

# Land grabbing, conflict and agrarian-environmental transformations: perspectives from East and Southeast Asia

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# Philippine Agrarian Reform in the 21<sup>st</sup> Century

Eduardo Climaco Tadem

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by Eduardo Climaco Tadem

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## **Abstract**

In June 2015, the Philippine government's agrarian reform law reached its 27<sup>th</sup> year of implementation (including a 16-year extension period) with completion nowhere in sight. The government's Comprehensive Agrarian Reform Program (CARP) and its extension, the Comprehensive Agrarian Reform Program Extension with Reforms (CARPER) had provisions that were generally favorable to their intended beneficiaries. But CARP/ER was also essentially the result of a compromise between pro and anti-agrarian reform blocs in the Philippine Congress and thus also contained provisions inserted by landowner lobbyists that are considered loopholes in the law. The program is further hampered by an ineffectual bureaucracy, rampant land conversions and displacements of peasant communities, incursions of property developers, other rent-seekers, and special economic zones, and the expansion of urbanization into the countryside.

## Introduction

In June 2014, the Philippine government's agrarian reform law reached its 26<sup>th</sup> year of implementation (including a 16-year extension period) with completion nowhere in sight. The Comprehensive Agrarian Reform Program (CARP) and its extension, the Comprehensive Agrarian Reform Program Extension with Reforms (CARPER) had provisions that were generally favorable to their intended beneficiaries. But CARP/ER was also essentially the result of a compromise between pro and anti-agrarian reform blocs in the Philippine Congress and thus also contained provisions inserted by landowner lobbyists that are considered loopholes in the law.

## Agrarian Reform's Core Principles

The basic principles of a genuine, meaningful and sustainable agrarian reform program are enshrined in the long history of agrarian unrest and rural social movements that have punctuated the country's experience since colonial times. In the current era, they are best exemplified by the Declaration of Principles adopted in May 1987 by the Congress for a People's Agrarian Reform (CPAR) which became the highest expression of peasant, farm worker, and fisher folk unity immediately after the ouster of the Marcos dictatorship in 1986. CPAR consisted of twelve (12) major rural national and regional mass organizations and fourteen (14) non-governmental support groups from all sections of the political spectrum. The CPAR declaration asserted that:

The core principle in agrarian reform is the primacy of the right of all members of the agricultural labor force who do not own land, near-landless farmers, farmworkers, small fisherfolk and other direct producers to own and control the land, have full access to other natural resources and gain full disposition over the produce (CPAR Declaration of Principles, 31 May 1987).

In this regard, the major issues are (1) social justice and inequality, (2) low productivity, (3) lack of control by the rural masses over their lives and destiny, (4) under-industrialization, (5) environmental breakdown, and, (6) foreign domination. CPAR also outlined the aims of its agrarian reform program:

1. To transfer landed wealth and power over the land and its produce to the actual tillers
2. To free and develop the productive powers of agrarian workers, and fisherfolk from the forces that deprive them of resources and initiative
3. To develop the mechanisms for people empowerment by creating autonomous decision-making bodies of the rural masses
4. To promote nationalist industrialization by widening the national market, rechanneling the agricultural surplus into industrial investments and labor for industrial development, and the establishment of self-sufficient local industries controlled by the rural masses
5. To conserve the natural environment so that it may serve the short and long-term needs of the Filipino people
6. To do away with foreign control over natural resources

When a disappointing CARP law (RA 6657) was finally enacted by then President Corazon Aquino in June 1988, an indignant CPAR issued the "People's Agrarian Reform Code" (PARCODE) in the same month as a counter-program and direct initiative measure with the following basic components:

1. Land to the tiller" and abolition of "absentee landownership ,"

2. Full coverage of all types of agricultural lands and all types of direct producers,
3. Progressive and selective compensation for landowners,
4. All previous land rentals and uncompensated labor be credited as advance payments for the land by beneficiaries.
5. Full participation by beneficiaries in the formulation and implementation of the program,
6. Preferential option for cooperatives and collective farms,
7. Equal rights to land ownership for women producers,
8. Filipinization of all lands utilized by multinational corporations,
9. Preferential rights of small fisherfolk to fishing resources,
10. Respect for the rights of indigenous communities over their ancestral lands and all other natural resources and fishery resources
11. Implementation of just labor relations for farmworkers.

These then are the basic principles and features of an agrarian reform program that meets the true needs and deep aspirations of the Filipino peasantry and other rural working classes. When measured against what CARP/ER has had to offer, CPAR and PARCODE definitely represent the more superior alternative.

Economist Lourdes Adriano (1991)<sup>1</sup> said as much in declaring that, “PARCODE is superior to CARP” since (1) “in terms of area coverage it is more comprehensive” (2) “it does not provide alternative schemes to land distribution (thus) lessening the possible evasatory venues available to present landowners,” (3) “it proposes a single retention limit which is likewise the award ceiling to agrarian reform beneficiaries,” (4) “it stipulates that the prospective beneficiaries acquire quality or prime lands, thereby enhancing their opportunity to increase yields,” (5) “it favors a shorter time period for land reform implementation,” and “(6) “lastly, it is more flexible for unlike RA 6657 which stipulates a step-wise implementation schedule, PARCODE leaves determination of the priority areas to the (people’s) agrarian reform committees.” Adriano concludes that

If implemented according to plan, PARCODE’s land reform program will ensure a more egalitarian landownership structure. Moreover, since it is premised on the development of small-sized farms, it will ensure the economy of a more efficient allocation of the country’s resources.

## **CARP/ER’s Dubious Record**

CARP was an improvement over previous legislation in that it covered all agricultural lands and the entire rural landless labor force. But it was hobbled by anti-peasant and pro-landlord provisions that allowed mere regulation of existing tenurial forms including the nefarious stock distribution option and leaseback agreements, provided for an omnibus list of exemptions, established “fair market value” for landowner compensation, created a payment amortization scheme that was unfavorable for beneficiaries, set a high retention limit of as much as 14 hectares, prioritized the distribution of public land over private holdings, mandated a long period of implementation, and generally ignored the role of beneficiaries and civil society groups in seeing the program through.

CARPER, on the other hand, also contained provisions that favored beneficiaries in terms of land acquisition and distribution such as the indefeasibility of awarded beneficiary lands, recognition of usufruct rights of beneficiaries, a grace period for amortization payments, speeding up the process of awarding lands, removal of the stock-distribution option, disallowed the conversion of irrigable and irrigated lands, automatic coverage of lands targeted for conversion pending for at least 5 years,

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<sup>1</sup> Lourdes Saulo Adriano, “A General Assessment of the Comprehensive Agrarian Reform Program,” Working Paper Series No. 91-13. Philippine Institute of Development Studies, August 1991.

reinstated compulsory acquisition and voluntary-offers-of-sale as main redistribution modes, and recognized women as beneficiaries.

Despite all these gains, anti-reform legislators still managed to insert a “killer amendment” that allowed landowners to determine who would be beneficiaries and who would be excluded from the program. Other objectionable provisions are those expanding the list of exempted lands, allowing local governments to acquire agricultural lands beyond the 5-hectare retention limit and the deprioritization of seasonal and other non-regular farmworkers as qualified beneficiaries. Despite some changes, major CARP constraints such as the landlord compensation scheme based on, among others, market value and the beneficiary payment formula based on gross production have been retained.

It must be stated, however, that the gains, especially from CARPER, were the results of unrelenting and struggles by peasant and farmworker groups to assert their rights and sustained pressure on government to accord them their entitled rights.

Still and all, as a result of the long-standing and self-serving practice of prioritizing public lands over the distribution of private lands, DAR is still left with a balance of about one million hectares of the most difficult and contentious lands still to be distributed as of December 2013. This is a more realistic estimate given: (1) the absence of validating data for DAR’s claim that only less than 800,000 hectares remain to be distributed and, (2) given areas that were arbitrarily removed from the target, or are not being targeted (including problematic landholdings), untitled properties, and exempted or excluded lands which should have been covered by the program. To camouflage its lackluster performance, DAR has resorted to merely reporting the issuances of Notices of Coverage (NOC) as accomplishments while keeping from public view the more essential indicators of Certificates of Land Ownership Awards (CLOAs) and, even more crucial, Emancipation Patents (EPs). As peasant leader Jaime Tadeo bewailed: “How much land still needs to be redistributed? Where are these lands located? These are data for which we continue to petition the agency in vain.”

Indeed land distribution under the Aquino administration has been moving at a snail’s pace; marked by a consistent and chronic failure to meet annual targets, the shameless misrepresentation of performance indicators, and lack of political commitment by the DAR leadership under Secretary Virgilio de los Reyes. Despite judicial decisions, the redistribution of Hacienda Luisita lands has been slow and bureaucratic with harassments of worker-beneficiaries continuing. Agrarian reform support groups argue that “the current administration’s CARP performance is the worst since 1988, the year CARP took effect.”<sup>2</sup>

In many instances, however, powerful families have also taken control over public lands and have resisted (sometimes violently) their distribution to qualified beneficiaries. In any case, the distribution of privately-owned and/or privately-controlled landholdings constitute the heart and soul of agrarian reform and here is where the implementation of CARP/ER has been found to be most wanting and negligent.

Contrary to the claim of the present DAR leadership that landowner resistance is not a major problem, numerous reports have surfaced of farmers being evicted, harassed, intimidated and killed by landlords and hired goons. Furthermore, between 2012 and 2013, there was a 4.6 percent increase in the number of cases filed by resistant landowners at the Agrarian Reform Adjudication Board. Land grabbing and land use conversions are intensifying even in landholdings that have been covered for distribution thus denying the rights of potential agrarian reform beneficiaries to own and control the land. These are misappropriated for non-agricultural purposes such as real estate development, tourism, mining, and special economic zones by foreign and domestic land speculators such as influential

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<sup>2</sup> Focus on the Global South (with the Save Agrarian Reform Alliance), “The State of Agrarian Reform Under President Benigno Aquino III’s Government: Beyond the Numbers: A struggle for social justice and inclusive rural development,” (Focus on the global south-Philippines: Quezon City. 2013).

politicians, local governments and giant property developers like Ayala Land, SM, and Villar's Vista Land and Lifescapes. The more prominent examples are the cases of Sumalo, Plaridel, Sicogon and Casiguran. Also violative of agrarian reform ideals is "the entry of investments in various agreements and contracts like joint ventures, leasehold, public-private partnership (PPP) and the aggressive expansion of crops for agrofuels (biofuels)" (Focus on the Global South 2013) setting aside thousands of hectares of land for plantation activities under large-scale agribusiness production and management arrangements.

Gigantic property developers pose a counter-productive and destructive role by their expansion into the Philippine countryside which encourages the conversion by local government units (LGUs) of agricultural lands for commercial purposes. Equally destructive of agriculture and family farms are the proliferation of special economic zones (SEZs) and industrial estates (IEs) in almost all regions of the country which displaces farms and the peasantry and establish enclaves which have little or no backward and forward links with the rural communities and the countryside in general.

66 manufacturing econ zones (24 more being developed)

17 agro-industrial econ zones (8 more being developed)

18 tourism econ zones (2 more being developed)

Sixto K. Roxas (1990)<sup>3</sup> believes that the IE strategy is harmful to the overall development of the Philippine economy because it is being planned and implemented at the expense of agricultural development. Roxas suggests using "the community with a distinct ecological zone as the unit of organization." He looks at the issue of land use that goes "beyond the social scientists' utility types...", one that will "be a total systemic economy or household based ... Community-based lines project should start from the grassroots level, then to the national level....based on the criteria of highest and best use of the land ..." Roxas proposes that the:

... agro-industrial community as a development module on which investments must be expended as well as for infrastructure and management for investment promotion and for agro-based processing plants.

...the appropriate agrarian reform module is precisely the organization and construction of such modern, agro-industrial communities built on smallholder owner-operated, intensive, and diversified agriculture. (Philippine Daily Inquirer, 30 March 1990)<sup>4</sup>

Mining activities, on the other hand, impact negatively on farming communities (including indigenous peoples) and on the agrarian environment. As Christian Monsod pointed out: "Mining activities are usually located in rural and mountainous areas and can affect farmlands, rivers and shorelines, where the poorest of the poor are located namely, the farmers, indigenous peoples and municipal fishermen."<sup>5</sup> Worse, land grabs by large mining companies are taking place such as the 508-hectare farmlands in Calatagan, Batangas tilled by 323 farmers and covered by 818 emancipation patents.<sup>6</sup>

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<sup>3</sup> Sixto K. Roxas, "Alternative Industrialization Strategies: Industrial Estates and Agro-Industrial Development", paper presented at the United Architects of the Philippines 16th National Convention, October 18, 1990. (typescript)

<sup>4</sup> Roxas, Sixto K. "Blueprint for a Banana Republic." 1990. **Philippine Daily Inquirer**, 3 and 30 March.

<sup>5</sup> Christian Monsod, "Mining a social justice issue," March 3, 2012. <http://www.abs-cbnnews.com/-depth/03/03/12/christian-monsod-mining-social-justice-issue>

<sup>6</sup> Briefer: Calatagan Farmers' Case. 2008. <http://calataganmarch.wordpress.com/briefer-calatagan-farmers-case/>

Conversions and reversals take place in the absence of a comprehensive and coherent national land use policy and enabling law. Such a policy, if enacted into law, would naturally be designed to secure agricultural lands, vis-à-vis haphazard land conversions that displace farming communities and use up productive lands, thereby further threatening food production.

The Benigno S. Aquino administration, like all previous administrations, via its neoliberal economic policies of indiscriminately welcoming any and all forms of investment regardless of the social consequences and its flagrant inaction on abuses, is party to and similarly accountable for this uncontrolled pattern of dispossession and human rights violations triggered by land speculations gone berserk.

Government agencies led by DAR and DA have also been negligent in the provision of timely and adequate support services to ARBs, preventing the latter from becoming economically viable producers and seriously tainting whatever land distribution may have accomplished. Only 44 percent of all agrarian reform beneficiaries had access to support services packages with 27 percent of them in agrarian reform communities (ARCs), which are, anyway, mostly funded by foreign aid. As with other farmers, majority source their credit from loan sharks and traders who charge usurious interest rates. Current credit facilities, on the other hand, also offer high interest rates. ARBs in commercial farms and plantations are forced to rely on former landowners and corporations for support services. In Mindanao, agrarian reformed-areas and ARB ownership of lands have been rendered meaningless due to onerous contracts, leaseback and lopsided growership and production arrangements, leading eventually to farmer bankruptcies.

Rather than address these vital and fundamental issues squarely, the government's tame and lame responses consist in (1) DAR continuing to review and formulate implementing rules and regulations that may no longer be useful given the nearing deadline of CARPER, except for cases involving exemption or conversion, (2) DAR disregarding the potential contribution of critical civil society involvement in fast tracking CARPER, in a macho "DAR-can-do-it-all" attitude, (3) the scaling down of DAR's personnel complement resulting in the near-paralysis of land reform implementation in some areas and, (4) institutional restructuring like the so-called "National Convergence Initiative" strategy for rural development amidst government failure to complete land redistribution. As the program is already hampered by low budget allocation and low budget utilization, these misdirected measures point to a sustained withdrawal of the state from its responsibilities towards agrarian social justice.

Further damaging DAR's credibility is the involvement of some of its high ranking officials in the nefarious activities of pork barrel scam mastermind Janet Napoles through the diversion of P900 million of Malampaya funds to fictitious non-governmental organizations (NGOs) created by Napoles. In these transactions, DAR officials allegedly received huge "commissions" for facilitating the scam. Sadly, agrarian reform beneficiaries are used and exploited in these criminal activities.

The reasons for CARP/ER's failures cannot be traced, as UP Economics Professor Raul Fabella argues, to the absence of a fully-functioning property rights regime "due to strictures on the sale (and rental) of reformed lands and the land ownership ceiling."<sup>7</sup> Under conditions of a proto-capitalist system where political and other non-economic factors play dominant roles, where rural elites are predatory in character, and where rent-seeking financial speculation through voracious property developers rules the day, it would be the height of naiveté to dream of a fully-functioning property rights regime.

Even today, as the evidence above shows, the absence of such a regime has not prevented "investors" from asserting and invoking the "laws" of the market by encroaching on land reform areas

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<sup>7</sup> Raul V. Fabella, "Comprehensive Agrarian Reform Program (CARP): Time to Let Go," Up School of Economics Discussion Paper No. 2014-02, February 2014.



and harassing and dislocating legitimate ARBs in particular, and other farming populations in general; all in the name of productivity, efficiency, and optimum land utilization. Ayala Land, through its President for international sales Thomas Mirasol, recently candidly admitted that the lack “land use blueprint by a regulatory body ... has enabled it to acquire large plots of land and develop them according to its own plan and design” (*Business Times* 6 May 2014)<sup>8</sup>. Mirasol added that

The fact that there is nobody in the Philippines who regulates urban planning has been great for Ayala Land, because we are probably the only company there that has the scale financially to take on large plots of land (*Business Times* 2014).

We have resources far beyond any developer in the Philippines. By developing big tracts of land, we become the government; we control and manage everything. We are the mayors and the governors of the communities that we develop and we do not relinquish this responsibility to the government (*Business Times* 2014).

On the other hand, an “efficiently managed” property rights regime will simply open wide the floodgates of the rural areas to modern versions of the unlamented landlord class and re-introduce the very oppressive and exploitative social relations that necessitated a land reform program in the first place. It is precisely this rapacious property rights regime in the rural sector that a truly just and meaningful agrarian reform seeks to prevent, and where it exists, to overturn.

This situation is exemplified by the ongoing land conflict in Porac, Pampanga where Ayala Land Inc. (ALI) is developing a P75 billion 1,125-hectare mixed-use estate.<sup>9</sup> Called “Alviera” it is “designed to serve as a commercial township to include a business and industrial park, university zones, retail centers, a country club, recreational areas and a suburban district.” This project was facilitated by the exemption from agrarian reform coverage and eventual conversion of 750 hectares of Hacienda Dolores from agricultural to commercial use. Since 2011 some 300 displaced farmers have been petitioning the Department of Agrarian Reform (DAR) to cancel the land conversion. The conflict has resulted in “the unsolved killings of two Hacienda Dolores farmers, the jailing of a village chief, the eviction of 300 farmers and the destruction of their crops and huts, and the denial of access to a road traversing through Alviera property that leads to Aeta villages and farms.” Bishop Broderick Pabillo, Chair of the Permanent on Public Affairs of the Catholic Bishops Conference of the Philippines (CBCP) called on the corporations involved to “observe corporate social responsibility and pursue development within the bounds of human rights and respect for the rule of law.”

In the final analysis, the political will of President Benigno S. Aquino III is crucial. Here, the deficit is appalling. By his public stance and the glaring absence of an agrarian reform agenda in his major policy announcements, Aquino, scion of one of the country’s largest landowning families and heir to a political dynasty, has obviously no sympathy, interest, and understanding of agrarian reform’s role in the country’s overall socio-economic, political, and cultural development. This Presidential stance is reflected in the position taken by the program’s chief implementor, Sec. Virgilio de los Reyes. Ultimately, it is this Presidential mindset, common to all Philippine presidents, that spells the doom of agrarian reform.

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<sup>8</sup> Lee Meixian, “Lack of an Urban Planner a Blessing for Ayala Land,” *The Business Times*, May 6, 2014. <http://www.stproperty.sg/articles-property/singapore-property-news/lack-of-an-urban-planner-a-blessing-for-ayala-land/a/163543> (accessed August 4, 2014).

<sup>9</sup> “Firm Asked to Reconsider Aeta Plight at Township Launch,” *Philippine Daily Inquirer*, 29 September 2014.

## **The Agrarian Situation**

Originally meant to restore the dignity and improve the lives of the then 10 million-strong rural labor force by transforming them into owner-cultivators and productive citizens, the watered-down CARP/ER and its skewed implementation have instead aggravated rural inequalities and brought about stagnation in the countryside. It is estimated that 75 percent of the country's poor live in the rural areas.

Given the official rural poverty incidence of 38 percent (compared to 14 percent for urban areas), there are at least 13 million rural-dwelling Filipinos suffering in poverty. Of the country's poor households, 61 percent are in the agricultural and fishery sectors. Poverty incidence is highest among farmers at 41 percent and fisherfolk at 37 percent compared to the national poverty incidence of 27 percent.

From 2009 to 2012, more people in the countryside entered subsistence poverty (125,724) than nationally (107,877). Despite CARP/ER's avowed goal of redistributing land, and although many beneficiaries have become owner-cultivators, inequities in land distribution have been increasing with the land inequality ratio today peaking at 0.57, up from 0.53 in 1960. Furthermore the agricultural sector's labor productivity is only 16 percent that of industrial workers and 31 percent of service workers.

## **Conclusion**

After twenty-six years of implementation of an agrarian reform program meant to emancipate the tillers (tenants and agricultural workers) from servitude to elite landowning interests, the goal remains elusive with final resolution nowhere in sight. Perhaps what is needed is a thoroughgoing overhaul of the program and its basic premises as well as the overall socio-economic context under which such an equity-oriented and social justice based program operates.

## Land grabbing, conflict and agrarian-environmental transformations: perspectives from East and Southeast

An international academic conference  
5-6 June 2015, Chiang Mai University

### International Conference Paper Series

The purpose of the 2015 Chiang Mai conference is to contribute to *deepening* and *broadening* of our understanding of global land deals, resource conflict and agrarian-environmental transformations – in the specific regional context of Southeast and East Asia, with special attention to climate change mitigation and adaptation policies as well as the role of China and other middle income countries (MICs) within the region.

The Conference Paper Series aims to generate vibrant discussion around these issues in the build up towards the June 2015 conference – and beyond. We will keep these papers accessible through the websites of the main organizers before, during and after the conference.

### About the Speaker

**Eduardo C. Tadem** is Professor of Asian Studies at the University of the Philippines, Diliman and Editor-in-chief of Asian Studies (Journal of Critical Perspectives on Asia). He holds a Ph.D in Southeast Asian Studies from the National University of Singapore. He teaches graduate courses on theories and perspectives in area studies, social and economic development in Southeast Asia, life histories, alternative development strategies, and rural development and the peasantry in Asia. He has researched and published extensively on agrarian reform and rural development, industry studies, regional development, rural unrest and social movements, the political economy of foreign aid, Philippine-Japan relations, conflicts over natural resources, international labor migration, foreign investments, and contemporary politics. He is also President of the Freedom from Debt Coalition (FDC).