

Agrarian Reform and Rural Development – Mapping the Terrain

By

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LIST OF ACRONYMS

AR	Agrarian Reform
ARB	Agrarian Reform Beneficiary
ARC	Agrarian Reform Community
ARF	Agrarian Reform Fund
CADC	Certificate of Ancestral Domain Claim
CADT	Certificate of Ancestral Domain Title
CARL	Comprehensive Agrarian Reform Law
CARP	Comprehensive Agrarian Reform Program
CARP-ER	CARP Extension with Reforms
CBCP	Catholic Bishops' Conference of the Philippines
CLOA	Certificate of Land Ownership Award
DAR	Department of Agrarian Reform
DBM	Department of Budget and Management
DENR	Department of Environment and Natural Resources
DOJ	Department of Justice
EDSA	Epifanio de los Santos Avenue
EED	Evangelischer Entwicklungsdienst e.V
GARA	Genuine Agrarian Reform Act
ICCs	Indigenous Cultural Communities
ICS	Inventory of CARP Scope
IPRA	Indigenous Peoples Rights Act
IPs	Indigenous Peoples
Kalahi-CIDSS	<i>Kapit-Bisig Laban sa Kahirapan</i> – Comprehensive and Integrated Delivery of Social Services
KTRA	<i>Kilusan para sa Tunay na Repormang Agraryo</i> (Movement for Genuine Agrarian Reform)
LAD	Land Acquisition and Distribution
LBP	Land Bank of the Philippines
MDGs	Millennium Development Goals
NGO	Non-Government Organisation
PALs	Private Agricultural Lands
PD27	Presidential Decree 27 under former President Marcos (Decree covering agrarian reform of rice and corn lands)
RCM	Reform CARP Movement
SAFDZ	Strategic Agriculture and Fishery Development Zone
VLT	Voluntary Land Transfer
VOS	Voluntary Offer of Sale

A. Background to the Study

1. Context of the study

The Comprehensive Agrarian Reform Program/CARP of the Philippine Government commenced in 1988, with the objective of providing security of tenure on land for small farmers and also of providing support services to its beneficiaries in such forms as capital, marketing support and infrastructure in order to improve both productivity and from farming. Funding for CARP is set to terminate in June 2008, the 20th anniversary of the program, yet the objectives have only been partly met. The largest landholdings have not yet been distributed, and these present the most significant political challenge: that of small farmers who are still without their own land. Basic food security for many small farmers' families remains unmet, as do the income requirements in order to ensure access to basic services such as education or basic health care requirements. There is still a pressing demand for land and support services among the rural poor.

2. Description of the existing problem

For many years a number of EED partners in the Philippines have been engaged in development programs with agrarian reform beneficiaries and in various forms of advocacy on agrarian reform, both on the provincial as well as on the national level. All of those partners are advocating for a continued program of agrarian reform. Access to resources for the poor, as a basis and condition for food security, is an important objective of the EED program for the Philippines. Of those tillers of land who have still not been covered by the agrarian reform program are many of the poorest cultivators in the country who cultivate and work on land that is the most challenging administratively and politically to distribute. In some instances land has been covered and paid for but remains undistributed and still under the control of its former owner or is subject to a single collective title which still leaves cultivators uncertain as to their security of tenure and unable to access necessary production support.

Within civil society in the Philippines there are many networks and political groupings with different strategies and political options for the future of the CARP after 2008. The current diverse debate makes it difficult for partners and EED to define strategy and rely on advocacy networks divided from one another. This study will endeavour to determine the framework and implications of the current debates. This study will be the basis for discussion in a forthcoming EED Partner Workshop in 2008. The study should help EED, and its partners, to define their own strategies.

3. Objectives of the study

- a. To provide an overview of the present positioning of the different civil society networks on CARP and the debates with regard to the future of CARP after 2008,
- b. To determine and analyse the different strategies of various networks in relation to expiry of CARP,

- c. To assist partners and EED to define their own strategies concerning the future of CARP and/or alternative development strategies.

B. Brief Background on CARP

1. Constitutional and legal basis for Agrarian Reform

The Comprehensive Agrarian Reform program was proclaimed under President Corazon Aquino on July 22 1987 under Executive Order 229. This was later affirmed through passage of the Comprehensive Agrarian Reform Law, Republic Act 6657, passed on June 10, 1988 after almost a year of furious debate in and outside of the halls of Congress. CARP is further backed by provisions in Article XIII of the 1986 Constitution of the Republic of the Philippines which states:

The State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farmworkers who are landless, to own directly or collectively the lands they till or, in the case of other farmworkers, to receive a just share of the fruits thereof. To this end, the State shall encourage and undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits as the Congress may prescribe, taking into account ecological, developmental, or equity considerations, and subject to the payment of just compensation. In determining retention limits, the State shall respect the right of small landowners. The State shall further provide incentives for voluntary land-sharing.

Section 5. The State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers' organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services.

Section 6. The State shall apply the principles of agrarian reform or stewardship, whenever applicable in accordance with law, in the disposition or utilization of other natural resources, including lands of the public domain under lease or concession suitable to agriculture, subject to prior rights, homestead rights of small settlers, and the rights of indigenous communities to their ancestral lands.

The law mandates coverage of all tilled lands, but provides that landowners are entitled to retain seven hectares for themselves and that each of their heirs is further entitled to 3 hectares each up to a maximum retention of 15 hectares provided that the individuals concerned are involved in directly tilling the lands themselves – a condition which is never monitored and rarely observed. Passage of the program was itself a political compromise and the compromises have continued in its implementation.

In fact CARP was by no means the first law supposed to overcome agrarian injustices, preceded as it was by around 50 laws and decrees under previous administrations and covering the abolition of sharecropping, and reform of all rice and corn lands among others.

2. The Social and Institutional context of AR

However, to this day, some twenty years after the passage of CARL, more than 40 years after Marcos's decree on rice and corn lands and almost 60 years after the passage of laws on abolishing sharecropping the Philippine countryside is still rife with inequities of access to and control over land, with the persistence of share-cropping, the sacada system and numerous landless for whom land ownership remains a distant dream. Undoubtedly CARP is a compromise forged within the balance of political forces found in the

transition from the Marcos dictatorship and implemented in the context of elite-dominated “democracy” thereafter:

“The program tries to address rural poverty and agrarian problems by “restructuring the agrarian landscape in the country, aimed at promoting social justice and improving farmers’ incomes and productivity”.

Inclusive and participatory in principle, the program is supposed to benefit not only farmers but also farmworkers— both men and women. Potential agrarian reform beneficiaries (ARBs) are required to form cooperatives or associations, which in essence promotes collective activity, working together to make the land productive.

However, despite these progressive and redistributive elements, the program is full of ironies, inconsistencies, and failures. For example, the Comprehensive Agrarian Reform Law (CARL), was passed by a landlord-dominated Congress. Developed within a democracy, the law is a product of a compromise. The tensions between the progressive and conservative forces appear clear not only in the painfully slow way that the program is being implemented but also with the internal inconsistencies and non-redistributive elements of the law.

Secondly, the program operates in a neoliberal policy environment. Beneficiaries are required to pay for the land awarded to them, using a price formula dependent on the crop produced on the land. Landlord resistance, the difficulty of land valuation and the consequential delay of land transfer are major obstacles that cripple the program’s implementation. These are the major reasons why a significant number of reform beneficiaries themselves consider CARP a failure. A powerful example of these inconsistencies and compromise was the ‘deferment period’ from 1988 to 1998 during which all redistribution of commercial farms was postponed. This ten-year deferment was voted in by Congress in response to powerful lobbying from agribusiness and landlords. Commercial farms comprise the most contentious landholdings. Pushing back the date of reform, the deferment allowed anti-reform forces to side-step around the law and ultimately evade the program by converting farmland to exempted land use categories such as industry and pasture. This was just one among many other evasion mechanisms.”¹

Nevertheless, riddled as it is with loopholes, exemptions and founded within a political and administrative system that still favours the rich and the landed - and one that is beset by corrupt practices - the program has nevertheless made possible some gains by certain groups of rural poor.

3. After 2008 - What next?

It is therefore pertinent at this point to look at some of the gains made, and some of the challenges remaining. Before doing so however, we need to be clear what is meant by the “expiry of CARP in 2008” in an article entitled “**Why CARP “Extension With Reforms” in 2008?**”, three groups, AR Now!, PESANTech and PhilDHRRA, explained the issue thus:

Q: Exactly what will transpire in June 2008?

A: A common misconception is that it is CARP, the program, that will expire in June 2008. However, a Department of Justice Opinion (DOJ Opinion No. 9, series of 1997) already long established that CARP is a “continuing program” and does not end until its “original scope and mandate” has been completed. Part of that “scope and mandate” is its LAD target which, by far, still has a backlog of 1.3 million hectares (ICS, as of December 2006).

Actually, what will expire next year is Republic Act 8532, which amended Republic Act 6657, or the Comprehensive Agrarian Reform Law (CARL), to extend and replenish (with another P50 billion) the Agrarian Reform Fund (ARF).

So, technically (and legally), what will expire in June 2008 is not CARP per se but funding for the program.

Q: What will be the implications if there is no law passed on CARP funding by June 2008?

A: The Department of Budget and Management (DBM), in several public round table discussions and fora, have expressed the opinion that without a new law extending and, again, replenishing the ARF (according to the Presidential Agrarian Reform Council [PARC], the Php 100 billion that

RA 6657 and RA 8532 appropriated for CARP has already been used up as of 2005) would mean that there will be no legal basis for government to allocate and release funds for the program.

In effect, CARP as program will continue but will have no budget, at least, until a new law appropriating funds to the ARF is passed.

Operationally, this would be tantamount to no program as there would be no funds for land acquisition and distribution, for salaries of DAR officials and employees, operational costs, etc..

A major concern is that once the implementation of the program is stopped, even temporarily, it would be very difficult to get the program re-started.

Q: What then happens to the lands not yet acquired under CARP?

A: The opinion is that uncompleted land claims under CARP will be done through “judicial expropriation”. Which will be highly problematic and disadvantageous for agrarian reform beneficiaries (ARBs) as most farmers will not have the financial capacity to initiate and sustain legal cases before the courts. There have also been decisions by the Supreme Court wherein ARBs were not recognized as “parties of interest” to agrarian cases.

Q: How will this affect farmers and potential beneficiaries of CARP?

The non-implementation of CARP resulting from the expiration of the program’s budget will affect an estimated 700,000 potential ARBs (the estimate is based on the DAR’s projection that there will still be some 1,077,538 hectares of CARPable lands after 2008 and the current ratio of 1.5 hectares per ARB) and potentially another 1 million ARBs under the leasehold arrangement. That is, said ARBs would be deprived of the opportunity to be awarded lands under the program or the opportunity for ARBs in retention areas to enter into leasehold arrangements (an arrangement generally considered more favorable for farmers than the traditional “share-tenancy” arrangement) with landowners.

Discontinuance of the program will also result in lesser support services delivery to farmers and ARBs.

Q: What are the proposals to address the impending expiration of CARP funding in June 2008?

A: Basically, the solution to the issue at hand is the immediate passage by Congress of a law providing funds for the CARP. Although, this is not as simple as it seems considering the composition of Congress and the diverse positions of peasant and AR groups on CARP.²

C. CARP History – achievements, setbacks and challenges

The program was supposed to be completed by the Department of Agrarian Reform (DAR) and the Department of Environment and Natural Resources (DENR) in the span of a decade. DAR is tasked to distribute private and public agricultural lands, while DENR is tasked to distribute public lands. But after 18 years later, DAR had only accomplished what it claims to be 85 percent of the total targeted lands for distribution (most of which are largely public lands).³ This accomplishment is estimated by DAR to have benefited an estimated 2.129 million farmer beneficiaries at a total cost of approximately 103.9 billion pesos. However, a number of serious questions concerning the record of agrarian reform achievement remain.

1. Moving the Goalposts

Claims for DAR’s success vary widely and are also hotly disputed. UNORKA, PEACE and PARRDS, three groups with large constituencies of farmers and farm-workers have even declared their belief that the far from achieving the 85% accomplishment that “We believe it is most likely to be half of what the government claims (or even slightly below that) – or just around 40% -- if we factor in the few millions of hectares of private and public lands that mysteriously disappeared from official scope of CARP”⁴. This last point refers to the fact that DAR has consistently adjusted the cope of CARP coverage.

“First, the scope was decreased by one-fifth, from 10.3 to 8.064 million hectares. Second, the largest chunk taken out comes from the DENR coverage of public lands, where two-fifths of its original scope was slashed. There was no clear reason given to the public as to why the cut was made and as to where the more than two million hectares went. Third, while lands under DAR increased by more than 12 per cent, the increase was accounted for by government-owned land. The DAR scope in government-owned land more than doubled. Fourth, the DAR's scope in private land decreased by close to 10 per cent. While it is understandable that CARP scope will constantly evolve during the implementation process, still, government owes the public a full explanation of the 1996 changes in CARP scope and the actual process and method taken toward these changes.”⁵ Some of this adjustment is because of exemptions, including so-called cattle ranches (even where land is also farmed for crops such as rice and coconut production as is the case in the 3000 hectare Sutton estate in Masbate in which the Supreme Court affirmed that “Lands devoted to raising of livestock, poultry and swine have been classified as industrial”⁶ and 150 tenants and a further 147 landless laborers have been denied the opportunity to acquire land). Some of the reduction in target is also because of supposed land conversions achieved by landlords such as the well-known case of the previously hunger-striking Sumilao farmers currently walking from Bukidnon, Mindanao to Manila (for details of this case see “Revoke the Conversion Order! Redistribute the Land under CARP! Reform and Extend the Agrarian Reform Program! Rationalize Land Use! A Position Paper on the Sumilao Farmers’ Struggle for Access to their Land”⁷).

2. Database problems

Yet a further reason for doubting the actual scope and coverage of CARP is because there is, as yet, no reliable and accessible database of land ownership in the Philippines! Neither has there ever been an effective cadastral survey of the country matched with the existence of valid documents of ownership. Even different sections of DAR disagree on scope and coverage, and furthermore coverage in excess of targets in some areas is used to reduce failures of accomplishment in other areas. Changes in CARP scope have led to accomplishments as high as 111%, for example in the Cordillera Autonomous Region, and the subtraction of this “excess” from overall targets. As a result the original scope of 1.3 million hectares for compulsory acquisition was reduced from 1.3 million hectares to just 750,000 hectares before being subjected to a further revalidation such that “Land Reform Secretary Nasser Pangandaman was forced to admit that there is still more than a million hectares that are needed to be included in the Comprehensive Agrarian Reform Program (Carp) that will need several years beyond the 2008 mandate of the Department of Agrarian Reform (DAR) to complete acquisition and distribution to farmer-tenants. “These were not identified in the four-million hectare scope of the Carp coverage before. They are private agricultural lands and some government lands that were overlooked in the course of the program’s implementation,”⁸

3. “Those move easiest who have learn'd to dance.” Alexander Pope

When we look beyond the question of overall CARP scope and coverage further questions arise. In the first place, even by DAR’s own admission, the largest proportion of lands distributed (some 1.5 million hectares) are comprised of land settlements, KKK lands and landed estates (these are lands owned by the state or publicly owned institutions or those distributed under various programs in the 1950s and 60s), “The recipients of these lands were de facto owners and the granting of Certificates of Land Ownership Awards (CLOAs) under CARP only legitimized their possession of the land they were tilling.”⁹

Aside from a focus on lands that were not private in nature the next most significant coverage was of 517,494 hectares of private lands transferred through “Voluntary Land Transfer” (VLT). VLT is the direct transfer of land from landowner to beneficiary through an amicable agreement without involving the transfer of the land to the

government. Formerly it simply required the approval of the Barangay Captain and the Municipal Agrarian Reform Officer, and latterly also requires final approval from the DAR regional director. It is perhaps little wonder that VLT was such a popular form of Agrarian Reform as studies indicate that it was rife with anomalies, with sales of land to non-tilling relatives, dummies and even children of the owners' heirs¹⁰.

The two classes of land transfer above already exceed two million of the 3.5 million hectares supposedly transferred to beneficiaries and are said to account for more than 900,000 of the 2.1 million beneficiaries provided with land.

A further means of land acquisition is through use of the Voluntary Offer of Sale (VOS), in which landowners voluntarily agree to DAR acquisition of their lands. DAR officials have, in a number of cases been accused of over-pricing the land, with one celebrated case being given a value of 1.4 million pesos per hectare against an average of 18,000 pesos for non rice and corn lands.

Alongside the use of VLT (and to a lesser extent VOS) is the phenomenon of leaseback. This has been commonly undertaken by banana plantations such as DOLE and Stanfilco. While there is some argument as to the overall impact on livelihoods, it is certainly clear that some of the early leaseback arrangements were undertaken at ludicrously low rates (3,000 pesos per hectare per year for land that is valued at 300,000 pesos per hectare) that left ARBs unable to even cover their amortisation payments.

As a result of the focus on VLT, VOS and on the distribution of publicly owned lands as of December 2004 compulsory acquisitions of land had only achieved 16% of their overall target.

4. Status of Beneficiaries

Further problems are frequent due to the misidentification of beneficiaries. In Negros Oriental for instance the names of beneficiaries living on the land of a single haciendero in Bais city were substituted for those living on his land many miles away in Mabinay and vice-versa. In other instances priority beneficiaries (as set out in law) are substituted for employees of the landowner or for those considered subject to his/her patronage. In other instances local school teachers, barangay officials or relatives of DAR personnel have managed to be placed on the list of beneficiaries. Meanwhile, landowners (sometimes working in cahoots with DAR officials) are also known to work at getting potential beneficiaries to waive their rights to land with a combination of inducements and threats.

As a result of such problems with the identification of beneficiaries, land acquisition is often rife with community conflicts. And one point here is that AR groups need to view land acquisition and distribution as a two-stage process – the first is government's acquisition of the land and the second is its distribution to its future owners.

Unfortunately the Supreme Court has seen fit to state that would-be beneficiaries are unable to challenge DAR processes of acquisition and distribution as they are not considered "interested parties to the case" despite the constitutional provision that they should be allowed to "participate in the planning, organisation and management of the program"¹¹.

A further outstanding problem of CARP with far-reaching consequences for beneficiaries is that about 60% of the lands covered have been issued a collective title known as a "Mother-CLOA"; this means that there has not been a parcellary survey to define the individual land area of each beneficiary. The impact of this on farmers are two-fold: firstly they and their sources of capital are hesitant to undertake any long-term investments in the land because they are unable to be sure of their security on the piece of land they are farming; secondly, they often find themselves unable to make payments for

the land to the Land Bank of the Philippines (LBP is the mortgage-issuer of the government) leaving them vulnerable to ejectment proceedings and depriving the CARP program of much needed funds. This is just one of the reasons why LBP collections of CARP payments stand at a pathetic 20% of payments due.

Meanwhile, there is also the problem of the lack of lawyers and legal support required by DAR. Consequently the DAR Adjudication Board had a backlog of more than 18,000 cases at the end of 2004 and a total caseload of more than 834,000 cases from 1993 to 2004.

The issues of mis-identification and lack of parcilliary surveys lead to the so-called “second generation problems” of Agrarian Reform, meaning that even if the CARP were to cease to function tomorrow there would still be host of land tenure issues requiring resolution for years to come. If these were turned over to the regular courts the likelihood is that many of them would take a decade or more to complete.

5. Pawning and selling CARP lands

A further issue that bedevils the CARP program is related to land transactions undertaken by beneficiaries subsequent to their receiving their instruments of ownership. It has been estimated by a number of sources that land sales and pawning of titles or CLOAS by beneficiaries may be as high as 30% of all beneficiaries. A previous DAR study found that 80% of these transfers were in the form of outright sales or mortgages while the remaining were transfer of rights or leasing. However there has been little breakdown of the reasons for these transfers; whether they be for the purpose of household consumption, for investment in new ventures, in order to send relatives abroad for work. Yet another possible reason, which the history of land sales in Cambodia and India should alert us to, is the possibility that lack of access to health services and insurance is leading to high levels of distress sales of land. On the other hand it is well known that ARBs in rurban areas have been tempted by the speculatively high prices offered to them by developers.

6. Overall accomplishment

Despite these many weaknesses, caused by a combination of weaknesses in the law, poor administrative capacity, institutional weaknesses, corruption and the use of political influence, it is still the contention of those that have engaged with CARP that there have been some significant gains made in land acquisition by those who are supposed to benefit from CARP. While DAR states that a little over 3.5 million hectares have been distributed to roughly 2.1 million beneficiaries and covering 85% of all CARP-able lands, even the claims by those NGOs expressing the view that the accomplishment may be as low as 40% would still allow us to presume that there are roughly a million beneficiary households in possession of roughly two million hectares.

D. Agrarian Reform – not just Land Reform

1. General support Services

Agrarian Reform does not, of course, simply mean changes in land ownership. It also involves the provision of support services including, but not restricted to, capital and credit, improved production and post-harvest technologies, access to physical markets and market information, as well as access to social services. Such services are designed not only to improves incomes but also to reduce inequities in control over assets and

markets, to militate against distress sales of land or subjection to usury and thereby to assist beneficiaries in developing their relative autonomy both culturally and politically.

Once again in the provision of support services, just as with the land acquisition and access to justice components, we see the same weaknesses – legal, administrative, institutional, political and sometimes criminal. In fact on that latter point, there are increasing reports of corruption pertaining to pump-priming and infrastructure engagements of DAR, not to mention personal witness to inappropriate technologies being foisted on beneficiaries at the behest of DAR and Landbank personnel, either for personal gain or to facilitate the achievement of quantitative targets they have been given.

In other instances DAR funds are said to have been released in order to ensure electoral advantage for favoured candidates. Thus we see DAR as a potential source of rural patronage resources, sometimes working with or competing with local patrons, sometimes working on behalf of individuals or sometimes on behalf of a particular administration.

2. The need to better institutionalise ARCs and strengthen microfinance provision?

However one clear acknowledgement from AR support groups and Peoples Organisations is the role that well-funded Agrarian Reform Communities (ARCs), with a presence of active Peoples Organisations, have been able to play in raising not only incomes, but also other measures of well-being among those beneficiaries fortunate enough to find themselves in such locations. One informant even declared that the ARC was perhaps the best idea that had ever come from DAR personnel.

So far ARCs are said to have covered more than 220,000 beneficiaries, or a little over 10% of all claimed ARBs. Criticisms of ARCs are neatly summarised as 1) Interpersonal problems and bureaucratic constraints 2) Independent activities and program focus of the participating agencies 3) lack of concerted efforts at the local planning level.¹² . This may also have been compounded by the fact that the ARC has never become a program of the government as a whole that is led by DAR, but rather it has remained a DAR program which has sought the ad-hoc support of other agencies – the result has been ad hoc tie-ups between DAR and other agencies such as the Department of Agriculture or DSWD for some of their programs (e.g. SAFDZ and Kalahi-CIDDSS) to be incorporated or undertaken in ARCs. Yet a further problem seems to be the continued dependence of ARBs on external assistance, in part fostered by a view that government programs that enter their areas are merely the fruits of patronage, particularly in so far as credit programs are concerned.

Other issues relate to the major difficulties faced by beneficiaries in simply gaining access to enough capital and credit in order to achieve improvements in productivity and the value of their products. This may point to a need for the development of microfinance institutions that can operate independently of, even if alongside, NGOs, Peoples Organisations and Government.

Overall though, major criticism of the ARCs, akin to but different from that of land acquisition, is that the coverage is too small and the funding too meagre. In other words farmers groups and NGOs appear to be asking for more, even if better funded and administered, ARCs.

E. Pro-AR, dissatisfied with DAR

Among those that have engaged with CARP, there seems to be an opinion that says in some areas, especially those with active Peoples Organisations and the presence of support groups or supportive DAR officials, there have been some successes.

1. Opponents of CARP

However, this strand of opinion does, it has to be said, exclude those far Left farmers groups such as “The farmers’ organization Kilusang Magbubukid ng Pilipinas (KMP) and allied groups such as the Amihan peasant womens federation, Unyon ng mga Manggagawa sa Agrikultura, Pambansang Lakas ng Kilusang Mamamalakaya ng Pilipinas and Anakpawis party-list which called the CARP a “fake agrarian reform (program) geared to safeguard the concentration of land to the hands of a few (landowners).”¹³

Danilo Ramos of KMP states that “CARP has not been a social justice measure to emancipate farmers from centuries-old feudal bondage, instead, it works as a civilian-military counter-insurgency program,”¹⁴ and Rafael Mariano, also of KMP stated in an interview that “The CARP protected the monopoly rights of landholding class over the farmers’ legitimate stake on the land they till. This farce land reform program has endorsed land grabbing and warlordism to the detriment of small farmers nationwide,”¹⁵ and went on to say that “ARCs were just “empty showcases” of land reform since there were no actual transfer of lands in these areas and the workers were reduced as producers of export crops highly dependent to inputs from monopolies and big landlords.” As a result of this perspective Bayan Muna representatives have sought passage of a resolution calling for a review of CARP, which is akin to the position taken by Congressional landlords such as Ignacio Arroyo, the Presidential brother-in-law but they have since gone on to file a Genuine Agrarian Reform Act or “GARA”.

It is doubtful that Bayan Muna and their allies think that this bill could possibly pass the legislature, but it does serve to mark out their position on Agrarian Reform, effectively distinguishing their position from that of the landlords in Congress and, presumably in the hope that it will also distinguish them from the positions held by others on the Left.

2. Is there a “Coalition of the Willing”?

Those other forces, however take a more or less open position on CARP, with many recognizing it as a political compromise and noting its slow pace and its many shortcomings, while seeking more or less radical modifications of CARP post-2008. A discussion of these positions will follow, however one clear difficulty that these groups are having is that whilst their position seeks to extend CARP it also reveals their deep sense of dissatisfaction with the law and especially with the performance of DAR in particular and the agencies of government in general. This in turn is a contributory factor towards a somewhat narrow public constituency in support of a reformed CARP. In other words the constant and very public criticism of CARP’s shortcomings and particularly of the poor performance of government agencies in its implementation, whilst clearly justified, may leave potential urban and middle-class allies wondering what purpose extension of the program can serve. In any case there is very little evidence, for instance, of a vocal urban constituency calling for extension or reform of the program, even as there is growing engagement in calls for extension by the hierarchy of the Catholic church.

Further exacerbating the difficulties surrounding calls for CARP funding extension are divisions between those that are willing, albeit sometimes reluctantly, to work within the framework of CARP. The differences, often unstated, lie between those that take a view of the matter in hand as demanding a tactical response to achieve corrections of current legislative deficiencies and those for whom the struggle remains predominantly and essentially strategic and deeply structural in nature.

The range of views among supporters of Agrarian Reform follows a continuum here from tactical to strategic and administrative to policy focused interventions and is framed as divisions between the pragmatic and the principled. This is, in itself has probably been divisive, coming as it did right at the beginning of attempts to seek extension rather than later on in the process of negotiation with political elites, but also because the arguments are often deeply personalized and posed as “sell-out” versus “idealist”.

Nevertheless, interviews revealed that among those that adopt a tactical response to the issue of Agrarian Reform after June 2008 is still a recognition of the strategic political and structural questions regarding agrarian reform. Meanwhile, among those that are pushing for a strategic political struggle to achieve long term structural shifts in the balance of power in favor of rural sectors there is also recognition that immediate tactical interventions are also needed. The divisions between groups are, therefore, largely questions of degree, but are exacerbated by some other factors which will be discussed below. The problem is that the debates risk providing room for further division among AR advocates as groups try to maximize short term benefits for their constituencies and DAR exercises its command over resources to ensure its political ascendancy in the debates.

3. The primacy of the political arena

The legislature is obviously the arena in which the politics and the legislation come together, but a tendency to spend many hours reviewing the minutiae of legislative clauses could, perhaps, be leaving unattended the open and public political arena outside of the halls of congress that may have a more significant chance of influencing congress in more progressive directions. Of special significance here will be those articulate voters of the Congressional districts who have the autonomy to make their views known – this must include, not only those organized Peoples Organizations but also their more middle-class and more silent supporters, especially from the Urban areas.

F. Differing positions and strategies

Clearly there are differing assessments of the supporters of Agrarian Reform as to what is politically achievable under the current dispensation but also constraints upon them as to what they or their constituents deem acceptable, ideologically, politically or economically. As a result of these debates among AR proponents a number of different positions on CARP Post-2008 have emerged among national formations. In addition there is a continuing, and for many distressing, factionalism among many supporters of Agrarian Reform, in some instances this is the result of historical origins and in others a result of personal differences or issues of trust among group leaders. A further source of factionalism is the result of efforts by groups to gain concessions from DAR in return for support for DAR positions. This combination of ideological, historical and personal biases has led to the emergence of at least four positions with regard to the furtherance of agrarian reform following the expiry of funding in June 2008:

1) Simple Extension

This is captured by a number of proposed bills, including the CUA bill. This position proposes a simple extension of funding for DAR, for between five and ten years. Most of these bills propose a level of funding similar to current levels. One, the CUA bill also contains a vague, but contentious clause on the use of DAR papers as collateral for bank loans; this provision is in response to the wishes of Malacanang but is one that is deeply opposed by many AR advocates and farmers groups. Simple extension is the position favoured by DAR. A number of these bills contain clauses mandating specific allocations for support services rather than mere land acquisition.

As well as being reflective of the DAR position, a number of AR advocates also take this position because of their view that it is the most politically feasible one within the current conjuncture of political forces. A number of advocates for extension with reforms also privately admit that “simple extension may be the best we can hope for”.

2) CARP-ER (CARP Extension with Reforms)

This bill is the result of widely held and prolonged conversations among Peoples Organisations and NGOs engaged in AR work. The bill is proposed by Rep. Risa Hontiveros-Baraquel, Akbayan party-list representative and backed by a broad range of groups known as the Reform CARP Movement (RCM) for which Centro-Saka is the secretariat and with which Kaisahan and Saligan worked on drafting of the bill.

This bill seeks the extension of CARP with a minimum funding of 3.8% of the total government budget, or 38 billion pesos, and the completion of land acquisition over a period of seven years. Thirty per cent of the funds would be used for support services with a third of those funds for the provision of agricultural credit, as opposed to current legislation which does not specify the proportion of funds allocated for this purpose. The bill also proposes that land covered under agrarian reform may not be sold for a period of thirty years except back to the DAR. In addition the bill closes various loopholes in the current law by making Certificates of Land Ownership Agreements (CLOAS) non-contestable after a period of one year and also by allowing proposed beneficiaries to claim their rights as interested parties in court and adjudication hearings. The bill also proposes to prevent stock distribution and leaseback schemes and declares that installation as agrarian reform beneficiaries that mean the “direct and physical distribution of land” to beneficiaries. The bill also tries to overcome some of the delaying tactics of landowners by insisting on a one-time valuation of standing crops and by attempting to prevent harassment cases for fraud or non-payment of rent where these are related to completion of land distribution. A further provision also strengthens existing laws against land conversion from agricultural to other uses as a means of avoiding coverage by agrarian reform and provides for much harsher penalties for landlords who try to evade coverage.

The bill does not address the issuance of collective versus individual titles (collective titles having provided a convenient but often untidy short-cut for DAR). While the bill has provides for inter-agency coordination with other line agencies responsible for items such as roads, irrigation, marketing support etc. it makes no specific provisions for the responsibilities of those agencies, just as it makes no specific provisions for the collection of amortization payments by the land bank.

This bill appears to address a number of the criticisms concerning implementation of the current agrarian reform program but for a number does not go far enough...

3) Major changes to CARP

A third position is advanced by Kilusan para sa Tunay na Repormang Agraryo (KTRA, or Movement for Genuine Agrarian Reform)

On November 11 KTRA announced that it is filing a bill in Congress to be sponsored by Rep. Edno Josen of *Nueva Ecija* that aims to strengthen the land reform law by plugging all its loopholes that allow landowners to evade land distribution. The draft bill contains the coalition’s 5-point demands that include among others the immediate distribution of large private estates within two years, the abolition of non-redistributive land reform schemes such as leaseback, voluntary land transfer and voluntary-offer-to-sell, the review and revocation of anomalous exemption and land conversion permits, the strengthening

of support services for agrarian reform beneficiaries, and the re-inclusion of fishponds and pasture lands in the coverage of CARP.

This position would appear to hold much in common with the RCM position except it more explicitly prioritizes the distribution of large estates, and ensures coverage of fishponds and livestock areas; and, rather than permitting Voluntary Offers of Sale to DAR and permitting direct Voluntary Land Transfer to beneficiaries, it proposes to abolish such processes on the grounds that they are subject to frequent anomalies in terms of beneficiaries and corruption. The KTRA position reflect the positions of some of the more militant members of RCM, which is hardly surprising since there is some overlap in membership; however KTRA also includes others that chose to remain outside RCM for a variety of reasons, including some who have only recently chosen to engage in the legislative arena or with legally mandated forms of agrarian reform.

As part of their campaign for the bill KTRA have vowed to “name and shame” the country’s largest landowners who have managed to retain their landownings over 20 years of CARP.

4) GARA (Genuine Agrarian Reform Act)

Anakpawis (toiling masses), Bayan Muna (people first) and Gabriela Women’s Party (GWP) filed House Bill 3059 or the Genuine Agrarian Reform Act of 2007 on Nov. 13 2007. The declared intent of the bill is to break up land monopoly and distribute lands for free.

At first glance the coverage proposed by the bill is considerably larger than the proposals of others. The modes of acquisition, the bill proposes that the state shall expropriate all private agricultural lands exceeding five hectares and that all land and non-land assets of transnational corporations shall be nationalized. Not only does it propose to cover all military reservations, lands owned by educational establishments and areas of community-based forestry, and all undeveloped or idle lands including in such areas as export processing zones but it also covers all lands that have already been covered by the Department of Agrarian Reform but have since passed into the hands of those not classified as beneficiaries. The bill also proposes that the lands are made available to beneficiaries for free. Compensation is proposed to be the average of the tax valuations for the last three years with negotiated sums for “benevolent landowners”. The bill proposes an annual budget of 18 billion pesos in the first year and an annual increment of 2 billion pesos thereafter.

The proposals in the draft act will substantially change the current definition of “just compensation” and along with the provisions for nationalization of TNC assets and the proposals to broaden coverage they are most unlikely to gain much consideration by a Congress which remains dominated by landed interests and their allies. Even the bill’s own proponents recognize this saying “for the proposed land reform law to be approved by a landlord-dominated Congress requires something short of a miracle.”¹⁶

In addition to the above bills there are various resolutions in the house seeking a review of CARP stating the view that agrarian reform has failed to address rural productivity and poverty. For the most part these bills are supported by landlords within the house and led by President Arroyo’s bother-in-law from Negros. However, Bayan Muna has also submitted a similar resolution before it moved on with its GARA bill.

G. Institutional instabilities, a changing political economy and sites of competition

At this point the consensus among AR advocates seems to be that there will be a process of negotiation within the Committee on Agrarian Reform of the House of Representatives resulting in a compromise between the different bills or in passage of a simple time-limited extension of funding for existing legislation. If such a process fails there is the danger that no extension of CARP will be achieved. The latter outcome is likely to be driven by factors extraneous to Agrarian Reform debates themselves and is likely to be because of the continuing shifts in elite politics and the manner in which Malacanang seeks to dominate Congress at this time. Major reconfigurations in Congress, conducted at the behest of Malacanang may well lead to paralysis in the legislative processes.

1. Why competing bills? Ideological differences and competition for constituencies.

At the heart of current debates lie the difficulties that AR proponents have in developing and sustaining sufficient unity to advance a consolidated Agrarian Reform Agenda. There are a number of reasons for this, and they are not restricted solely to the question of Agrarian Reform. The differences relate on the one hand, to ideological divisions among progressive forces in the Philippines and thereby to differences in strategy among different groups. For some groups the predominant and overwhelming means of change demands an essentially revolutionary approach characterised by substantial and radical change in institutional structures and the balance of social economic and political forces behind them. For others a more or less reformist approach will suffice alongside the belief that a substantial and radical shift in the balance of forces is either going to prove too costly in comparison to the overall gains, or that it is politically and socially infeasible at this time.

Alongside these philosophical and ideological differences there are also differences between groups in mere political tactics, although such differences may be no simpler to overcome just by that fact alone. Such differences are also subject to the competitive forces at work between groups that serve essentially similar constituencies and between leading individuals in those groups that may have long histories of conflict and/or cooperation in the past. The choice of political tactics may also be determined by forces exogenous to the group, or by the demands of one's constituency to realize concrete gains on the part of those they seek to represent. It is evident, for instance, that successive DAR administrations have sought to greater or lesser extents to favour particular groups in return for political or administrative support of their positions. In essence then the players may change between DAR administrations but the game may not. Having said that, the stability of policy implementation has also most certainly been adversely affected by the institutional instability of DAR because of successive changes at the top of the Department and because of different attitudes towards agrarian reform between and within successive administrations.

2. Deteriorating Government-Civil Society Relations and “local versus national”

The current administration, for instance, has seen changing fortunes for civil society actors as a result of controversies surrounding its assumption of power and the subsequent elections in 2004. The result has been a withdrawal of support by leading civil society actors and a growing hostility towards a range of civil society actors from the administration, in part because of allegations concerning the use of funds for electoral purposes that were destined for the agrarian reform budget¹⁷. The controversies over the 2004 Presidential election saw the withdrawal of a number of so-called civil society reformists from the government and subsequent hostility between administration and many of those engaged in Agrarian Reform and other forms of rural development work.

One impact of this hostility and the apparent failure of national institutions to bring closure to this and other controversies appears to have been for a number of those in civil

society to focus more closely on local matters and on making local gains for their constituents in the belief that national institutions are too difficult to bring to account. As a part of that focus on the local many in civil society are also driven to engage with DAR in ways that may mean that their silence on certain national matters is accepted in return for decisions or resources that act in favour of their specific constituents. This is not to imply any specific corrupt acts on the part of those groups, since there is insufficient evidence for that at this time, but it does imply the emergence of a new sort of “realpolitik” among some NGOs and Peoples Organisations that may leave fundamental and necessary challenges to national institutions unaddressed and de facto permits a form of “divide and rule” by DAR over the very constituency it is supposed to serve.

3. Urbanisation and a shrinking constituency

At the same time AR proponents are also competing for a constituency which appears to be shrinking, although the shrinkage may or may not be one of absolute numbers (and given the aging profile of peasant farmers it probably is shrinking in absolute numbers too) it is certainly a shrinkage in relative size – not least because of increasing urbanization. “Urbanization in the Philippines has been rapid, and this process is expected to continue in the future. In 1970, one-third of the population was urban (UN 1993). Currently, 52 percent (or about 38 million people) live in urban areas. In 2020, 82 million people (or more than the number of persons in the entire country in 1990) are projected to be living in urban areas.”¹⁸ The population commission of the Philippines estimates that this figure will constitute 65% of the population.¹⁹

In the face of the shrinking rural constituency, supporters of Agrarian Reform in particular, but also proponents and actors within rural development in general may be facing an uphill battle in asserting the need for effective and pro-poor rural development as the demographic changes in the country start to impact on the political dynamic. In any case, the last two “popular” uprisings against incumbent administrations have all emanated from political forces assembled in metropolitan Manila and have relied to a lesser or greater extent on mobilization, not only, of the urban middle-class but also of the urban poor. Similarly the so-called “EDSA Tres” attack on Malacanang was widely believed to portray a sense of betrayal felt amongst the many urban poor dwellers that formed the bulk of participants in the attack. It would appear, therefore, that at a tactical level at least, national politicians, and most especially the national administrations are likely to see the political imperative of responding to unrest and complaints from urban centers far more quickly than they are likely to from the more dispersed and increasingly numerically disadvantaged rural poor.

4. Lack of strategy in the political establishment

Nevertheless the fact of urbanization does not deny the strategic value of addressing rural poverty, since increases in urban population are still almost as largely driven by rural to urban migration by those attempting to escape rural poverty as they are by levels of fertility among the existing urban population. In other words a strategic response to urban poverty must depend on an effective response to rural poverty. Unfortunately, however, the current political system militates against strategic endeavors either by the political elite establishment or even by liberal-progressive forces since the electoral system and the vast number of presidential appointees result in a highly powerful and highly centralized presidency with one-term duration of six years within a weak state. The result is a planning and administrative system for which a medium-term development plan consists of only five years duration and crammed with political appointees that are the beneficiaries and instruments of presidential patronage.

H. The demands of constituency-building

1. The urgency of the urban and middle class support

In the face of these challenges it is vital that AR proponents do not lose sight of the need for the development of influential national constituencies. As of writing this seems to be emerging within the hierarchy of the Roman Catholic church with its plans to hold a second national rural congress (following an earlier one in the 1970s). However, neither the church nor, perhaps more importantly, have the NGOs and advocates, done much to develop the urban and middle-class support that might influence legislators to consider agrarian reform more seriously. One exception to this would be the mobilization of upper and middle-class students around the cause of the Sumilao farmers, primarily because of the links of their lawyers and supporters to the Ateneo school system. However, this campaign appears itself to have been fairly restricted to the Sumilao case as their support group was fearful of the campaign being overwhelmed by other groups just as there were attempts to capture the name and the campaign some ten years ago when the plight of the farmers from Sumilao first came to public attention with a hunger strike.

Whilst the caution of the Sumilao farmers' support groups may be understandable, it is also illustrative of the inability to maximize public mobilization around issues at this point and of the tendency to restrict campaigning work, especially public mobilization, to specific cases. Whilst specific cases can be useful illustrations of the issues to a wider public; and undoubtedly there are a number of students who have been made aware of the general issues surrounding agrarian reform as a result of the Sumilao campaign, it would appear that the caution with which AR advocates are treating one another means that opportunities for the development of a more significant voice from farmers and a sympathetic public may have been missed.

2. The necessity for a reconfiguration of interests

In fact so rife are the cases of land conversion and so obvious is the iniquity of the Supreme Court's ruling that proposed farmer-beneficiaries can not be considered interested parties in land cases concerning lands for which they are priority beneficiaries that the march by the farmers from Bukidnon to Manila could quite possibly have gathered numbers of both farmers and supporters on the way and have led to something reminiscent of the Thai farmers' marches by the Assembly of the Rural Poor and its predecessors that effectively forced the Thaksin government to attempt development of a new consensus between the rural poor and the emerging Thai global business elite. In order to accomplish such, however, it will be vital to reinvigorate a disaffected middle-class and to persuade them that it is also in their strategic interest to concern themselves with rural poverty.

It will also be necessary to convince both an urban public and DAR itself that addressing rural poverty will also mean tackling vested interests with large rural landownings and to ensure priority is given to private agricultural lands. This feat may prove a long shot, given that even during the nadir of support for Agrarian Reform between 1986-1988 and then later during the period of most significant AR accomplishment from 1992-1998 DAR was unable to achieve this and gave less focus to the Private Agricultural Lands (PALs) that required compulsory acquisition by the government. Following the Estrada presidency there has been a dearth of top-level reformists in DAR and the process has slowed further despite the fact PALs form the bulk of the remaining lands requiring acquisition.

However, what the periods of Presidents Aquino and Ramos do appear to show is that an electorally weak Presidency may feel the necessity to build broad-based coalitions of support that go beyond the traditional elite that can enable the rural poor to gain some concessions. Unfortunately the current Presidency, though consistently challenged with regard to its legitimacy seems to have gone beyond the need for such support and has instead used its powers of patronage, especially with regard to the House of Representatives and local governments, in combination with assertion of its military and police powers to try and achieve stability. At this point it would appear to have gained the upper hand, largely because of the inability of the opposition elite, tainted as they are by their own record in government and suffering from their own factionalism, to provide any convincing inducements to the poor to form effective alliances with them. At the same time, the lack of a visibly widespread public consisting not only of the poor themselves, but also of a broadly supportive urban constituency of the middle-class working together means that the traditional elites are also not induced to make significant and lasting offers of compromise that will affect the interests of a significant proportion of their membership.

3. The Church as a starting point

It would appear to be a priority, therefore, that attempts are undertaken to redevelop such a constituency. The current position of the Catholic bishops regarding agrarian reform may well be a useful starting point for this as they build up to the conduct of their Second National Rural Congress in 2008 following a similar one some forty years ago.

In addition to gaining church endorsement of the extension of CARP funding it may also be possible to ask for church assistance in overcoming DAR's apparent "divide and rule" approach at the provincial levels following the reported breakdown of provincial agrarian reform task forces on the ground. It may be useful to focus on reviving these taskforces as fora for agreeing on methods, process and conduct among NGOs and Peoples Organisations as well as with DAR. This will, itself, require the cooperation of DAR officials at the highest level, which seems to be somewhat weak at this time and will require solid tactical input from a number of players but it may prove helpful to involve Church leaders since the Bishops will be able to track progress on this from the national-level Catholic Bishops Conference of the Philippines down to the level of their respective Dioceses.

Similarly the CBCP may be involved in the on-going work being conducted by a number of NGOs concerning government accession to various proposed trade agreements with China and Japan which pose environmental and food security questions as well as being of, at best, questionable value to small-scale rural producers.

Combined together this sort of Diocesan-level involvement by the Bishops and church people, in combination with continued and determined work by NGOs in educational establishments (hopefully public and not simply church owned ones) there is the chance to build a public constituency around pro-poor rural development policy and its implementation that draws in a broad-based public constituency including the middle-class and those in urban areas. However, it will take some urgent initiatives, not least of which is the need to tap into both new and old media with both success stories as well as remaining challenges, if it is to be achieved in time for the expiry of CARP funding.

I. Rural Productivity and Efficiency

One area of admitted weakness among AR advocates is the weakness of arguments in its favor as pertaining to productivity and efficiency. In fact some studies indicate that for ARB households agricultural productivity may account for less than 50% of aggregate

household income. While income diversification may not be a bad thing in itself, and the very fact of the ability to diversify may be indicative of improvements in income and household food and land tenure security, it may also point to the disincentives for increased agricultural production caused by problems with access to credit or product markets. In fact a frequent lament of AR advocates is the poor quality and insufficient quantity of support services provided to ARBs.

Other evidence appears to show that ARBs may experience higher incomes than non-ARBs, depending on the quality and quantity of land they gain. Income improvements are most frequent in the Agrarian Reform Communities where access to support services is greater, but various studies also appear to show that production may actually go down in many instances as farmers lacking access to credit shift to lower input and therefore less costly forms of production but ones with a higher rate of overall financial return. In other words the high costs of the factors of production have actually caused shifts in the marginal rate of return and have led farmers to make economically rational decisions to lower the amounts of external inputs they choose to apply and to sacrifice additional output in return for lower unit costs of production.

1. Little evidence of change in factor productivity and efficiency

Meanwhile at a macro-level the overall change in factor productivity may be negligible resulting in an efficiency neutral effect on the economy despite the considerable expense accruing to the program.²⁰ Of course, AR proponents will point to problems with factor markets, such as local trading monopolies, and lack of access to adequate credit as one set of reasons for this. Perhaps a stronger argument too is the failure of government to effectively break up large estates and encourage small-scale agriculture within those areas, since it continues in the mistaken belief that estate-style production benefits from economies of scale, without recognizing that the economies of scale may not derive from large-scale land ownership but rather from the scale of crop management through joint management of machinery, planting and harvesting schedules and the exercise of market power that could quite possibly be derived from cooperatives or other forms of joint endeavor. Such arguments would clearly appear to apply to sugar estates.

Another element affecting rural efficiency and productivity may be the distorted protection received by different crops in the Philippines. The high level of protection afforded the powerful estate-style sugar industry may actually provide incentives for former sugar barons to reacquire lands they have surrendered, whilst almost certainly contributing to high valuations of sugar lands and providing landlord incentives to resist agrarian reform. Ironically, the poor level of protection for the rice industry, subject as it is to a shorter growing season and lower initial capital requirements, but also to higher risks (of poor rainfall patterns and pests) may act as incentive to small farmers to surrender lands they have acquired.

On the other hand the substitutability of coconut oils has also depressed demand for the product. This, in turn, may have muted the demand for land, especially in the absence of wide scale development of downstream processing of coconut products combined with the inability of small tenants to diversify their production due to restrictions placed on them by landlords (fearful of losing their land under PD27 reforms if it is converted partially or wholly to rice and corn) and by government restrictions aimed at maintaining the oil mills.

2. The social efficiency imperative

In the meantime, even AR advocates admit that the productivity and efficiency arguments in favor of agrarian reform remain weak, and that the differences in household incomes between ARB and non-ARBs are relatively small compared to the large outlays on agrarian reform. This leaves the remaining argument as one of social justice. Although

this is an argument that has achieved much, it is perhaps by itself insufficient and because it smacks of being a moral argument alone it fails to convince those who wish to argue in the realm of economics. At an advocacy level, it may be necessary to elevate the argument to one of “social efficiency”, meaning employment of the welfare and societal arguments for agrarian reform. Such arguments posit the total welfare gains for the maximum number of people able to maximize their potential as useful members of society (e.g. as more effective breadwinners, parents, students, etc. able to live with dignity and as relatively self-reliant beings that are not dependent on others for their subsistence)

3. A landless underclass emerges – an analytical challenge?

However, even this argument is thwarted by yet another facet of agrarian reform which urgently needs to be addressed by AR advocates but most especially by advocates of equitable rural development as a socially and economically efficient means of preventing urban congestion and decay. That is to say, the plight of landless laborers: As Allesandro Bochi states, quoting Balisacan and Fuwa, (2007) and Hayami, Quisimbing, and Adriano (1990) “The recent agrarian reform - while successful in transferring income and wealth from landlords to tenants - did not have a significant pro-poor impact, as the benefits bypassed landless agricultural laborers.” As Balisacan²¹ says: “It must be stressed that land reform is not a panacea for poverty and rural underdevelopment.” before pointing out that “In recent years, the Philippines’ public investments in basic social services--especially rural infrastructure, education, and health--have lagged behind the requirements of a rapidly growing population. Moreover, the country's trade, macroeconomic, and sector-specific pricing policies have given rise to strong incentive biases against small farms, small industrial enterprises, and labor-intensive exports.”

To emphasise the point further, Fuwa (2000) pointed out that “a broad consensus in the literature on the impact of PD27 is that the class of landless laborers in rural Philippines, who are at the bottom of village hierarchies, did not gain and more likely was made even worse-off due to land reform” he goes on to quote a 1990 study by Hayami et al saying “the supply of rental land offered to prospective tenant farmers decreased, increasing population pressures likely depressed wage rates in agricultural labor markets. The welfare level of the landless laborer class thus was likely to have deteriorated. Because of the (unintended) negative effects of the land reform as well as of the continuing population pressure, a new social ‘underclass’ was observed to have emerged in rural Philippines, with an increasing income disparity between them and the reform beneficiaries (i.e., former share tenants turned leaseholders/amortization owners).”

What is clear is that significant numbers of those engaged in rural agriculture stand little chance of acquiring their own land to till, or may end up as informal sub-tenants subject to short-term arrangements with ARBs who become *de facto* mini-landlords with all the disincentives that will have for investment in rural productivity and equity. It is curious that this intra-class differentiation remains largely unaddressed by advocates for agrarian reform and one can only assume that this emerges from a rigid class-analysis of the rural Philippines that has lacked re-interrogation for many years. Maybe, then, it is time to revisit rural class analysis in the light of global and local political-economy changes.

I. Some ways forward?

1. Adopting a crop-line approach

The above indicates the need for a more effective crop-line approach to rural development, not in terms of retention limits, since questioning retention limits would

likely lead to further loopholes in the law for land owners, but in terms of protection, subsidies, factor prices, markets, credit needs and the technical requirements for developing markets for value-added and processed products. The latter has been carried out for vegetable production, coffee production and broiler production industries in Negros Oriental, Occidental and Misamis Oriental respectively. However, the required capital infusion is considerable and the need to have considerable numbers of farmers organized contiguously is also major requirement. One also has to ask whether it is mere coincidence that the product lines mentioned are all those which lack effective protection or subsidy from the state?

At any rate it is a clear indication that the provision of support services for ARBs and their communities should be determined according to crop rather than posited simply as a general set of inputs. For example, the trucking requirements for sugar cane far exceed those of rice production, whilst the latter frequently requires reliable access to irrigation. At the same time the contractual requirements of both for milling are considerably different and require different forms of organization and expertise on the part of producers.

2. Land Registration issues

Another urgent need in relation not only to agrarian reform, but also to urban land tenure, is a centralized land registry. In the 21st century the Philippines still lacks a full set of cadastral maps, even while it is engaged in a major program of agrarian reform! In addition land classification is based on the 1930s so that major urban poor communities of many decades are still classified as forest lands. In addition land is registered according to a “who owns what parcel of land” rather than “what parcel of land is owned by whom” system, therefore it is a system which fails to automatically reflect parcels of land which have already been titled and who owns (or claims to own) them and those which have not been titled.

Presently land administration powers and functions are dispersed across the Department of Justice's Land Registration Authority and Registry of Deeds and the Department of Environment and Natural Resources' Land Management Bureau, Land Management Services in the regional, provincial and community offices, National Mapping and Resource Information Authority, and Comprehensive Agrarian Reform Program Secretariat and its field offices, while a myriad of other agencies have powers over land classification including local governments. While Senator Angara filed a bill to consolidate land registration and titling in 2005 it was never passed in the last Senate and will require considerable effort to get it passed before the 2010 election.

This failure to develop a centralized registry which is communicated to local governments also contributes to local government hostility to agrarian reform as they find themselves unable to collect real estate taxes (upon which they rely heavily for income over and above the internal revenue allotment) following agrarian reform. The absence of such a system also means that land classification is either based on the classifications of the 1930s or on subsequent reclassifications by local government units, but with little regard for actual use or best use of land. Apart from earlier initiatives on land classification through proposal for a national land use plan, NGOs have largely been noted for their silence on the land registry issue and yet most of them know that the failure of landowners to properly title land, or to update titles following inheritance, as well as the informal use of land as collateral and DARs own failure to properly record titles in the names of identified ARBs has been the cause of a myriad of problems leading to many of the second generation problems of AR.

3. Rural poverty not just Agrarian Reform

As well as the specific issues of support services and land registration mentioned above it may be time for AR proponents and for those engaged in challenging rural poverty as a whole, to refine their strategies somewhat and to approach rural poverty more holistically. This does not in any sense imply dropping the AR agenda, since failure to complete AR in Private Agricultural Lands would undermine the very social equity purposes with which CARP is identified and which remain so essential, but it does mean going beyond it to, for instance, effectively challenge the provision of support services to be conducted in ways to sustainably increase rural off-farm employment for non-ARBs and to, themselves, more effectively target ARBs for the development of productive off-farm employment opportunities in rural areas (there are only so many tricycle or *habal-habal* drivers an area can absorb!).²²

4. Ancestral domain

It may, and for a number of proponents has, also meant taking up the cudgels for indigenous peoples (IPs) in the Philippines whose security is threatened not only economically, but also socially and culturally and who are subject to their own property regimes as well as a different set of state mechanisms for asserting control over their territories. The Indigenous Peoples Rights Act or “IPRA recognizes the prior rights, including the preconquest rights of indigenous peoples, thus superseding other land and resource rights, ICCs/IPs comprise an estimated 13% of the population (10 million people). It is projected that between 5 million to 7 million hectares will be covered under ancestral domain titles or claims.”²³

For the IPs IPRA seemed to hold out promise of the eventual recognition of their rights by the state, but the overseers of IPRA, the National Commission on Indigenous People (NCIP) seem constrained by lack of budget, lack of unified perspectives and by corruption. In combination with a national policy in favor of large-scale open-pit mining, the IPRA, and most especially its provisions on free prior informed consent and the provision for issuance of Certificates of Ancestral Domain Title, now seems to be employed contrary to the act’s original intentions in favor of manipulated consent for large-scale mining and counter to the interests of the vast majority of IPs. The majority of mining claims are in IP areas and as of 2004 mining exploration permits covered approximately one third of the country. IPs also constitute some of the poorest, most marginalized and most land-dependent people in the Philippines, with their identities closely tied to the territories they inhabit.

Despite the law, the policy pronouncements and the presence of a dedicated agency dealing with the concerns of IPs, Quizon et al²⁴ put it thus: “The NCIP seems to be a powerless agency in enforcing the IPRA. It receives a meager budget which is not enough to expedite the processing of CADCs. NCIP also has difficulty in securing the cooperation of other government agencies or branches to protect ancestral domains. Though weak, it is still a vital mechanism to uphold IP rights in this country. Its rehabilitation and empowerment is in order to achieve equal footing with other government agencies, especially with the DAR.”²⁵

Whether or not in the long term NCIP remains the appropriate institutional arrangement for enforcing the IPRA, the threats but also the opportunities facing IP communities remain. In terms of a poverty-focused approach to rural development that also impacts upon, and is impacted upon by, tenurial status, their issues like those of landless laborers, can not be ignored. One necessary tactical response to both AR and IP issues is the continued need for “Access to Justice” services, including legal services, paralegal development, dispute resolution facilities and community training in human rights.

5. Entitlements and Endowments for all

However, a more strategic approach to tackling rural poverty is also needed. One such approach to rural poverty reduction with both tactical and strategic elements and both long and short term engagement with power relations is to tackle access to basic services through use of an entitlements approach. This approach originates from Amartya Sen who examined famine in India in last century and came to the conclusion that it was not shortages of food *per se* that caused famine but rather a shift in entitlements to that food - “...scarcity is the characteristic of people not *having* enough... , it is not the characteristic of there not *being* enough.”²⁶ While the latter can be the cause of the former, it is one of many causes”. These shifts in entitlements may be as much social or institutional as they are economic. In other words hunger was related to the lack of autonomy to acquire food among certain sections of society in certain circumstances. Thus he related hunger to the prevailing power relations in society. The same can be said of a host of other entitlements.

Using this approach, the perspective shifts to focus on the command which particular people have over the environmental resources and services which they value, and the problems they may experience should such command fail. The term entitlements therefore does not refer to people's rights in a normative sense - what people *should* have - but the range of possibilities that people *can* have.

In Sen's words, entitlements represent: 'the set of alternative commodity bundles that a person can command in a society using the totality of rights and opportunities that he or she faces'²⁷ (Sen, 1984:497). They arise through a process of mapping, whereby endowments, defined as a person's 'initial ownership', for instance of land or labour power, are transformed into a set of entitlements. Entitlements emerge from peoples endowments, including, but not restricted to human rights norms, this includes “command over resources through market channels, backed up by formal legal property rights”²⁸ as well as “ways of gaining access to and control over resources beyond the market, such as kin networks, and many ways of legitimating such access and control outside the formal legal system, such as customary law, social conventions and norms”²⁹

6. Access to Health, Education and the MDGs

In the Philippines rural setting the evidence is clear that some of the determining factors of long-term poverty are lack of access to education and to health services. It is also clear that this is particularly true of landless laborers and indigenous peoples. In many instances health and education services are inaccessible, absent or simply too expensive to make them accessible; in other instances they are inappropriate to the needs of the poor. By using the importance that people attach to the education of their children and the myriad of tales concerning distress sales of land and other assets to cover health care costs, plus the rhetoric of national and local officials and the international obligations of the Philippines under the Millennium Development Goals it may be possible to develop more inclusive approaches to rural development that complement initiatives on agrarian reform and indigenous territorial rights. Working in these arenas may also enable AR proponents to build broader rural constituencies for their organizing initiatives whilst engaging with providers of services and enabling access to social insurance schemes for the poor (predominantly from government).

Just as with agrarian reform many achievements in the more inclusive approach to rural development may be gained through working on the bureaucracy. In other words they may not denote the need for considerable efforts on achieving legislative breakthroughs.

7. Developing a multi-sectoral response

One practical way of proceeding with this may be for EED to convene a group focusing on rural poverty, and perhaps also focusing on “rurban poverty” too, to question a predominantly “peasant-focused” analysis of rural poverty and to consider rural poverty

from a multi-sectoral perspective. This would require an initial and explicit acknowledgement that while many peasants may be among the rural poor resolution of their issues will not eradicate rural poverty. From this starting point a series of fundamental questions on the strategies for tackling rural poverty in the Philippines and the necessary tools and approaches can be discursively developed. EED partners should be a central component of such discussions but others from among practitioners and academics can be invited to provide inputs on both theory and practice.

Aside from the formation of such a group, which will take time, both partners and EED may also wish to consider a number of the specific suggestions laid out in this paper as part of their shorter-term agendas.

¹ **Leaseback Arrangements: Reversing Agrarian Reform Gains in the Philippines November 2006** by Carmina B. Flores-Obanil Mary Ann Manahan in **Land Struggles LRAN Briefing Paper Series October 2007 (pp19-20)** published by Focus on the Global South Philippines Program and downloaded from <http://www.focusweb.org/docman/land-struggles-lran-briefing-paper-series/download.html?Itemid=99999999>

² A Primer: **Why CARP “Extension With Reforms” in 2008?** Articles / National **Date:** Sep 03, 2007 - 01:43 PM by AR Now!, Peasantech and PhilDHRA

³ Downloaded from http://www.centrosaka.org/agrarian_reform/issues_campaigns/sprint.html on November 10 2007

⁴ “Twenty Years of CARP: What has been achieved and how?” UNORKA, PEACE & PARRDS May 2007

⁵ „CARP in its 12th Year: A Closer Examination of the Agrarian Reform Performance“ Saturnino M. Borrás Jr., June 2000 downloaded from <http://www.philsol.nl/A00b/CARP-Borrás-jun00.htm>

⁶ <http://www.supremecourt.gov.ph/jurisprudence/2005/oct2005/162070.htm>

⁷ <http://www.balaymindanaw.org/balaod/articles/2007/sumilao-positionpaper.html>

⁸ “RP land reform program revisited” by Ray Eñano in the Manila Standard, March 2 2006 downloaded from http://www.manilastandardtoday.com/?page=business06_mar02_2006

⁹ Executive summary The Comprehensive Agrarian Reform Program: Scenarios and Options for Future Development published by DAR and GTZ, April 2006

¹⁰ For an example of this see **Land Reform Program is Ridden with Loopholes** found at <http://www.pcij.org/stories/print/2004/carp2.html> which details the fraudulent transfer of the 212 hectare de Leon estate in Tarlac to 77 relatives of Luis Jalandoni, a relative of the powerful Jalandoni and Osmena clans.

¹¹ THE 1987 CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES – Article XIII, Section 5

¹² The Comprehensive Agrarian Reform Program: Scenarios and Options for Future Development published by DAR and GTZ, April 2006, page 83

¹³ Malaya June 14, 2007 downloaded from <http://www.malaya.com.ph/jun14/metro2.htm>

¹⁴ KMP statement released - 8 July 2004

¹⁵ On the agrarian reform program's 15th anniversary Peasant Groups Assail CARP, Pagdanganan By Gerry Albert Corpuz from <http://www.bulatlat.com/news/3-18/3-18-carp.html>

¹⁶ Downloaded from <http://bulatlat.com/2007/12/land-tillers-remains-elusive-dream>

¹⁷ COA: Php544-M MARCOS MONEY DIVERTED TO FERTILIZER FUND: MANILA, November 19, 2005 (STAR) By Jess Diaz downloaded from <http://www.newsflash.org/2004/02/hl/hl103215.htm>

¹⁸ Population Trends Philippines : U.S. Department of Commerce Economics and Statistics Administration BUREAU OF THE CENSUS **PPT/92-11RV2 Issued February 1996 / with corrections added 11/01** (page 3) downloaded from <http://www.census.gov/ipc/prod/ppt92-11.pdf>

¹⁹ <http://www.popcom.gov.ph/sppr/sppr03/chap1.htm>

²⁰ Politics and Economics of Land Reform in the Philippines: a survey By Nobuhiko Fuwa, Chiba University, May, 2000

²¹ “Agrarian Reform and Poverty Reduction in the Philippines” Arsenio M. Balisacan *University of the Philippines Diliman and Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA) Policy Dialogue on Agrarian Reform Issues in Rural Development and Poverty Alleviation* Traders Hotel, Manila 30 May 2007

²² See **Rising growth, declining investment: the puzzle of the Philippines: Breaking the “Low-Capital-Stock” Equilibrium** by Alessandro Magnoli Bocchi *The World Bank* 12/04/2007 “ In the Philippines, 70 percent of the poor

live in rural areas. However, the agricultural sector - traditionally more protected than the rest of the economy (David, Intal, Balisacan, 2007) - is not reducing poverty. In the past years, agricultural GDP grew at modest rates, productivity growth was low by regional standards, and labor productivity and yield stagnated. The recent agrarian reform - while successful in transferring income and wealth from landlords to tenants - did not have a significant pro-poor impact (Balisacan and Fuwa, 2007), as the benefits bypassed landless agricultural laborers (Hayami, Quisimbing, and Adriano, 1990).” The paper points to poor tax collection efforts, low public investment and elite-capture of capital intensive industries by oligopolies as the problems faced and states that the political elite continue to get away with their policy failures because of demand-driven growth occurring as a result of low-investment informal sector activity and remittances from overseas migrants. It points to major blockages in infrastructure (especially transport systems) and public utilities as disincentives to investment. It also points to low investment in education. In other words, public investment needs to be directed towards the public good, while industries should be incentivized through the development of infrastructure and institutions and not through the granting of arbitrary fiscal incentives often tied to politically strong oligopolies.

²³ “Bridging Issues on Access to Land through LAND Partnerships in the Philippines” (page 9) By Antonio Quizon, Meynardo Mendoza, Gregorio Quitangon and Maricel A. Tolentino Quezon City, Philippines. July 2004, revised April 2007 Paper prepared by Tony Quizon, Roy Mendoza & Dodgie Quitangon with the assistance of Maricel Almojuela. Paper commissioned by the Asian NGO Coalition (ANGOC).

²⁴ Ibid p.36

²⁵

Of late the President’s order placing NCIP under DAR (renamed the Department of Land Reform) has recently been affirmed by the Supreme Court.

²⁶ Sen, A. (1981) **Poverty and Famines: an Essay on Entitlement and Deprivation** (p.1) Oxford: Oxford University Press quoted in Mearns Leach and Scoones (1997) **Institutional Dynamics of Community-Based Natural Resource Management: An Entitlements Approach**, IDS, Sussex

²⁷ Sen, A., 1984, 'Rights and capabilities', in A. Sen, **Resources, Values and Development**, Oxford: Basil Blackwell: 307–24 quoted in Mearns Leach and Scoones (1997) **Institutional Dynamics of Community-Based Natural Resource Management: An Entitlements Approach**, IDS, Sussex

²⁸ Mearns Leach and Scoones (1997) (p.6) **Institutional Dynamics of Community-Based Natural Resource Management: An Entitlements Approach**, IDS, Sussex

²⁹ Ibid (p.7)