these countries did not conflict with the efficient use of lands. In the Philippines, on the other hand, the program's confinement to tenanted rice lands created a strong incentive for landlords to evict tenants and cultivate lands directly. Thus, large landholdings were maintained even if there is empirical evidence that smaller farms are more efficient.

In the rice crop sector, the adoption of the framework of Japanese or Taiwanese land reform has prevented policymakers from taking the emerging heterogeneous agrarian class structure into consideration. In the East Asian model, landlord-tenant conflicts constituted the basic social problem to be solved. This was addressed successfully without the distortionary effects on the economy because surplus labor in agriculture was absorbed in the non-agricultural sector.

The continued regulation of tenancy contracts, particularly the prohibition of share tenancy in Philippine land reform reflects the state's view that this arrangement is a problem in and of itself. Although exploitative landlord-tenant

relations accounted for peasant unrests in rice growing areas in Central Luzon from the 1930s to the 1960s, Hayami, Quisumbing and Adriano (1990) argue that the changes spurred by the combined implementation of land reform and the new agricultural technology, in the absence of employment opportunities in the non-agricultural sector, require the inclusion of the growing number of landless workers [8] into the equation. How to promote equity in light of new developments without sacrificing efficiency, is therefore deemed to be one of the problems at hand.

Continued adherence by the state to the regulation of tenancy contracts has reduced the incentive of large landholders to rent out their lands in small parcels to landless laborers as leaseholders or share tenants. At the moment, rice farmers continue to hire semi-attached or casual laborers despite the high monitoring costs because they fear the loss of land ownership under land reform once the laborers become lessees or share tenants. In effect, the landless have been blocked by legal constraints from moving up the agricultural ladder. This, despite recent theoretical and empirical support for the position that share tenancy 'can be just as efficient as the fixed rent contract' and even more beneficial to the landless laborer because of risk sharing with the landowner and the availability of credit from him [9].

Given theoretical and empirical considerations, Hayami, Quisumbing and Adriano (1990) posit the following components of a new program design: a ceiling on aggregate land owned; progressive land tax; deregulation of land tenure contracts and progressive rent on public land lease. The specific proposal for the reformed rice sector is as follows:

While a ceiling on landholdings must be enforced, land transfers and tenancy contracts should be left to the market mechanism to reopen the opportunities for landless laborers to ascend the agricultural ladder to higher tenurial status via share tenancy. Meanwhile, CLT and leasehold titles granted to present beneficiaries through previous reform programs should be recognized as transferrable property rights so they can be used as collateral for formal bank loans. A progressive land tax will reduce demands for land by large landowners, thereby making it easier for landless tenants to ascend the agricultural ladder to owner-farm status (Hayami, Quisumbing and Adriano, 1990).

**Relevant findings of a study on the transfer
of a family's landholdings in Bataan
for the current policy rethinking process**

The findings of the micro research on the developments in a family's landholdings, particularly in the areas covered by land reform since 1972 provide some qualified support for the policy proposals. However, they also

raise important issues which should be considered by policymakers in government, nongovernment organizations (NGOs) and people's organizations (POs).

Brief background notes on the history of the landholding in the context of wider developments in the province

The landholding before PD 27

The unit of focus and analysis of the research is the agricultural landholding of Jose Andrada in two adjacent municipalities of Bataan. When the land was partitioned among the heirs in 1968, it consisted of 225 hectares [10]. Although 65 hectares had original certificates of transfer (OCT), and were acquired by Jose, the bulk of the agricultural property was inherited from his parents and an unmarried aunt. Consistent accounts from key informants and an examination of the true copies of cadastral records reveal that the land he and his two other siblings inherited amounted to about 450 hectares [11].

Based on the limited recollections of key informants, sugar was the primary crop cultivated in Jose's lands prior to World War II. Surviving relatives recall that Jose and his siblings were the only ones with *cabyawans* or steam mills. However, when the centrifugal sugar factory or sugar central was established in 1930, farmers who used to patronize the *cabyawans* brought their cane to the central instead.

The Second World War was a watershed in the history of Jose's landholdings as well as his family's fortunes. Since the municipalities were heavily hit by Japanese artillery, the crops were virtually destroyed and the lands left idle. It was not until 1948 that the lands were cultivated again. Owing perhaps to the empowering effect of their involvement in the war as members of the *Hukbong Mapagpalaya Laban sa Hapon* (HUKBALAHAP), tenants initiated land cultivation and sought the permission of Jose's son to plant vegetables. From 1949 to about 1955, a significant number of fields were planted to camote, radish, and peanuts. There are indications that rice was also grown but on a small scale before the middle of the 1950s.

If sugar was dominant in the pre-war years, rice was the dominant postwar crop. The availability of irrigation from a nearby dam constructed during President Magsaysay's administration, stimulated the change in the pattern of land use. The shift to rice production in what became about 80 hectares of prime agricultural land also triggered the cultivation of rice in the old unirrigated sugarlands. By the time the Marcos land reform law was decreed, the bulk of Jose's agricultural lands were considered ricelands.

The system of land tenure up to the 1950s was a 50-50 share cropping after the cost of production was deducted. Jose managed the farm with the help of

katiwalas or overseers. The share cropping arrangement was supposed to have been changed in the late 1950s to 60-40, in favor of the tenants. Since landowners would want to protect their interest, the force which impelled this change came from the grassroots or from those who fought for the farmers. The HUKS were strong in the two municipalities in the 1950s. Although many of them sought amnesty during President Magsaysay's time, the ideology of the movement was deeply internalized even among those who did not pursue the underground struggle.

To illustrate their relative strength, the HUKS monitored the changes in land tenure in Jose's landholdings from the late 1950s to about 1963 when Congress legislated the abolition of share tenancy and the change to leasehold. A former *katiwala* attested that when he followed the old sharing scheme during the cropping season immediately after the legislation, the HUKS confronted him. Only when he assured the 'shadow state' in the area that he will shift to the new system in the next cropping season did they stop policing the ranks of the former tenants.

It was this political pressure and not the initiative of the state or landowners which accounts for the early implementation of the Macapagal Land Reform Code in the municipalities where Jose's landholdings are found. The shift to the leaseholding system in 1964 is fast when compared to that of municipalities in other provinces like Nueva Ecija where it happened in 1968. That the change occurred at about the same time across Jose's lands in different parts of his property attest to the uniformity with which this pressure was exerted [12].

The Andrada landholdings and PD 27

The change in land tenure and management after 1963 affected a total of forty tenants in the rice growing parts of Jose's landholdings. Most of these tenants or their parents also worked in the pre-war sugar cane farms. The opportunity, however, to shift from leasehold to ownership with the promulgation of PD 27 was not open to all the lessees because of the seven hectare retention limit.

When PD 27 was declared in 1972, only 62 hectares or 28 percent of the total agricultural landholdings partitioned among Jose's seven heirs was subjected to Operation Land Transfer (Table 1). However, the status of leaseholders in the 33 hectare irrigated lands under Operation Leasehold remained uncertain up to the time of the research. This landholding was subdivided among the heirs of one of Jose's sons in 1968 but the transfer was registered only in 1975 or three years after land reform was declared. A court ruling in favor of the lessees, however, may make a difference only for those with five hectares who claim to have received CLTs in the late 1970s and who plan to stand pat on their right to own. In the rest of the 33 hectares, either cultivating rights were transferred to other lessees, or the land was retrieved by the owner or converted

to other uses.

Table 1: Distribution of lands by type of Land Reform Program and Irrigation Status

Irrigation Status	Type of Land Reform Program		Total
	Operation Leasehold	Operation Land Transfer	
Irrigated (No. of hectares)	33	27	60
Unirrigated (No. of hectares)	41	35	76
Total	74	62	136

Land transfers after 1972

Despite regulations on the transfer of reformed lands, a market in cultivation rights has been operating in the Andrada landholdings since the 1970s. Table 2 reveals two interesting observations: the increase in the number of cultivators in the unirrigated lands under Operation Land Transfer from eight in 1972 to fifteen in 1991 and the decrease of five tenants each in both irrigated and unirrigated lands under Operation Leasehold. What the table does not show is that only half of the total number of tenants in 1991 hailed from the family of the tenants in 1972.

1) Transfers of lands under Operation Leasehold

The reduction in the number of cultivators in lands under Operation Leasehold reflects the conversion of seven hectares to other uses and the decision of landowners to directly administer the labor of semi-attached workers. The prior transfer of the leaseholders' tenure rights made possible the reduction in number and change in the identity of cultivators.

Legally, the transfer of lands subjected to PD 27's Operation Leasehold is simpler than those under Operation Land Transfer. In the former program, rights can be passed on to another cultivator under certain conditions as long

as money is not involved. Since owners of lands below seven hectares retain the titles, leaseholding rights can be transferred to other cultivators with the owner's consent and for reasons acceptable to the Department of Agrarian Reform (DAR). These justifications include lack of necessary funds to continue production, physical incapacity due to illness, and the absence of an offspring who is willing to cultivate the soil. In other words, the guidelines presume that the initiative will emanate from the farmer lessees.

Table 2: Changes in the Size of Landholdings and Number of Cultivators by Type of Land Reform Program and Irrigation Status of Landholding

Irrigation Status	Type of Land Reform Program			
	Operation Leasehold		Operation Land Transfer	
	1972	1991	1972	1991
Irrigated				
Size of landholding (in hectares)	33	25	27	22
Total No. of Cultivators	12	7	10	12
Unirrigated				
Size of landholding (in hectares)	41	39	35	35
Total No. of Cultivators	10	5	8	15

In reality, initiatives did not always emanate from the lessees. Nor were the transactions cash-free. Depending on the time when the sale transaction transpired, the rates ranged from ₱10,000 per hectare in the mid-1970s, ₱30,000 in the late 1970s and early 1980s, about ₱80,000 in the 1990s and to as high as ₱100,000 in 1991. The transaction is referred to euphemistically as *suklian*.

Three cases of *suklian* took place in the Andrada lands: the purchase of the lessees' rights by the landowner who wished to regain his property; the sale of leaseholding rights by lessees to fellow cultivators; and the sale of fifteen hectares of the inheritance of one of Jose's sons to a nephew.

In the first case, direct offers were made to several lessees. When there was no resistance, subsequent negotiations revolved around the price. The parties brought price figures obtaining in the covert land market to the negotiation table. Once an agreement was reached, a contract to the effect that the lessee is returning the land to the owner and waives future rights to this land was formulated and signed.

In the case of the transfer of leaseholding rights to cultivators, the initiative came either from lessees who had cash flow problems or were sick, or from other outside cultivators, which included members of the lessee's family of orientation. The process was the same except for a prior step in which the permission of the landowner was sought. There were instances, however, when this step did not precede the actual transfer of rights. In other words, a change was effected without the landlord's knowledge. The landowner's acceptance of the new lessee's payment virtually legitimized the latter's status.

The third case involved the sale by one of Jose's sons of fifteen hectares of Andrada land, parts of which were under leasehold. In this case, the land was offered to a nephew who had liquidity. Because of the size of the land involved and its agricultural character, the title could not be transferred to the buyer's name. Nevertheless, a contract was executed between the two parties.

A key informant from the Municipal Agrarian Reform Office attested to the changing ownership of lands under Operation Leasehold which still retained the name of the original landowner. The Department of Agrarian Reform (DAR) was usually informed about these changes by lessees who paid rents to the new owner. In this case, Jose's grandchild was willing to take the risk of owning property in someone else's name because he had more business sense than his uncle and could maximize the use of the land. Only if the title is not transferred legally or illegally before the uncle dies will the concrete problems with this arrangement surface.

2) *Transfers of lands under Operation Land Transfer*

Suklian was not confined to the Andrada lands under leasehold. While there was hardly any transfer of land to cultivators outside the tenants' families in irrigated lands [13], it was prevalent in the unirrigated riceland under Operation Land Transfer. Of the fifteen cultivators in 1991, only four came from the families of the original eight tenants in 1972 (See Table 2).

Perhaps in response to the rampant mortgage and sale of cultivating rights, DAR authorized land transfers in areas where Certificate of Land Transfers had been distributed but where the land survey preparatory to issuance of the emancipation patent had not been finalized. In these areas, CLT holders could endorse their rights to other tenants for reasons like poor health and insufficient production funds. Apart from the tenant's endorsement, a *Samahang Nayon* Board resolution and a waiver from cultivators of neighboring lands were needed for the transfer to be approved.

This process was generally followed when farmers purchased the cultivating rights of former farmer beneficiaries. 'Transfer action' is the formal category used to capture this process in DAR lingo. On the level of appearance, all the transfers were properly endorsed by the *Samahang Nayon* and the tenant and thus, were in order. The limits of the law was crossed, however, when money changed hands. And money did change hands in the Andrada landholdings.

When the survey in preparation for the issuance of emancipation titles has been done and the boundaries of the tenant's property finalized, land transfer in the name of the buyer is no longer within legal bounds. At this stage of the game, the documents on the land parcel titled by a beneficiary would have reached the Regional Office. Legal impediments to land transfer at this stage have not stopped the effective transfer of cultivating rights.

3) *Transfer of lands under OLT after the survey in preparation for the issuance of the emancipation patent*

From some of the cases studied, it did not seem necessary for buyers to wait for five or ten years before the title to the reformed lands is transferred to them. The details of one case are instructive. This case began in 1981 when two of the farmer beneficiaries in the irrigated land consulted a lawyer friend and Jose's son about selling a total of 2.5 hectares of prime ricelands. By this time, most of the necessary transactions for official land transfer in all of the irrigated landholdings had been completed except for the signing of the contract of the deed of land transfer. This meant that all the land reform papers had reached the provincial and regional levels and were properly filed in the Regional office.

The lawyer allegedly advised the landowner and the farmer beneficiaries to sell the land on a 50-50 basis, with half of the proceeds going to the landowner and the other half to the tenant. The farmer who brought up the idea to sell in the first place was interested in buying the land and in transforming it into a subdivision. The going price at that time was ₱10,000 per hectare but he bought one lot for ₱30,000. For this sale to be possible, however, it was necessary for the land parcels to have separate titles. More important, it had to be removed from the scope of land reform.

The respondents claimed that the parties in collusion were advised to pay someone to pull out the papers wherever they were filed. For the lots the tenants wanted sold to be taken out of the coverage of land reform, the boundaries of the map made after the final land survey had to be erased. This was supposed to have been done successfully for a fee.

With the changes in the land boundaries, a clearance from DAR was supposed to have been given. This clearance was an important document because it was the Register of Deed's basis for preparing a title. The new owner's plan to convert the land into homelots, however, did not materialize because he died in the course of fixing the papers for reclassification and conversion. Nevertheless, the land was not considered part of land reform.

Implications of the study for policy reformulation

The sale of leaseholding and cultivating rights was more rampant than mortgaging of land in the Andrada property. The covert market has operated, with the knowledge and in some instances blessings of state officials. Although everyone knows, for instance, that money is involved, some transactions were supposed to have been registered merely as transfer actions even if they were outright sales. The continued regulation of the sale of cultivating rights and of the land itself merely reinforces 'under the table' processes involving members of the state bureaucracy.

The Hayami, Quisumbing and Adriano (1990) proposal for deregulation was not only designed to simplify government involvement and cut off sources of corruption but also to allow more efficient farmers to acquire and retain land with the help of landless workers turned leaseholders or share tenants. The case study of the Andrada landholdings reveals the existence of the same empirical reality which led the authors to their policy proposal. In a sense, some of the findings bolster the desired outcomes of deregulation.

Unlike the situation in Laguna where buyers of reformed lands were urban residents, the buyers in the Andrada landholdings consisted of former owners, on one hand, and farmers or landless households, on the other. One of the former owners from among Jose Andrada's descendants has the assets of a Filipino capitalist farmer: hand tractors, mini threshers, ten carabaos and very good relations with labor contractors. He bought off some of his leaseholders to capture the output of the land, choosing to oversee production himself using his machines and semi-attached laborers. Consistent with the theory underlying the Hayami, Quisumbing and Adriano (1990) proposal, he would have wanted to assign parcels to tenants so he could devote his time to experimenting on making the land more productive but land reform is his biggest deterrent.

As to the farmer or landless households buying lands, it is interesting to note that of the eleven new cultivators in the 35 hectare unirrigated rice lands in the Andrada landholdings in 1991 (Table 2), two were landless with grown children. They bought .72 and .44 hectare lands, respectively, using savings generated from their household labor on and off farm. The rest were either landless or farmers with overseas sources of funds. The access of this group to capital from external sources reflects changes in the agrarian structure. No longer are the former landowners or the rural commercial elite the only ones capable of acquiring lands.

The merit of the Hayami, Quisumbing and Adriano (1990) policy proposal for the rice sector lies in its simplicity and empirical grounding in trends shown by recent researches. Deregulation of land transfer, for instance, is called for by the cumbersome constraints land reform imposes on the transfer of lands to potentially more efficient farmers. Deregulation of tenancy contracts, on the other hand, could open up the agricultural ladder to the landless.

A fundamental problem with the proposal lies in the simplicity with which it assumes that the operation of market mechanisms will bring about equity with efficiency in areas producing the nation's staple. Ironically, the success of these proposals hinges on a strong state and organizations at the grassroots.

This point will be highlighted in the course of the discussion on two issues: the conversion of transferred lands to other uses and the reinstatement of share tenancy.

Deregulation and land conversion

Deregulation could lead to unintended consequences because of well entrenched political and social mechanisms for transferring land. There are no guarantees, for instance, that this measure will not facilitate the acquisition of leaseholding and cultivation rights for eventual land conversion. Even with all the legal constraints, large scale conversions involving reformed lands have taken place in other parts of Central and Southern Luzon [14]. Although theoretically, the conversion of large and visible landholdings are constrained by a cumbersome procedure, the study of the Andrada landholdings has shown that small scale land conversions have proceeded more easily after the cultivation rights have been purchased.

A few years ago, one of Jose Andrada's grandsons converted part of a well irrigated riceland he inherited to an orchard without permission from anyone [15]. The purchase of the lessees' rights of land tenure through *suklian* was a preliminary step in this conversion. In need of cash, this son offered to sell the orchard to a sibling who was willing to buy but only if the title was transferred to his name. To facilitate the creation of a title for this land, it was effectively reclassified as residential even if it was located in the midst of ricelands and

continued to be used as an orchard.

There were other cases of small scale conversion in the Andrada landholdings. Although the lands featured in these conversions are insignificant, small-scale conversions of this type occurring elsewhere could add up to a level which could substantially affect the country's ricelands.

The possibility of taking advantage of deregulation to bring about land conversions requires a state capable of enforcing its rules within the dynamics of local class structures and politics. Similarly, a government with the capacity to implement the progressive taxes Hayami, Quisumbing and Adriano (1990) propose and to impose a ceiling on land ownership is required to prevent consolidation of newly acquired landholdings and idle land speculation.

Deregulation and the reinstatement of share tenancy

The micro study of Andrada landholdings cannot shed light on the proposed deregulation of tenancy contracts apart from the fact that with security of ownership, the petty capitalist farmers prefer to assign some parcels to the equivalent of share tenants or *kasamas*. Whether they will do so is doubtful, however. The relative strength of the underground movement in the area makes these farmers skeptical of the state's capacity to prevent share croppers from raising the issue of land ownership at some future time.

The literature on the efficiency of share tenancy notwithstanding, it may be too simplistic to merely view its reinstatement in these terms. Without clear-cut rules governing the sharing of output and production costs between the share tenant and the landlord, instituting a system of share tenancy may resurrect, albeit in a less intensive way, some of the contradictions of the old landlord-tenant relations. Given the limited employment opportunities in the agricultural and non-agricultural sector, the tenants, unless they are organized, have no leverage vis a vis their landlords, in much the same way that the landless at present are prevented from articulating their demands because of intense competition among their ranks. Furthermore, sharp divisions may develop between the share tenants with access to land on one hand, and landless workers who could not be absorbed in agricultural activities, on the other.

Concluding remarks: deregulation and participatory grassroots organizations

Hayami, Quisumbing and Adriano (1990) distinguish between the communist and noncommunist Asian model of land reform. In the former model, land property rights are abolished and confiscated lands consolidated into collective or state farms [16]. In what they call the noncommunist model,

the whole or part of land property is redistributed to preserve a class of independent peasants who could serve as the 'stabilizing bloc in rural society'.

Within the limits of the farmer-to-capitalist development model in the rice sector, some of the unintended consequences of deregulation, particularly the development of feudal tendencies in share tenancy arrangements can be partially checked if strong grassroots organizations with wider networks are in place. It would even be ideal if these organizations are not just sectoral but community-based.

The existence of such organizations, however, presupposes the operation of other philosophical premises, apart from the individualist logic of the market. Committed to the principle of popular empowerment, in whatever way this is defined, such organizations would consider the participation of farmers and the landless to be crucial in planning, implementing, and evaluating agrarian reform against principles they adhere to and their own experiences. What this means then is that the proposal to deregulate tenancy contracts and land transfers must be presented to them as one among a range of alternatives if these exist.

In the event deregulation becomes part of state policy and is implemented without consultation, it is inevitable for its outcomes to be subjected to critique in the light of emerging experiments on other agrarian reform models (e.g., cooperative farming schemes for the landless) [17] which may also address equity with efficiency.

Notes

1. The research was conducted under the University of the Philippines - University of Amsterdam Joint Project on Agrarian Issues in Central Luzon. By reconstructing the consolidation and partition of a family's landholdings, the study aimed to abstract the processes involved in the transfer and conversion of lands to other uses.

2. Several factors accounting for the slow pace of land reform in the grain crops sector have been posited. At one end, landlord resistance, which took the form of tenant evictions, the conversion of land use away from rice and corn production, the subdivision of large estates among the future heirs, and the refusal to settle the value at which land will be bought by the tenants, constituted a major bottleneck in the process of land transfer. At the other end, peasant organizations against landlord resistance at the grassroots have been relatively weak (Cornista, 1987; Ledesma, 1982; Hayami, Quisumbing and Adriano, 1990).

On the part of the state, lack of accurate data on land tenure and cropping systems, lack of funds, political will and an efficient administrative machinery

manned by enough well motivated and properly oriented personnel have hampered the transfer of land to reform beneficiaries. Quite apart from landlord resistance and state inadequacies, however, the formal turnover of rice and corn lands to eligible tenants who have, otherwise, surmounted the obstacles in earlier stages of Operation Land Transfer (OLT) has been slow because most of the amortizing cultivators have not made consistent payments to the Land Bank or the owners. The heavier burden posed by the new rice technology on ordinary farmers partly accounts for the default in amortizations (Umehara, 1983). For a number of beneficiaries, however, security of tenure and the fact that the state has not taken the path of eviction for nonpayment may have emboldened them to ignore their arrears.

3. As outlined by the Ministry of Agrarian reform, the five steps in the implementation of Operation Land Transfer are: 1) identification of tenants, landowners, and farm area; 2) parcellary map sketching of each tenant's farm; 3) printing and distribution of certificates of land transfer; 4) land valuation; and 5) preparation and issuance of the emancipation patent upon compliance with government requirements. As Ledesma (1982) noted, amortization payments and land valuation are themselves crucial stages but these are not included in the Ministry's stages because they are the responsibility of the Land Bank, another government agency.

4. In a study of the same village, Kikuchi (1983) noted that 40 percent of farmers achieved yields of more than 100 cavans per hectare during the 1979 wet season while 50 percent had this level of yield for the dry season. In some parts of Central Luzon, the figures may be higher. From interviews of farmers in the lahar devastated barangays of Concepcion, Tarlac's rice basket flows, three cropping seasons were considered normal prior to lahar with yields reaching as high as 120 cavans per hectare.

5. See for instance Ledesma, Antonio. *Landless workers and rice farmers: Peasant subclasses under agrarian reform in two Philippine villages*. International Rice Research Institute 1982 and Kervkliet, Benedict Tria. *Everyday politics in the Philippines: Class and status relations in a Central Luzon Village*. Berkeley: University of California Press, 1990.

6. In the Laguna village studied, Hayami, Y, Kikuchi, M., *et al.* (1989) noted that the share of landless households in the total number of households increased from 30 percent in 1966 to 50 percent in 1976 and finally to 66 percent in 1987.

7. The Hayami, Quisumbing and Adriano (1990) analysis and policy proposals are more comprehensive, taking into account other crop sectors, production systems and labor arrangements. We are focusing on the rice sector because of the concerns of this paper.

8. Quisumbing and Adriano (1987) do not only consider the differentiation of the peasantry and the rural proletariat but also of the landlords as well.

9. See Otsuka, Keijiro, *et al.* Modern rice technology, land reform and agrarian contracts: The case of Central Luzon. IRRI Agricultural Economics Department Papers and Otsuka, K and Y. Hayami. Theories of share tenancy: A critical survey". *Economic Development and Cultural Change* 37, 1988.

10. This figure excludes 6.5 hectares of commercial and residential lands in the town center and other landholdings in Manila and Quezon City.

11. The origins of the Andrada landholdings could not be completely ascertained. However, there are indications that Jose's grandfather and paternal grandmother were children of *cabezas* in the middle of the 19th century. As such, they belonged to the native elite. By inference, the original landholdings of his ancestors could have been consolidated the *principalia* way, that is, by taking advantage of the opportunities provided by the Spanish government to the coopted native leaders to accumulate land.

Larkin (1972) asserts that in the course of the 18th century, the Spaniards gave the *datu's* descendants in Pampanga land grants as incentives to reinforce their loyalty to Spain. Since Bataan, compared to Pampanga, was relatively unpopulated and forested, having been established only in the early 18th century, there was no line of native *datos*. Migrants from Pampanga and other areas could have transplanted the hierarchy in their respective places of origin. The elites, therefore, in Bataan, including Jose's family could have come from the line of leaders in these places.

12. It should be noted that in the pre-war years, Jose managed his land on horseback with the help of several *katiwalas* or overseers. These men, who were chosen from among the older and loyal tenants, collected the rents from fellow farmers and served as intermediary between them and Jose. Since the latter was basically a benevolent landlord whose presence was felt in the fields, he did not experience the class conflict in the years of rebellion in the same way landowners in other parts did. After the war, when the activities of the Huk movement were at their height, tenants did not confront Jose.

13. Although they were not homogeneous, the former tenants in the irrigated Andrada lands under land reform were better off than other tenants. They succeeded in educating their children and investing in land from the sheer output of the land. This may account for their adherence to the land.

14. See for instance Zoleta-Nantes paper on land conversion in Plaridel, Bulacan in this volume.

15. The legal process of converting agricultural lands to non-agricultural use is

cumbersome. Three certifications are required: from the Housing and Land Use Regulatory Board that the land is in a zone where conversion is permitted; from the Department of Agriculture (DA) that the productivity of the soil has significantly declined; and from the Department of Agrarian Reform (DAR) that the requirements of land transfer noted above have been met.

To acquire the last certification, a landowner or a farmer beneficiary who had received an unencumbered emancipation patent or land title for the required period of time should have obtained clearance from the Housing and Land Use Regulatory Board first. The application is then processed in the DAR municipal, provincial, regional and national offices. Each of these offices should have given their respective clearances before the final DAR certification can be issued. Two points should be noted. First, for lands which are 5 hectares and below, the process ends with the Regional Agrarian Reform Office. Second, at the municipal level, the Municipal Agrarian Reform Officer (MARO) is required to post the application in the Municipality. Farmers can object by signing a petition against land conversion.

The guidelines for the conversion of land use from agriculture to non-agricultural uses impose time limits on the process by indicating the maximum number of days the application can stay in each office. For a detailed description of the legal procedures in land use conversion, please refer to Zoleta-Nantes (1992).

16. There are variations of this model in socialist states. Under the principle of individual responsibility, China began to experiment with other modes of agricultural organization.

17. See Chapter 9. Ledesma, 1982.

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