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The Philippine Agrarian Reform Program:

Emerging Issues and Problems

by

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**THE PHILIPPINE AGRARIAN REFORM PROGRAM:
EMERGING ISSUES AND PROBLEMS***

By

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I. INTRODUCTION

The main purpose of this paper is to present the issues that are emerging as a consequence of the implementation of the present Philippine Agrarian Reform Program. In this paper, the term issues may mean problems or situations. It is used in a rather broad context.

Due to lack of material time in the preparation of this paper, the evidences presented are drawn mostly from empirical observations and very little on research. But definitely, they are not guess work. On the other hand, some of the issues presented may be debatable. Agrarian reform deals with land, people and institutions. This environment is so dynamic and so fluid that consistency can be an elusive phenomenon.

The time dimension of this paper is after October 21, 1972. It is only from that point in time where a more decisive and aggressive agrarian reform program was carried out in the Philippines. It was also after 1972 that substantial achievements have been made. But new problems came about. These are the emerging issues that this paper intends to address.

A word of caution - the author is directly involved in the planning and implementation of the Philippine program so if the

paper is rather optimistic, it was intended that way.

II. AGRARIAN REFORM - 1972 ONWARDS

The establishment of cooperative-cultivatorship among those who live and work on the land as tillers, owner-cultivatorship and the economic family-size farm as the basis of Philippine agriculture is the main objective of the Philippine agrarian reform. In addition, it seeks to divert landlord capital in agriculture to industrial development.

This program objective is embodied in Republic Act No. 3844 passed by the Philippine Congress on August 8, 1963 and later amended by R.A. No. 6389 on September 10, 1971.

Prior to October 21, 1972, program implementation was sporadic and spotty. Single or at times a cluster of 2 to 5 municipalities ^{were} ~~are~~ declared as 'land reform areas', an administrative act (of the defunct National Land Reform Council) proclaiming that the government machineries pertaining to leasehold ^{would} ~~are~~ operating in these areas. Thereafter, all tenancy relationship between landowner and tenant ^{became} ~~becomes~~ leasehold by operation of law. Occasionally, the National Land Reform Council would also approve acquisition through the Land Bank of private agricultural lands for resale to the tenant-lessees. On the whole, the tenurial transition of a tenant-farmer from share-cropping to leaseholding was slow. And slower still was

the onward shift to amortizing-ownership and full owner.

The declaration by President Ferdinand E. Marcos of Martial Law, on September 21, 1972, followed by the declaration of the entire country as a land reform area under Presidential Decree No. 2 on September 26, 1972, and promulgation of P.D. No. 27 on October 21, 1972 mandating the emancipation of the tenants from their bondage of the soil, changed the whole picture. Agrarian reform was made the cornerstone of reforms in the New Society. And to ensure coordinated effort by government, the integrated or total approach to agrarian reform was introduced by the President. Under this scheme, the program partakes of a development package comprising the following major components: a) land tenure improvement; b) institutional development; c) physical development; d) agricultural development and e) manpower training.

Land tenure improvement is aimed at the establishment of owner-cultivatorship and the economic family-size farms in areas worked by tenants. This is carried out through the present Operation Land Transfer under Presidential Decree No. 27. The resettlement program undertaken in the public domain is also a component of land tenure improvement. The same is true with the leasehold system. Although leasehold does not invest ownership upon the tenant-tiller, it provides him a guaranteed and secured land tenure.

This aspect of land tenure improvement is the primary responsibility of the Department of Agrarian Reform.

Institutional development is the establishment of rural based institutions that will promote and protect the economic interest of the farmers, particularly those covered by agrarian reform. Co-operative development falls under this aspect. The Department of Local Government and Community Development is responsible for this component. Compact farming, undertaken by the DAR is a part of land tenure improvement in the transferred areas, is supportive of institutional development. Cooperative farming on the other hand, is a joint effort among the Departments of Agrarian Reform, Agriculture, and Local Government and Community Development.

Physical development covers all infrastructures supportive of agrarian reform such as: irrigation and drainage facilities; roads; bridges; land ^{improvement} farming; electrification and other social infrastructure. This aspect is the primary responsibility of the Department of Public Works Transportation and Communications. The Armed Forces of the Philippines is also extending technical and material assistance to DAR in physical development efforts more particularly in settlement projects in Mindanao.

Land consolidation, a more comprehensive form of physical development, is a primary responsibility of DAR. Pilot projects are now on-going in 7 selected estates in Central Luzon and the

Bicol region.

Manpower training is aimed at providing the skills, knowledge and attitudes required for employment in a particular occupation, group of related occupations or functions in a field of economic activity. This is the primary responsibility of the National Manpower and Youth Council. The DAR, as a part of its continuing education program, undertakes personnel training and clientele development activities. The aim is to upgrade technical and supervisory skills of DAR personnel and disseminate agrarian reform information among the various publics affected by the program.

The total agrarian reform program is coordinated at the national level by the Agrarian Reform Coordinating Council composed of the Secretary of Agrarian Reform, as chairman, and the Secretaries of National Defense; Finance; Justice; Agriculture; Natural Resources; Public Works Transportation and Communication; Local Government and Community Development; and Public Highways, as members.

As of today, the Filipino farmer is the focus of attention of the Philippine Government. In the short span of less than five (5) years after Martial Law, the primary objectives of agrarian reform are now being attained. These are security of tenure of the tenants through the leasehold system and land transfer under P.D.

No. 27.

At this stage in time, however, there are problems and/or situations that are emerging that equally need attention.

III THE EMERGING ISSUES

1. The Land

Crucial to any development effort is how the land problem is handled. In the Philippines, land is becoming scarce. As of today, there is not much land to give away. In due time, the saturation point of land ^{distribution} ~~giving~~ will be reached. The question that crops up every now and then is how to optimally use existing and available land.

At present, the trend seems to be toward intensive agriculture. With average farmholding at 1.5 hectares per family it will be extremely necessary that the farmer utilizes his land 12 months a year. This presupposes, however, the development and operation of a small farmer support system with the full backing of government. This would need sound and coordinated policies from all departments that would reinforce small farm development in particular and rural development in general.

The Department of Agrarian Reform, on its own initiative, has proposed a policy to govern land use. This is contained in

the proposed Code of Agrarian Reforms of the Philippines. It states that, "Land forms part of the national patrimony which shall be conserved and developed for the entire nation." This proviso stresses the DAR's attitude towards land. It seeks to inculcate the idea that land is wealth not only for the individual owner but also for the whole nation as it plays a vital role in national production. It stresses the obligation of a landowner to make the land yield not only for himself but also for society.

Another emerging issue pertaining ^{to} land is the degree of control that the government may exercise over it vis-a-vis the farmer. Article II, section 6 of the 1973 Constitution provides that, "The State shall promote social justice to ensure the dignity, welfare, and security of all the people. Towards this end, the State shall regulate the acquisition, ownership, use, enjoyment and disposition of private property, and equitably diffuse property ownership and profits," ~~and~~. Article XIV, section 12 of the same Constitution further provides that, "The State shall formulate and implement an agrarian reform program aimed at emancipating the tenants from the bondage of the soil and achieving the goals enunciated in this Constitution."

From the foregoing Constitutional provisions, there is no doubt that government shall have an increasing role in land use

planning. Private initiative, however, shall remain to a large degree in the hands of the farmers.

2. The Farmer

Directly related to the issue of land is the farmer. He is the actual user of land. How the farmer behaves on it will to a large degree determine the quality and quantity of the products that will result from the farmer's efforts.

The Philippine land transfer program has given the Filipino farmer a liberated personality. But behind this new image, added burdens have come about. This time the farmer, as the new owner, has to pay the real estate tax; the amortization payment; production loans; water fees, if his land is irrigated; on top of his family expenses. His break-even point has increased substantially compared with that when he was a lessee and even as a share-cropper.

One of the aims of agrarian reform is to make the farmer self-sufficient and self-reliant so he can be a source of genuine strength in the New Society. To achieve this goal, the strategy was to either secure the farmer's tenure on the land or make him the owner. It was, however, far from the farmer's thought that to become an owner would entail additional obligations. This is the trend now.

In areas that are endowed with better soil and provided with

irrigation facilities by the government the farmers are better off. They can continuously plant because water is available. Besides the risk ^{of} ~~for~~ a crop failure is lower. In the marginal areas, the reverse is true. Farmers are reluctant to even go into leasehold, much more accept the certificates of land transfer. They prefer to stay on as share-croppers.

To offset this problem, the government has embarked on a massive irrigation program. The aim is to irrigate 120,000 to 130,000 additional hectarage every year. By 1987, it is envisioned that some 1,239,430 hectares ^{will be} ~~are~~ served by irrigation systems.

The small farmers support system, is being improved, particularly in the agricultural credit delivery and collection procedures. P.D. No. 717 requires all banking institutions to set aside 25 percent of all their loanable funds for agricultural credit, 10 percent of which shall be exclusively for agrarian reform beneficiaries.

The most formidable obstacle of the farmer, however, is himself. He is a prisoner of tradition. He is a victim of his own social environment. In the rural areas, to break away from tradition involves a lot of risk; to be different from the rest of ones fellows is like running around the town with nothing on.

But the Filipino farmer is also quick to catch on to new

things. He is a great imitator of some sort. And his reaction time is becoming shorter. A case in point is the use of new seeds (high yielding varieties) and fertilizers. In the farm sector today, hardly will one find a farmer who is not using HYVs and fertilizers on his farm. This new farm practice has been accepted almost completely by all farmers.

Two more issues that are being debated on at the moment are small farm mechanization and crop insurance. Both are highly sensitive issues and critical to the life of the farmer. With the continuous rise in the price of oil, farm mechanization is fast becoming the nemesis of the farmer. It may give him added prestige in the community, but his net income can be negative.

Crop insurance, a not very well understood scheme by the farmers, is viewed with mixed feeling - both by the potential insurer and those who will buy the same. This scheme is now being discussed by the policy-makers in government and in due time a decision will be reached. But if this will be for the farmer's benefit, it will be worth trying.

3. The Institutions

Farmers are now required by law to be members of a cooperative before they can be issued the title to the land transferred to them. This makes membership in a cooperative compulsory for

agrarian reform beneficiaries.

By virtue of this requirement, the Department of Local Government and Community Development, under whose jurisdiction the cooperative development program falls, has put up a nation-wide cooperative organization program. This has made the cooperative the rural-based institution of the farmers.

Structured on the principle of aggregations of small units, the cooperative system has the village associations as its base. They are known locally as Samahang Nayons. An S.N. is composed of from 25 to a hundred members. It has a set of officers headed by a President. Its main functions are education, savings and discipline. The next level organization is the Area Marketing Cooperative which is actually a federation of several S.N's. The AMC is the business arm of the S.N. It handles the procurement of agricultural inputs and the marketing of the members' produce. It maintains and operates processing facilities such as warehouses, rice mills and transport. The AMCs are managed by professional managers whose salaries are partly subsidized by the Department of Local Government and Community Development.

In the entire history of cooperatives in the Philippines, it is only now, by virtue of P.D. No. 27, where a particular class of people, the farmers, are required to be members of a cooperative

before they can be issued the final title to their lands. This is entirely a departure from the accepted cooperative principle of volunteerism. But in the Philippines, this has become necessary. If the Filipino farmers, who are small businessmen, do not bind themselves together, their change of economic survival, much ^{less} ~~more~~ growth, would be very slim in indeed. As ^{earlier stated} ~~early~~ said in this paper, their financial burdens have increased, and one way to meet ~~these~~ burdens is ^{through} cooperation. At this stage, the ingredient that would seem to spell success or failure of the cooperative program is management, particularly its commitment.

4. The Program Implementors

The present agrarian reform program has brought about a situation where the various government agencies have to coordinate efforts. The final output as in the case of land transfer is the result of various inputs coming from different agencies. The lack or delay of one input delays or prevents the attainment of the final output. In the case of the land transfer, it is the printed Certificate of Land Transfer in the hands of the farmer beneficiaries.

The agrarian reform program has actually evolved as the testing ground for the concept of the integrated approach to rural development in the Philippines. This process has not only drawn the different agencies closer but has also brought about the need

to plan the work together and carry it out together. This was very rarely done before. Because of this need, new and interdependent implementing procedures and structures have evolved.

But the more important phenomenon is the development of new work habits among government functionaries. Work is no longer viewed as routine, but an integral part of the development process.