

Genuine Agrarian Reform: Still a Distant Dream for the Philippine Peasantry

Paper prepared by Kilusang Magbubukid ng Pilipinas (KMP – Peasant Movement of the Philippines) for the conference “Land in Sight? The Philippine Agrarian Reform – Conflicts, Perspectives, Solidarity”

Germany, 31 March 2001

Because of the peasants' unrelenting clamor for land and rural justice, the Philippine government has been implementing agrarian reform programs since the 1930s. In line with the agenda of the United States in the Philippines, most of these programs encouraged modifications in tenancy relations and resettlement in Mindanao and Palawan, where land was still abundant. Such programs had to boost productivity and expand the area planted to export crops that were needed for the US market.

Although the US allowed the Philippine government to follow the Import Substitution Industrialization strategy after the Second World War, it was kept on a shorter rein again since the early 1960s. President Macapagal, who was elected in 1962 thanks to CIA support for his campaign, lifted exchange controls and devalued the peso. The Land Reform Code Macapagal launched in 1963, promoted leasehold tenancy but had obviously not the intention to break up the landlords' land monopolies. Complementing feudal with more "modern" semi-feudal forms of exploitation, the law only provided the framework for an increasingly export-oriented, import-dependent and foreign-dominated rural economy.

Some "liberal" US advisers advocated land reform in order to avert a resurgence of massive peasant uprisings, yet US and World Bank programs were dominantly geared towards productivity-enhancing interventions in the Philippines' backward agriculture. Hence their enthusiastic support for the International Rice Research Institute (IRRI) and the application of "Green Revolution" technology.

Ferdinand Marcos' bogus agrarian reform program, that started immediately after the imposition of martial law in 1972, similarly intensified imperialist exploitation and strengthened his feudal power base in the countryside. Unsurprisingly, it did not address the peasantry's clamor for land.

CARP: The Precursor Of Market-Assisted Land Reform

After Marcos' ouster in 1986, the Aquino government was compelled by the strength of both the armed and legal movement for genuine land reform to come up with its own agrarian reform program. However, Aquino's Comprehensive Agrarian Reform Program (CARP) was never meant to distribute land to the poor and landless peasants, let alone shatter feudal rule in the countryside.¹ The provision to provide the landowners with just compensation already reveals the intention to implement agrarian reform without disturbing the status quo.

¹ In her speech on the occasion of CARP's launching, President Aquino herself acknowledged that CARP was far from a redistributive land reform program saying, "Let us see the program not as taking of property from some and giving it to others."

CARP's distorted definition of agrarian reform² and the law's actual provisions reveal its unmistakable bias in favor of landowners and agribusiness. CARP includes non-land transfer schemes like leasehold arrangements, production or profit sharing and the infamous stock distribution option. The non-land transfer programs provide the landlords with elegant options to implement agrarian reform without distributing a morsel of land and retaining full control over their landholdings and the lives of their farm workers. For landowners who want to get rid of some less productive farm lots anyway, the law provides incentives for voluntary offers for sale or the voluntary land transfer scheme that lets them negotiate the price directly with the farmers.

Since the mid-1990s, the World Bank and other foreign donors support CARP's so-called support programs like the Agrarian Reform Communities (ARCs). In the ARC program, clusters of small farms are encouraged to venture into cash crops and subsequently integrated with agribusiness corporations. Much like the nucleus estates, ARCs have nothing to do with land reform as they are providing landlords and TNCs with business opportunities and increasing control on the rural economy. The ARC concept is also a face-saving measure of the government to divert the attention from CARP's failure to provide land to the landless through the establishing of a few showcase communities.

When CARP was due to expire in 1998, the government claimed a 57 percent accomplishment rate (4.6 million hectares) and extended the program for another 6 years, purportedly to process the remaining balance. Yet closer scrutiny of government data reveals that this figure refers to the number of certificates processed by government agencies and does not reflect actual ownership of the land by the alleged "beneficiaries." Also lands under non-land transfer programs are considered covered by land reform and many certificates were not even distributed or did not result in the actual installation of the beneficiaries on the land.

Moreover, the bulk of the lands supposedly distributed were government-owned and public lands. The reported accomplishment of distribution of private agricultural lands stood at less than 50 percent of the total target of 2.9 million hectares. Actually, only 4 percent of these private agricultural lands were "distributed" through compulsory acquisition while the rest was bought from the landlords at market value.

In short, after 10 years, CARP hadn't even made a start with the breakup of big landholdings or the landlords' domination of the Philippine countryside and didn't show any intention to do so. According to the 1998 Annual Poverty Indicator Survey, 68 percent of the households who had at least one member working in agriculture did not own land other than their residence, and only about 3 percent acquired land through CARP. At the same time, as almost all public and other less controversial lands were already covered, CARP was supposed to start tackling the more contentious estates of big landlords and corporations where the exploitation of the peasantry was much more extreme.

It is in this context that the World Bank recommended to halt compulsory acquisition schemes altogether and to maximize the market-oriented provisions of CARP. In its 1996 Philippines country report "A Strategy to Fight Poverty," the Bank observed that land distribution in the Philippines was not more unequal than in a number of other countries after all. Moreover, it said, "*comprehensive rural land reform, as currently*

² Republic Act 6657, Section 3: "Agrarian reform means the redistribution of lands (...) and all other arrangements alternative to the physical redistribution of lands such as production or profit-sharing labor administration and the distribution of shares of stock (...)."

structured, is bound to remain contentious, expensive, and administratively complex,” and CARP *“has yet to make a dent in rural poverty.”* Therefore, the report comes to a mind-boggling conclusion that seems to vindicate the Filipino peasants’ skepticism about the elite’s concept of democracy: *“The administrative complexity of land reform probably cannot be resolved in the context of a government-administered program executed in a democratic society.”*

The same reasoning was echoed in the Bank’s 1997 report “Philippines: Promoting Equitable Rural Growth.” This report also praises experiences with market-assisted land reform in Colombia and makes more concrete recommendations, including the completion of CARP through a “process of market-assisted land reform” for holdings below 24 hectares. This would lessen the burden the bloated CARP bureaucracy had become on the government’s budget and would be acceptable for the landed elite. Besides, CARP was already market-friendly by design and only needed some fine-tuning to align it with the World Bank model. As market-oriented land reform could be implemented within the framework of the existing government program, the World Bank didn't even have to resort to pilot programs like in Brazil and Colombia.

CARP Under Estrada: “Land to the Landlords”

Apparently, Horacio Morales, who was appointed DAR Secretary by ex-president Estrada in 1998, had a ready ear for the World Bank's recommendations. Although he was anxiously avoiding any reference to market-assisted land reform, his administration turned CARP into its local variety.

Morales reassured the Bank of his faithfulness to its principles during the Global Development Network’s Inaugural Conference in December 1999, criticizing previous administrations for a lack of allegiance to the free market: *“Rather than relying predominantly on markets and using government regulation to facilitate the working of markets and intervention to address clear market imperfections, the Government has in some instances tended to try to replace well-functioning markets.”* Hence Morales’ new framework for land reform, *“based on a coherent policy framework that puts land reform in the context of well-functioning rural factor markets and emphasizes increases in productivity as the driving force underlying land reform.”*

Abolishing CARP and replacing it openly with the World Bank model, however, would have stripped agrarian reform from its social justice connotation and identify it openly with the merciless neo-liberal economics the peasants are all too familiar with. Therefore, DAR opted to make use of CARP's market-friendly provisions. Since 1998, land distribution through compulsory acquisition has become almost non-existent. Instead DAR advocates negotiated settlements in the context of a "demand-driven" approach.

Administrative Order No. 9, issued in December 1998, gives guidelines for CARP coverage of commercial farms. Instead of land distribution, AO 9 provides for so-called Agribusiness Venture Arrangements including contract growing, lease arrangements, management contracts, build-operate-transfer schemes, and joint venture arrangements, all of which involve negotiated settlements and result in the continuation of feudal and semi-feudal, exploitative relations of production.

The joint venture arrangement, also known as "corporative scheme," was further outlined in Administrative Order No. 2 of 1999 and gained notoriety through its application on 4,361 hectares of land in Negros, supposedly owned by Eduardo “Danding” Cojuangco a known crony of both ex-dictator Marcos and ex-president

Estrada. Cojuangco negotiated the arrangement with some handpicked farm workers who established a cooperative for the occasion. Although the “beneficiaries” were promised their parcels of land, the management of the land was brought under a joint venture wherein Cojuangco is the majority stakeholder. In other words, the distribution of titles has become a mere formality as feudal relations are justified and even strengthened by this so-called land reform program.

Morales’ catchphrase that agrarian reform should be demand-driven is another indication that it gets his inspiration from the World Bank’s spin-doctors. Moreover, it was a clear admission that the government is abandoning the original targets of CARP and limits itself to cases where the “willing buyer-willing seller” conditions are present. Despotic landlords who are exploiting their tenants to the limits and who are certainly not “willing sellers” have nothing to fear from a demand-driven agrarian reform program.

In the meantime, evasion of land reform became the rule instead of the exception. Vast tracts of land were converted from agricultural to other uses in order to exempt them from CARP coverage. While Morales was heading DAR, he approved 518 applications for land use conversion covering 11,650 hectares while turning a blind eye to many more illegal conversions.

Even farmers who already received land certificates from the Department of Agrarian Reform are driven away and see the document canceled by the very agency that has issued it. Presently, KMP is engrossed in the struggles of four local chapters, representing 350 farming families, that are resisting the cancellation of their certificates and conversion of almost 700 hectares of prime agricultural land.

Unsurprisingly, landlessness is still the major problem for the Philippine peasants. For example, according to research of KASAMA-TK, the regional chapter of KMP in Southern Tagalog, only 307 landlords control 71,898.50 hectares of coconut lands in the province of Quezon alone. Their landholdings average 234.20 hectares while majority of the coconut farmers are either tenants on a 3-hectare farm on the average, or farm workers. In San Francisco town in the same province, 48 landlords control 28,000 hectares while Don Domingo Reyes, owns 13,000 hectares in the town of San Narciso alone.

Hope Lies in the Peasantry’s Militant Struggle

In short, CARP, a program that had already an inherent anti-peasant bias from its very start, was conveniently used by the ruling classes to concentrate land into their own hands and to prevent the farmers from realizing their hope of owning the land they till. After more than 12 years of CARP we can easily conclude that for the peasantry this program has been useless. Landlessness is still widespread, feudal and semi-feudal exploitation is still the norm and the landlord class continues to wield power in the countryside. The peasantry has understood that genuine land reform cannot be achieved within the framework of CARP.

It is not surprising therefore, that the peasants joined the people’s movement against the Estrada presidency in droves. The KMP and other not-coopted peasant organizations were at the forefront of the people’s struggle that successfully ousted Estrada and his minions, including Secretary of Agriculture Angara and Agrarian Reform Secretary Morales.

The ouster of this rabid anti-peasant faction of the ruling classes was surely a victory for the Philippine peasant movement. Moreover, it enabled KMP to submit the 10-point

peasant agenda, with the implementation of genuine land reform as its centerpiece, to the new administration.

The new Secretary of Agrarian Reform should have no illusions however, that genuine agrarian reform is attainable within the framework of CARP. Moreover, we can expect continuing pressure against anything that comes close to land distribution by the factions of the landed elite that are still well represented in the new administration.

Therefore, hope lies in the militant peasant struggle for land. Our experience shows that the farmers' assertion of their rights has been much more successful than the few and token gains of CARP.

Through their united and militant campaigns of the peasants in so many places they were able to improve their living conditions. They forced the exploiting classes to reduce land rent, to curb interest rates on farm capital and to increase the wages of farm workers. They were also able to exact better prices for their products and develop appropriate forms of cooperation among the farmers.

And then there are the examples of heroic resistance to landgrabbing. The farmers of Hacienda Looc in the province of Batangas for instance were awarded Certificates of Land Ownership Awards by the Department of Agrarian Reform (DAR) in 1991. Two years later, the government-controlled Asset Privatization Trust sold the same land to a company that wanted to convert it into a tourist spot for the rich. Expectedly, the farmers' certificates were swiftly cancelled by DAR. The farmers organized themselves and decided to carry on tilling the land that is rightfully theirs. Although Fil-Estate, a mighty real estate company, and local politicians are applying every possible tactic to drive the farmers away, they are still there. They were able to resist because of their firm unity and the support from others, even from other countries. Hacienda Looc has become a symbol of peasant pride and resistance but there are many more places in the Philippines where farmers are successfully resisting landlords and big business.

The 800 farmers who faced eviction from the lands of the Central Mindanao University (CMU) in Musuan, Bukidnon, can also serve as an example. They were threatened and harassed by the CMU's management and their armed goons. Yet instead of relying solely on CARP or other deceptive programs of the government, they organized themselves and stood their ground. Their militancy bore fruit last February 2001 when they were able to exact a favorable lease contract with CMU that saves them from harassment and eviction for at least another five years.

The local struggles are complemented with nationally coordinated campaigns, like the yearly anniversary of CARP on June 10, which is usually marked by massive peasant protest. In October each year, KMP is spearheading the campaign to commemorate peasant month, culminating in nationwide rallies to express the peasants' outrage about the continuing absence of rural justice.

Even in the midst of these campaigns, the comrades who are suffering or have given their lives for the struggle of the basic masses are not forgotten. The 13 martyrs of the Mendiola massacre who fell under the bullets of the US-Aquino regime in 1987 while holding a peaceful demonstration are commemorated yearly. Political prisoners, most of whom are peasants, can count on unwavering support. Only last year, Ka Miling Cañete, a peasant leader from San Jose del Monte, Bulacan, was set free after a campaign of KMP and its local chapter. Unfortunately, the six farmers from Mindoro, including a KMP National Council member, who are falsely accused of a killing a despotic landlord, are still languishing in jail.

In these just and democratic struggles, the peasantry is supported by other sectors, especially the workers with which it has forged a firm alliance because of their common class interest. But increasingly, church people, lawyers, journalists and other members of the middle sectors have chosen to side with the basic masses like they did during the people's protests against Estrada.

At the international level, KMP links up the struggle of the Philippine peasantry with like-minded movements. That is why KMP is actively supporting the Global Campaign for Agrarian Reform of FIAN and La Via Campesina as well as the founding of the International League of People's Struggle later this year.

Above all, KMP draws strength from the determination of millions of poor farmers in the Philippines who courageously carry through the heroic struggle for land. More than any legislation from the reactionary government, it is the peasantry's unity and resolve that will bring about rural justice through the redistribution of land according to the principle of "land to the tiller."