



# REFORMANG AGRARYO AT PAGBABAGO?

NARRATIVES ON AGRARIAN  
CONFLICTS, TRANSITIONS,  
AND TRANSFORMATION









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TAMA NA ANG PALUSOTI  
IPAMAHAGI NA ANG  
**LUPA**  
MGA MAGSASAKA!  
Agrarian Reform Alliance (SARA)

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# LIST OF ABBREVIATIONS

<b>A&amp;D</b>	Alienable and Disposable
<b>AMBALA</b>	Alyansa ng Manggagawang Bukid sa Asyenda Luisita
<b>AMMMA-Katipunan</b>	Aniban ng Magsasaka, Mangingisda at Manggagawa sa Agrikultura
<b>APCP</b>	Agrarian Production Credit Program
<b>ARB/s</b>	Agrarian Reform Beneficiary/ies
<b>ARBO</b>	Agrarian Reform Beneficiaries' Organization
<b>ARC/s</b>	Agrarian Reform Community/ies
<b>ARCESS</b>	Agrarian Reform Community Connectivity and Economic Support Services
<b>ATFI</b>	Alter Trade Foundation, Inc.
<b>ATM</b>	Automatic Teller Machine
<b>AVA/s</b>	Agribusiness Venture Agreement/s
<b>BARC</b>	Barangay Agrarian Reform Committee
<b>BFA</b>	Bugho Farmers Association
<b>BHWD</b>	Barangay Health Worker
<b>BSWM</b>	Bureau of Soils and Water Management
<b>CA</b>	Compulsory Acquisition
<b>CALABARZON</b>	Cavite, Laguna, Batangas, Rizal, and Quezon
<b>CARL</b>	Comprehensive Agrarian Reform Law
<b>CARP</b>	Comprehensive Agrarian Reform Program
<b>CARPER</b>	Comprehensive Agrarian Reform Program Extension with Reform
<b>CB</b>	Central Bank
<b>CBFM</b>	Community-Based Forests Management
<b>CLOA</b>	Certificate of Land Ownership Award
<b>COCAR</b>	Congressional Oversight Committee on Agrarian Reform
<b>CO-OP/s</b>	Cooperative/s
<b>CPP</b>	Communist Party of the Philippines
<b>DA</b>	Department of Agriculture
<b>DALO</b>	Democratic Alliance Labor Organization
<b>DAR</b>	Department of Agrarian Reform
<b>DARAB</b>	DAR Adjudication Board
<b>DARPO</b>	Department of Agrarian Reform Provincial Office
<b>DENR</b>	Department of Environment and Natural Resources
<b>DILG</b>	Department of the Interior and Local Government
<b>DND</b>	Department of National Defense
<b>EP</b>	Emancipation Patent
<b>FARM</b>	Farmworkers Agrarian Reform Movement
<b>FB</b>	Farmer Beneficiaries
<b>FGD/s</b>	Focus Group Discussion/s
<b>FOB</b>	Freight on Board
<b>FOCUS</b>	Focus on the Global South
<b>GFI</b>	Government Finance Institution
<b>GOL/KKK</b>	Government-owned Land/Kilusang Kabuhayan at Kaunlaran
<b>GSIS</b>	Government Service Insurance System
<b>ha/s.</b>	Hectare/s
<b>HEIP</b>	Hermosa Ecozone Industrial Park
<b>HFCS</b>	High Fructose Corn Syrup
<b>HLI</b>	Hacienda Luisita, Inc.
<b>JEEP</b>	Joint Economic Enterprise for Productivity
<b>KABAPA</b>	Katipunan ng Bagong Pilipina
<b>KATARUNGAN</b>	Kilusan para sa Repormang Agraryo at Katarungang Panlipunan
<b>kg</b>	kilogram
<b>KII</b>	Key Informant Interview

km	kilometer
KMP-Negros	Kilusang Magbubukid ng Pilipinas-Negros
KWACI	KASUCO Workers Agricultural Cooperative
LAD	Land Acquisition Distribution
LGU/s	Local Government Unit/s
LRA	Land Registration Authority
LSBDA	Leyte Sab-A Basin Development Authority
MAR	Ministry of Agrarian Reform
MEPI	Marsman Estate Plantation, Inc.
MIARBA	Minoro-Isabel Agrarian Reform Beneficiaries Association
NACUSIP	National Congress of Unions in the Sugar Industry of the Philippines
NFSW	National Federation of Sugar Workers
NGO/s	Non-Government Organization/s
NITFF	Negros Island Fair Trade Federation
NIKE-NE	Nagkakaisang Kababaihang Entrepreneurs-Nueva Ecija
NOC	Notice of Coverage
NOFTA	Negros Organic and Fair Trade Association
NPA	New People's Army
OFW	Overseas Filipino Worker
OIC	Officer in Charge
OLT	Operation Land Transfer
ONARBPA	Occidental Negros Agrarian Reform Beneficiaries Planters Association
OP	Office of the President
OPA	Office of the Provincial Agriculturist
OPARR	Office of the Presidential Adviser for Reconstruction and Rehabilitation
OSEC	Office of the Secretary
PARC	Presidential Agrarian Reform Council
PARCCOM	Provincial Agrarian Reform Coordinating Committee
PBD	Program Beneficiary Development
PCA	Philippine Coconut Authority
PD	Presidential Decree
PDG	Paghida-et saKauswagan Development Group, Inc.
Philippine Peso	PhP
PKKK	Pambansang Koalisyon ng Kababaihan sa Kanayunan
RA	Republic Act
RD	Regional Director
RDC	Riverforest Development Corporation
RIGHTS INC.	Rural Poor Institute for Land and Human Rights Services, Inc.
ROD	Registry of Deeds
SAC	Social Action Center
SANAMABASU	Samahang Nagkakaisang Mamamayan ng Barangay Sumalo
SC	Supreme Court
SDO	Stock Distribution Option
SEZs	Special Economic Zones
SIDA	Sugarcane Industry Development Act
sq. m	Square Metre
SRA	Sugar Regulatory Administration
SSS	Social Security System
STW	Shallow-Tube Well
TADECO	Tarlac Development Corporation
TCT	Transfer Certificate of Title
TRO	Temporary Restraining Order
ULWU	United Luisita Workers Union
UMA	Unyon ng mga Mangagawa sa Agrikultura
UPALs	Untitled Privately-claimed Agricultural Lands
USD	United States Dollar
VLT	Voluntary Land Transfer
VOS	Voluntary Offer to Sell

# INTRODUCTION: PART ONE THIRTY YEARS OF AGRARIAN REFORM UNDER CARP/ER IS THERE REASON TO CELEBRATE?

BY MARY ANN MANAHAN

When the Comprehensive Agrarian Reform Program (CARP)<sup>1</sup> was enacted 30 years ago, it was envisioned as a reform measure to fulfill the 1987 Constitution's multiple goals to reduce rural poverty, foster rural development and industrialization, and usher in an era of lasting peace in the countryside. Since then, CARP and its two extensions have been considered as a litmus test of past and present administrations' commitment to social justice as well as the state's political will to break up land monopolies and control in the countryside in favor of those who work the land—the landless, small, and near-landless farmers, women in agriculture, and farmworkers. The promise of agrarian reform was change; its essence, political, i.e., the redistribution of wealth and resources in the countryside, and its implementation, therefore, a political process.

It is no surprise that the program engendered impassioned public debates, strategies, and political maneuvers, for or against it. These debates continue to rage until this day—is CARP/ER a success or failure? What does it have to show for three decades? What do the whole generation of Filipino farmers and their children that grew up clamoring for its effective and full implementation have to say? Why are farmers not in full control of their lands?

To respond to these questions, Focus on the Global South and the Save Agrarian Reform Alliance, a coalition of small and landless farmers, farmworkers, and rural women that campaigns for agrarian reform, social justice, and rural development, embarked on an initiative called *CARP/ER Audit* (see The Research Project for details). The *CARP/ER Audit* aimed to critically examine various aspects of CARP/ER's accomplishment and implementation, i.e. to unpack and understand the stories behind government's data and narratives of the lives and perspectives of the people affected by the law and its implementing agencies.



This introduction is divided into two parts. *Part One* deals with a critical interrogation of the government's data on CARP/ER's accomplishments, looking at both public and private agricultural lands under the Department of Agrarian Reform (DAR) and the Department of Environment and Natural Resources (DENR). Part Two introduces the research project, its background, methodology, and findings.

## CARP/ER's Dubious Records

Land (re)distribution is the heart of the nationwide agrarian reform program. According to the DAR, the main government agency mandated to implement CARP and its extension with reforms (CARPER), the state has distributed close to 4.8 million hectares of private and non-private agricultural lands to about 2.8 million agrarian reform beneficiaries in the country. This represents 88 percent of the total 5.4 million hectares of agricultural lands targeted for (re)distribution by DAR, and 34 percent of certified alienable and disposable (A&D)<sup>2</sup> lands in the country. These figures also include rice and corn lands that were earlier transferred under PD 27 through its operation land transfer.

The numbers could be taken as a significant feat and for DAR, a near completion of its land distribution task. Table 1 shows that the top three administrations that (re)distributed lands are the following: former President Fidel V. Ramos with 40.13 percent of the total target for land distribution, followed by Gloria-Macapagal Arroyo with 23.52 percent, and Corazon Aquino with 15.64 percent. On the other hand, Benigno Aquino III's term has one of the lowest land distribution records in CARP/ER history, with only an annual land distribution rate of 74,273.50 hectares, far below Joseph Estrada's 151,962-hectare annual rate. Ferdinand Marcos distributed only 114,259 hectares of rice and corn lands despite being in power for 20 years. Today, land distribution is languishing under the administration of Rodrigo Roa Duterte, despite former DAR Secretary Rafael Mariano's pro-farmer and pro-agrarian reform stance; there is more uncertainty now under Secretary John Castriciones. Under Mariano's helm which lasted for only a little over a year, DAR was able to distribute 47,481 hectares.<sup>3</sup>

These figures capture part of a trend of increasing number of farms and declining farm sizes that characterize Philippine land use and ownership over the last few decades. Based on the Philippine Statistical Authority's Census of Agriculture, from 1980 to 2012, there was a 63 percent increase in the number of farms in the country, from more than 3.4 million to 5.5 million. In the same period, the average area per farm holding decreased by more than half, from 2.84 hectares to 1.29 hectares. These small landholdings comprised about 81.1 percent of the total agricultural lands in the same period. Small farms have served as the backbone of Philippine agriculture and this may be attributed to an extent to CARP/ER's implementation.

**TABLE 1****DAR's Official Land Acquisition and Distribution (LAD)  
Accomplishment per Administration, 1972-2017**

President	Reported Land Distribution Accomplishment (in hectares)*	Years of Presidency	Annual Accomplishment (in hectares)	Share of Land Distribution Output (in percent)
Rodrigo Roa Duterte	47,481	1.5	31,654.00	1.00
Benigno Aquino III	445,641	6	74,273.50	9.35
Gloria Macapagal-Arroyo	1,121,083	9	124,564.78	23.52
Joseph Estrada	379,905	2.5	151,962.00	7.97
Fidel Ramos	1,912,664	6	318,777.33	40.13
Corazon Aquino	745,293	6	124,215.50	15.64
Ferdinand Marcos (P.D. 27)	114,259	21	5,440.90	2.40
<b>TOTAL</b>	<b>4,766,326</b>	<b>30</b>	<b>158,877.53</b>	<b>100.00</b>

Source: Author's rendering; Department of Agrarian Reform Annual Accomplishment Reports, 2016 and 2017; DAR (2016), "End of Term Report of Secretary Virgilio delos Reyes", [www.dar.gov.ph](http://www.dar.gov.ph)

\*In treating the land accomplishment for the beginning & end of each administration, said data were included in the outgoing administration rather than the incoming one. For example, in 2010, DAR reported a land distribution accomplishment of 107, 180 hectares. This has been included under Gloria Macapagal Arroyo's administration's accomplishment rather than Benigno Aquino III's. The rationale is that in practice, the new secretary takes a year at least to understand the workings in the department, and that the first year of his/her administration is usually characterized either as period of lull, uncertainty, or status quo for land distribution.

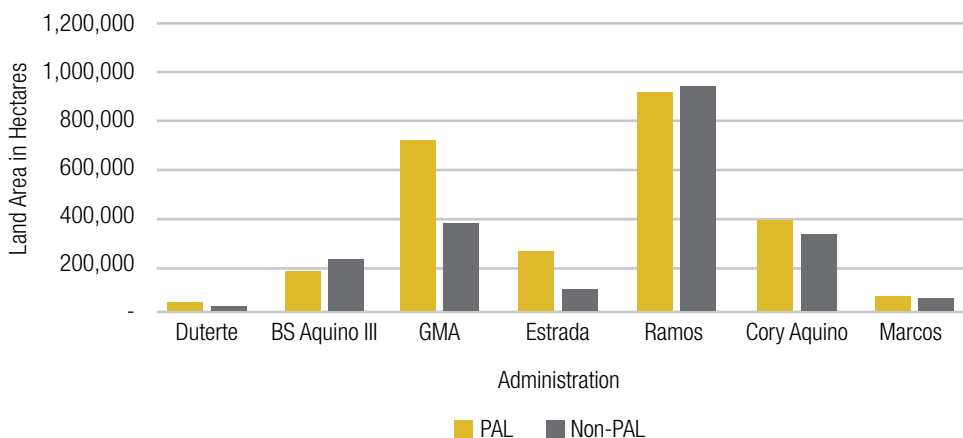
But what do these nationally-aggregated data represent and why should they not be taken at face-value? Some features of the official data shed light on their accuracy and the quality of CARP/ER's reported accomplishments. Digging deeper into the data confirms the main criticisms from farmers' movements and civil society that CARP/ER's land distribution is problematic, dubious, and anomalous. Let's count the ways.

**Poor quality, low productivity lands.** About 2.6 million hectares of lands that were distributed were private agricultural lands (PAL), and the remaining 2.1 million hectares are non-private agricultural lands (non-PAL), which cover land settlements and government-owned lands and settlements. Figure 1 shows that the Ramos presidency distributed 45.3 percent of the total non-PAL areas. Except for the landed estates, the other two non-PAL lands are considered of poor quality, have low productivity, and might not be easily accessible.<sup>4</sup>

**Controversial modes of land transfer.** Almost one-third of the lands acquired and distributed, 13.75 percent, done through the controversial Voluntary Offer-to-Sell (VOS), and Voluntary Land

**FIGURE 1**

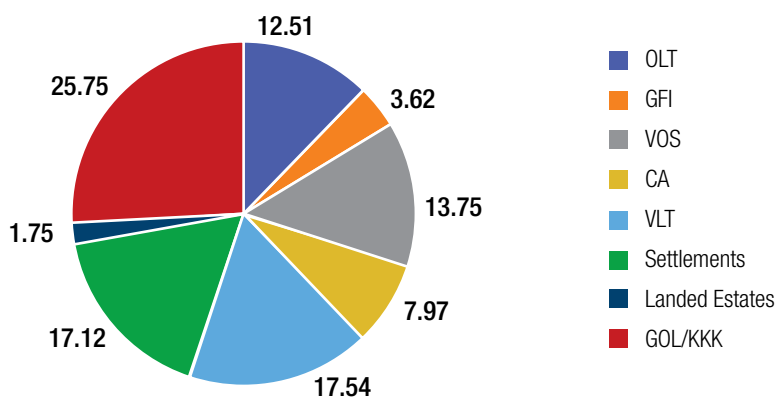
**Land Acquisition and Distribution (LAD)  
Accomplishment per administration and type of land, 1972-2017**



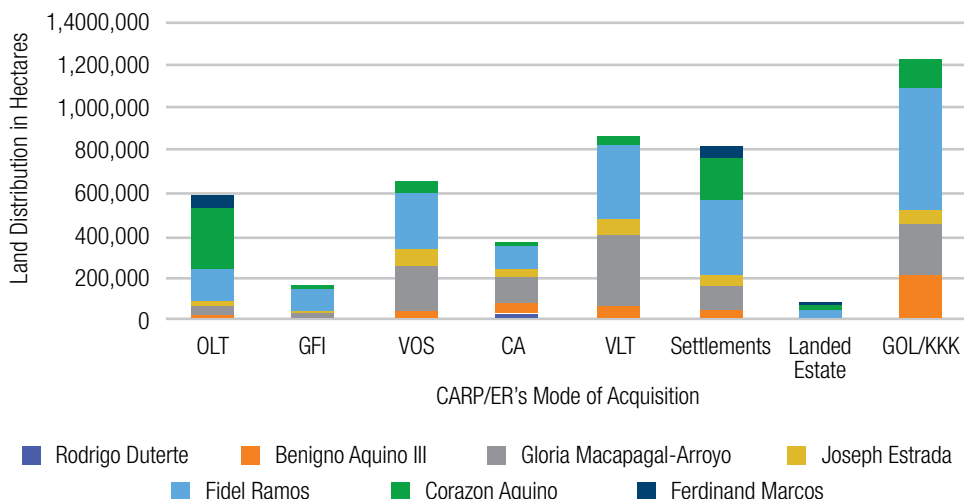
Source: Author's rendering; Department of Agrarian Reform Annual Accomplishment Reports, 2016, 2017; DAR (2016), "End of Term Report of Secretary Virgilio delos Reyes," [www.dar.gov.ph](http://www.dar.gov.ph)

**FIGURE 2**

**Total LAD Accomplishment based on mode of acquisition, 1988-2017  
(in %)**



Source: Author's rendering; Department of Agrarian Reform Annual Accomplishment Reports, 2016, 2017; DAR (2016), "End of Term Report of Secretary Virgilio delos Reyes", [www.dar.gov.ph](http://www.dar.gov.ph)

**FIGURE 3****Total LAD Accomplishment per Administration and Mode of Acquisition, 1972-2017**

Source: Author's rendering; Department of Agrarian Reform Annual Accomplishment Reports, 2016, 2017; DAR (2016), "End of Term Report of Secretary Virgilio delos Reyes," [www.dar.gov.ph](http://www.dar.gov.ph)

Transfer (VLT), 17.54 percent (see Figure 2). VOS is a scheme whereby landowners voluntarily offer their lands to the state for coverage regardless of phasing. There have been numerous cases landowners changing their minds and thereafter filing for exemption (see Sumalo case study). On the other hand, the VLT or direct payment scheme is a mechanism whereby landowners directly transfers their lands to their preferred/identified beneficiaries without the intervention of DAR. This has often been documented as a form of land reform evasion—the landlords usually identify farmer-beneficiaries that are loyal to them, so the former can retain control of the land. Taken together, these lands comprise 1.49 million hectares of the total accomplishment from 1972-2017. Most of the VOS and VLT occurred during the time of Arroyo and Ramos, who also have the highest accomplishment rates in CARP/ER's history and these make their CARP legacies, disputable (see Figure 3).

**De-prioritizing the most productive lands.** Compulsory acquisition, which is the most redistributive mode of acquisition whereby the state practices its eminent domain power, i.e. expropriation of the most productive agricultural lands in the country for redistribution to landless farmers, lags behind the rest of the land transfer schemes. Only 379,856 hectares of lands have been moved under compulsory acquisition. These lands are considered not only as the most productive and desirable but also most contentious and problematic, and often are the source of political and economic power of landlords and corporations.



***(Ominous) alternative venture agreements and other forms of non-land transfers.***

As of October 2015, there were 433 Alternative Venture Agreements (AVAs) that covered 57,734.29 hectares of land involving 45,399 agrarian reform beneficiaries.<sup>5</sup> A significant portion of these AVAs are found in the banana-producing provinces of the Davao region, where AVAs were included as part of the land distribution package. AVAs were first introduced during the time of Estrada through DAR Administrative Order No.2, series of 1999 or the Joint Economic Enterprise for Productivity (JEEP), and are “entrepreneurial collaboration between ARBs and private investors to implement an agribusiness venture on lands distributed under CARP”.<sup>6</sup> For DAR, AVAs, which can take the form of lease/leaseback contracts, joint ventures, production/processing/marketing arrangements, build-operate-transfer, and management or service contracts, are tools for farm sustainability and productivity enhancement of ARBs, with private investors or corporations providing access to capital, markets, and farming technology. However, these AVAs have been fraught with controversies related to onerous contracts and unfair arrangements, sometimes leading to ownership without control by ARBs or reversal of agrarian reform gains (see Davao del Norte case study). The data on AVAs do not include the rampant illegal pawning/mortgage or sale of CARP/ER lands, called *arriendo*, prevalent mostly in sugarcane plantations (see Negros Occidental and Hacienda Luisita cases).

Another form of non-land transfer is the Stock Distribution Option (SDO), which was introduced into the CARP by former President Corazon Aquino to evade land distribution in her own landholding, Hacienda Luisita (see Hacienda Luisita case). Under an SDO arrangement, land ownership is corporatized and the corporate owner can offer the farmworkers the right to purchase a proportion of the corporation's capital stocks in relation to the value of the agricultural lands devoted to agriculture and the former's total assets.<sup>7</sup> According to DAR, there were 13 SDOs approved covering about 7,703 hectares, majority of which were located in Hacienda Luisita. Previous studies<sup>8</sup> and farmworkers' own accounts reveal the mixed results as well as the disadvantageous outcomes of SDOs, in terms of non-participation of ARBs in decision-making processes of corporations, lack of benefits accrued to them, and the virtual control of the former corporate landowners over the lands. Farmworker-beneficiaries from 10 of 13 corporations have filed for the revocation of their SDOs, including Hacienda Luisita.<sup>9</sup> The latter was finally put for land distribution under a historic Supreme Court decision in 2011.

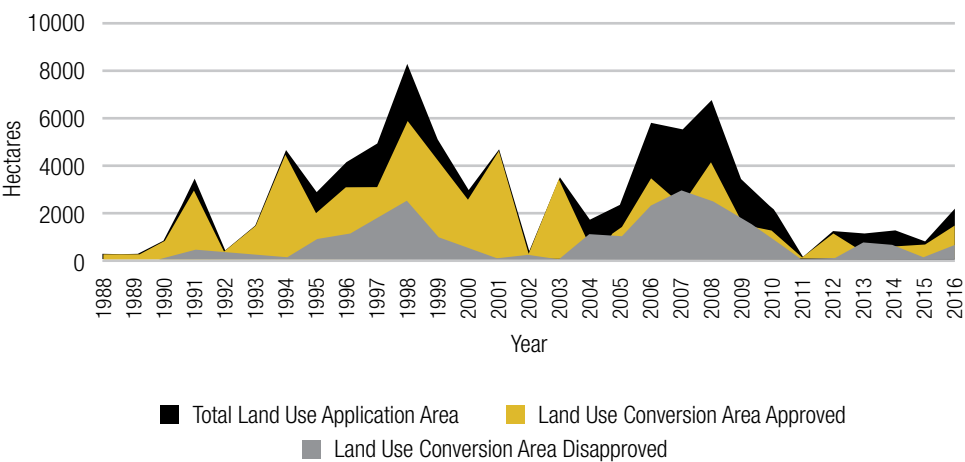
***Discrepancies in data.*** There are conflicting figures between DAR and the Land Registration Authority (LRA). Manahan and Cruz reported that during<sup>10</sup> the time of Benigno Aquino III, there was a deficit of 253,935.37 hectares in terms of lands reported as distributed by DAR and those registered with land titles in the LRA. The LRA claimed that these discrepancies were possible and not uncommon because of the process set down in CARP/ER: DAR releases information on accomplishments while the LRA reports only as accomplishments those whose feasibility have been verified. For example, DAR may include in its annual report that it has distributed a landholding but LRA's verification process (including checking with the Registry of Deeds and DENR) would reveal later that the land is not alienable and, therefore, cannot be distributed to private individuals.

# Land Use Conversions

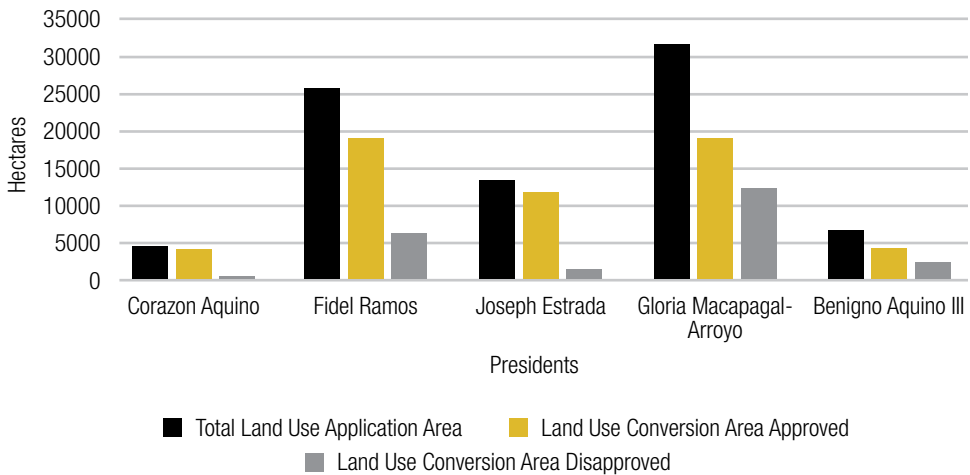
There are close to two million hectares of agricultural lands with problematic status. Additionally, almost 59,000 hectares of CARPER-awarded lands have been approved for land conversion; these constitute 75 percent of the total applications for conversion and excluding the count for illegal conversions.

Figure 4 illustrates the annual land use conversion applications lodged at the DAR. The graph reveals that there are several peaks or highs in the land use applications across different administrations from Aquino to Aquino III, with highest peaks in 1998 and 2008, the years when CARP was extended. It is worth noting that data show that it was under the Ramos and Macapagal-Arroyo's presidencies when both land distribution and land conversions were highest. Figure 5 elucidates this pattern. Under Macapagal-Arroyo's government, there were applications for conversion of a total of 31,721.35 hectares; 35 percent of these or a little over 19,000 hectares were approved. Under Ramos, there were applications for the conversion of a total of 25,508.78 hectares of CARP lands; 32.6 percent of these or 19,036.18 hectares were granted conversion.

**FIGURE 4**  
**Land Use Conversion Applications, 1988-2016**



Source: Author's rendering; Land Use Cases Division, Bureau of Agrarian Legal Assistance, DAR Central Office, 1988-2016

**FIGURE 5****Land Use Applications per Presidency, 1988-2016**

Source: Author's rendering; Land Use Cases Division, Bureau of Agrarian Legal Assistance, DAR Central Office, 1988-2016

It should be recalled that Ramos' mantra for development was to privatize the state's assets, deregulate industries, and open up the economy for foreign investments. His term saw the establishment of many Special Economic Zones (SEZs) and conversions of agricultural lands in the CALABARZON areas. On the other hand, Macapagal-Arroyo's presidency instituted an aggressive policy of attracting foreign and domestic investments in agriculture through the enactment of laws (e.g. Biofuel Act of 2006) and programs such as opening up two billion hectares of land for large-scale land investments that signaled land grabbing and conversion.

Based on DAR's data, since the 1990s the applications/approvals for land conversions were highest in Region IV-A (CALABARZON), 32,896.39 hectares approved, and Region III (Central Luzon), 16,845.68 hectares. Together, they make up 60 percent of the total applications/approvals for land conversions. Throughout this period, Batangas, Cavite, Laguna, Pampanga, and Bulacan were the provinces with the largest land conversions in the country. Additionally, land use conversion applications were noticeably higher than the average in other rapidly urbanizing areas such as such as (a) Davao del Norte, Davao del Sur and Davao City in Region XI (the location

of Metro Davao), (b) Cebu (Metro Cebu), (c) Misamis Oriental (Metro Cagayan de Oro), (d) Iloilo (the Metro Iloilo-Guimaras urban belt), (e) South Cotabato (General Santos City), (f) Pangasinan province (already one of the most urbanized provinces by 2000)<sup>11</sup>, and (g) Bukidnon. Further, land conversion has been a tactic by landlords to evade CARP/ER; in Negros Occidental and Camarines Sur, with combined 3,000 hectares of CARP lands converted to other uses; the two provinces have the highest land distribution backlogs.

## Public Land Reform and UPALs

An often-neglected aspect of CARP/ER's implementation that warrants attention is the DENR's distribution of public lands. DENR's mandate covers the distribution of two types of public (forest) lands, one is alienable and disposable lands suitable for agricultural use that can be titled, and second, Community-Based Managed Forests (CBFM) which are actually cultivated by farmers.<sup>12</sup> For the latter, long-term usufruct rights are awarded, usually lasting 25 years, and can be renewed. According to the DENR, as of December 31, 2016, it has already completed its land distribution target—2.55 million hectares covering 2.4 million lots. The agency has even surpassed its revised scope of 2.5 million hectares (the original scope in 1987 was 4.5 million hectares). While this should be a cause for celebration, there are several issues that hound the quality of public land reform: (i) reversals in the declaration of public lands because of reclassifications; (ii) overlaps in the delineation of public and private lands; (iii) competing claims over public forest lands because of conflicting policies and laws governing public land reform; (iii) de-prioritization of CBFM areas; and (iv) documentation or non-documentation of Untitled Privately-Claimed Agricultural Lands (UPALs) that have been continuously occupied and cultivated by a person for at least 30 years.<sup>13</sup> For CBFM/public forest areas, experiences of farmers from the ground reveal the deep entrenched private interests and exploitative tenurial relations occurring on these lands (e.g. pasture lands as part of forest areas where lease has expired revert back to timberlands rather than distributed to actual tillers).

Table 2 shows the top 20 provinces that have the most number of UPAL balance, which comprise 80 percent of the total UPAL balance, and are the same areas with high LAD balance and strong landlord resistance. The turn-over of UPALs in excess of the 12-hectare limit to DENR was based on a Joint Administrative Order between DAR and DENR issued in 2014. This joint order provided a new rule that areas in excess of the 12-hectare limit shall be transferred to the DENR's jurisdiction and surveyed as one lot to be designated as public lands.<sup>14</sup> Since the technical expiration of CARP/ER's LAD component on June 30, 2014, the status of UPALs seem unclear.



**TABLE 2****Top 20 Provinces with High UPAL Balance**

Provinces/National	UPAL Balance (in hectares)
National/Philippines	28,092.69
Sulu	2,858.03
Iloilo	2,316.32
Capiz	2,048.91
Saranggani	1,744.60
Camarines Sur-A	1,408.21
Tawi-Tawi	1,377.08
Camarines Sur-B	1,249.82
Western Samar	1,158.11
Negros Oriental	966.65
Masbate	905.55
Negros Occidental-South	776.8
Negros Occidental-North	733.78
Camarines Norte	704.55
Romblon	689.22
Leyte	645.46
Aklan	616.64
Basilan	581.85
Quezon II	579.5
Sultan Kudarat	489.52
Bohol	467.42

*Source: Author's rendering; DENR-CARP Status of Land Distribution, Patent Processing and Issuance, UPALs, December 31, 2016.*

Further, state and private interests intersect mostly in public lands and their technicalities are difficult to resolve. For example, in the case of Sicogon island in Iloilo, apart from private agricultural lands, there are public A&D lands devoted to agriculture which were distributed by DENR to dummies. Later, the DENR cancelled the distribution, claiming that there were no more A&D lands in the area. Here, corporations such as the Ayalas and the Sicogon Development Corporation owned by the Sarrozas, a local landed family, have vested interests in Sicogon as they were planning to convert the area into an eco-tourism zone.

## Perennial and New Problems

Since CARP's enactment, it has been hounded by legal loopholes, issues related to weak implementation, strong landlord resistance, and an ineffective bureaucracy. Second and third generation problems of 'bigay-bawi' of CLOAs or Emancipation Patents (EPs), reversals of agrarian decisions that favor ARBs, and exemption cases abound. Beyond land distribution, limited integrated support services remain a big dilemma for new and existing farmer beneficiaries, especially those outside of Agrarian Reform Communities (ARCs). Based on DAR's data, about 1.5 million ARBs are covered by ARCs, and 1.3 million farmers are outside of the ARCs and remain without access to support.<sup>15</sup> There was limited access to socialized credit and initial capitalization in the form of cash or farm implements to new ARBs—for example, DAR's locally-funded credit program was only able to reach 79 ARCs and 93 non-ARCs that covered 53 provinces and 171 municipalities, extending a total amount of Php 373.7 million.<sup>16</sup> This is but a fraction of the total ARCs in the country—as of December 2012, there were 2,195 ARCs in 9,635 barangays in 1,362 municipalities and 188 legislative districts.<sup>17</sup>

The case studies in this collection reveal that poor access to credit in the countryside has led to a situation where private individuals with capital, either new financial actors and intermediaries or former landlords, take advantage of the vulnerabilities of new farmer beneficiaries by leasing or buying CARP/ER reformed lands, which eventually leads to reversals and loss of control by ARBs over their lands.

Landlord resistance, human rights violation, and criminalization of dissent also characterize the CARP/ER's implementation. Many lives have been lost and martyred in the big haciendas and agrarian hotspots of Negros Island, Quezon, Masbate, Davao, etc. to name a few. Further, the entry of new players such as big corporations owned by the country's oligarchies into the CARP/ER areas are well-documented (e.g. Sicogon, Pampanga, Palawan, etc.). And farmer beneficiaries in these CARP/ER lands are unable to withstand market pressures/forces (see Sumalo and Negros Occidental case studies). Reconstituting land rights in disaster-stricken areas proves as a new challenge, which exposes the vulnerabilities and insecure land tenurial arrangements of ARBs (see Leyte case study).

There are questions about whether CARP/ER's budget, a total of Php 286 billion from 1988 to 2016 or an annual budget of Php 9.86 billion<sup>18</sup>, has been prudently and efficiently used.

Finally, it must be noted that CARP/ER has operated in an environment where policies and structural conditions have often been stacked against its success, i.e. an "orphan program"<sup>19</sup>. An example of this contradicting policy is the penchant of past and current administrations for liberalizing land

ownership in the country. President Rodrigo Roa Duterte's administration has proposed to remove the restrictions to foreign ownership in land purportedly to allow more foreign direct investments that will allegedly generate revenues for the government and jobs for people. There are fears already among the farmers and rural poor that this move will incite more land grabbing and displace them from the farms they till.

## What does the Future Hold?

Thirty years and still counting, CARP/ER remains an unfinished business; its impacts considered as modest but significant.<sup>20</sup> Why an unfinished business? Based on the DAR's official LAD balance, as of January 1, 2016, there were 621,085 hectares of private agricultural lands covering 66,794 landholdings that were yet to be distributed. About one-third of these balance or 175,982 hectares were considered as large landholdings, i.e. 50 hectares and above. These landholdings were deemed contentious and problematic but also the most productive, and were mostly earmarked for Compulsory Acquisition (CA). Currently, there are 410,332 hectares of lands under CA that cover close to 50,000 landholdings, which have yet to be distributed. These figures do not include landholdings covered by the petitions filed by farmer-led organizations. The Pambansang Koalisyon ng Kababaihan sa Kanayunan (PKKK), for instance, said "they have filed petitions covering 106,096.1415 hectares of land, which encompass 230 landholdings from 58 municipalities and 170 barangays, affecting 53,048 landless and small farmers. This is close to 20 percent of the official land distribution balance of DAR and majority of which are new areas which have not been targeted or placed under the program".<sup>21</sup>

The technical expiration of CARP/ER's land distribution after June 30, 2014 placed the land tenure improvement aspect of the program in limbo. President Duterte has professed that CARP will have "rebirth," but there seems to be a general apathy, if not contempt, surrounding CARP/ER's continued implementation, marked by the lack of clear plan by the new Secretary, John Castriciones, on how DAR will distribute the remaining LAD balance and issue the remaining Notices of Coverage<sup>22</sup>, on one hand, and on the other, ensuring and ensuring the provision of adequate and integrated support services to new and existing ARBs. Apart from this, the government has failed to deliver on its promise for a moratorium on land use conversion that would have given small farmers and landed poor some policy insulation from market forces and pressures such as real estate development interests.

Keeping the land in the hands and control of ARBs, protecting the gains achieved through CARP/ER, and addressing the problems of small-owner cultivators (e.g. low incomes, poor access to support services, low productivity, etc.) remain long-standing challenges of the agrarian sector.

\*All national data used for the introduction were accessed through the Freedom of Information (FOI) Practice initiative of the Right to Know, Right Now!, a coalition of more than 100 civil society organizations, media, academic, labor, etc. campaigning for the passage of an FOI law. Focus on the Global South is a member of the coalition.

## ENDNOTES

- 1 The right to land by landless farmers, near-landless, and small famers and farmworkers is mandated by the 1987 Philippine Constitution. CARP had two extensions; first, its land acquisition and distribution component was given its first 10-year extension and additional funding of Php 50 billion through Republic Act 8532 in 1998, and second, the CARP with Extension and Reforms (CARPER or Republic Act 9700) law, which was signed on August 7, 2009 under former President Gloria Macapagal-Arroyo, gave the original CARP (Republic Act 6657) five more years to complete its LAD component, an additional Php 150 billion, and a whole slew of positive reforms that intended to correct the original law's flaws and loopholes. Its precursor, the Presidential Decree 27 (PD 27) was a limited land reform program focused only on rice and corn lands under former dictator Ferdinand Marcos.
- 2 Alienable and disposable lands or A&D lands refer to those "lands of the public domain which have been the subject of the present system of classification and declared as not needed for forest purposes". This means that the lands can be privately titled and distributed to individuals. [nap.psa.gov.ph/ru11/glossary/environment/LAND.htm](http://nap.psa.gov.ph/ru11/glossary/environment/LAND.htm) (Accessed June 2, 2018)
- 3 The rationale behind this can be two-fold: one, the uncertainty of the land tenure and improvement with the expiration of this component on June 30, 2014, and two, the focus of Mariano on the Genuine Agrarian Reform Bill (GARB).
- 4 According to PIDS 2017 study "CARP After 30 years", GOLs and settlements are Non-PALs delineated from public domain lands through Presidential Proclamations, while landed estates, which are considered more arable/productive, are already existing agricultural areas that tenants and farmers cultivate and which have been petitioned for expropriation and redistribution by DAR. See Ballesteros, M., Ancheta, J. and Ramos, T. (2017), "The Comprehensive Agrarian Reform Program after 30 Years: Accomplishments and Forward Options, Discussion Paper Series", No. 2017-34, Philippine Institute for Development Studies
- 5 Manahan, M.A. and Tadem, E. "Going Bananas: Re-examining the alternative venture agreements in commercial farms and plantations of Mindanao", *Rappler*, May 17, 2017. <https://www.rappler.com/thought-leaders/169926-going-bananas-agribusiness-mindanao> (Accessed June 12, 2018)
- 6 Ibid.
- 7 Republic of the Philippines, Republic Act 6657, Comprehensive Agrarian Reform Law, Sec. 31.
- 8 See the findings of the University of the Philippines-Los Banos' Institute of Agrarian Studies that conducted a meso-study on CARP authored by Penalba, et. al., 1994.
- 9 See Ballesteros, M., Ancheta, J. and Ramos, T. (2017), "The Comprehensive Agrarian Reform Program after 30 Years: Accomplishments and Forward Options, Discussion Paper Series", No. 2017-34, Philippine Institute for Development Studies. [www.pids.gov.ph](http://www.pids.gov.ph)
- 10 Manahan, M.A. and Cruz, J.P. (2014), "CARPER diem: a socio-legal analysis of the state of the comprehensive agrarian reform program in the Aquino administration." *Ateneo Law Journal*, 59(3): 930-1006
- 11 Ibid.
- 12 Flores-Obanil, C. and Manahan, M.A. (2011) "Three years to go: P-noy to hurdle landlords, inefficient system and deficient budget" *Focus Policy Review*, Vol. 1, nos. 34., January-July 2011, pp. 3-9.
- 13 Ibid.
- 14 Joint DAR-DENR Administrative Order no. 03, series of 2014, "Guidelines in the Disposition of Untitled Privately-Claimed Agricultural Lands", [www.dar.gov.ph](http://www.dar.gov.ph)



- 15 See Ballesteros, M., Ancheta, J. and Ramos, T. (2017), "The Comprehensive Agrarian Reform Program after 30 Years: Accomplishments and Forward Options, Discussion Paper Series", No. 2017-34, Philippine Institute for Development Studies. [www.pids.gov.ph](http://www.pids.gov.ph)
- 16 DAR (2016), "End of Term Report of Secretary Virgilio delos Reyes", Table 25: Summary of DAR's locally-funded credit programs, as of 30 November 2010.
- 17 DAR, "ARC Development Strategy", <http://www.dar.gov.ph/mfos/program-beneficiaries-development/175-arc-development-strategy> (Accessed July 2, 2018).
- 18 Ballesteros, M., Ancheta, J. and Ramos, T. (2017), "The Comprehensive Agrarian Reform Program after 30 Years: Accomplishments and Forward Options, Discussion Paper Series", No. 2017-34, Philippine Institute for Development Studies.
- 19 Bello, W., Docena, H., de Guzman, M. and Malig, M.L. et. al. (2004), "Anti-Development State: The Political Economy of Permanent Crisis in the Philippines", Zed Books, London and New York.
- 20 See various impact assessment studies by IARDS, ACCP, and the WB.
- 21 Cruz, J.P. and Manahan, M.A. (2014). "CARPER diem: a socio-legal analysis of the state of the comprehensive agrarian reform program in the Aquino administration", *Ateneo Law Journal*, 59(3): 930-1006.
- 22 The first step for the land acquisition and distribution process.

# INTRODUCTION: PART TWO THE RESEARCH PROJECT BACKGROUND, METHODOLOGY, AND FINDINGS

BY MARY ANN MANAHAN

In view of the contending claims on whether CARP/ER is a failure or success, Focus on the Global South, together with the Save Agrarian Reform Alliance, endeavored to do a CARP/ER Audit<sup>1</sup> from 2016 to the first quarter of 2018. This audit aimed to critically examine various aspects of CARP/ER's implementation, unpack and understand what's behind government's data, listen to the stories of the people affected by the law, and look into how the implementing agencies performed. The assessment delved into the situation of small farmers before the law's implementation as well as into their present-day challenges, and all these in the context of control or lack of control over their (awarded) land and productive resources. This undertaking used a broad definition of what accomplishment entailed and what this meant to the beneficiaries, using the lens of civil society and social movements based on four aspects:

- **Compulsory Acquisition:** as the most redistributive form or mode of acquisition<sup>2</sup>;
- **Full and Effective Implementation of the Law:** titles are provided, farmers/agrarian reform beneficiaries occupy and till the land, no obstacles in the peaceful cultivation of the land (e.g. no human rights violations or threats from land grabbing, reversals), and appropriate and adequate support services are provided by the state and its agencies;
- **Finance/Budget:** efficiency and prudent use; mechanisms in place against graft and corruption<sup>3</sup>;
- **Control:** full control of the land (actual tilling and security of tenure) and production by the agrarian reform beneficiaries.

The main question asked in the research was: *Are CARP/ER beneficiaries in full control of their lands? If not, why aren't they?* The key impact we looked for was how the program raised the productivity of the beneficiaries and if they were able to rise from poverty and disempowerment. The inquiry also brought to the fore what the program has done or failed to do in fulfilling and protecting peasants' land rights. How did CARP/CARPER as mechanism of agrarian reform fare given market pressures, land conversions, extra-economic power relations including political repression, informal/shadow land transfers, and climate vulnerabilities.

Since the beginning of CARP/ER's implementation, it has been the argument of peasant organizations and agrarian reform advocates that agrarian reform should be seen as an important social justice and poverty alleviation measure, a means to redistribute wealth and power in the countryside. Access to and control of land and its related resources (such as support services) are therefore relevant in the face of increasing resource scarcity, climate change challenges, economic globalization, and food insecurity. While agrarian reform in the country is technically state-led, the research postulated that positive state-society interactions as well as incremental, protracted, and sustained efforts of peasant groups and civil society have contributed to the success of agrarian reform, especially land distribution, in the past. Thus, the case studies in this collection also discussed the responses, strategies, level of organization, and ability for claim-making of peasant organizations and agrarian reform beneficiaries as important factors in the overall success or failure of the nation-wide program.

Additionally, the following assumptions/statements have guided the formulation of the key research question:

- CARP/ER as a formal system of land tenure (re)arrangement has inadequately protected beneficiaries from market pressures and shadow modes of land transfer;
- Insecurities resulting from land conflicts and lack of protection as well as support services from government have induced beneficiaries to lose control of acquired lands;
- There are loopholes in the law and the program's implementation that have allowed landed interests (e.g. landlords and corporations), market forces, and other economic actors to undercut formal land tenure arrangements and foment landlord resistance and other forms of evasion tactics;
- CARP/ER has operated within a changing landscape in the countryside, which now faces realities such as corporate land grabbing, disasters, and climate change which are threats to tenure security and land rights and can potentially reverse the gains achieved under CARP/ER.

## Research Methodology

Hacienda Luisita, Nueva Ecija, Yolanda-affected areas in Leyte, Sumalo in Hermosa, Bataan, Davao del Norte, and Negros Occidental (see map) were chosen as sites for research and focus group discussions. The cases represent landholdings and CARP/ER beneficiaries that cover the following indicators/variables:

1. crop line (e.g. coconut, rice, corn, sugarcane, banana, fruits, others);
2. level of accomplishment (high land distribution/ accomplishment report, moderate, low);
3. large/controversial landholdings (haciendas, plantations, idle agricultural lands, etc.);
4. existence of peasant initiatives/organizations;
5. land distribution modalities (i.e. VOS, VLT, CA, stock distribution option, etc.);
6. critical issues related to agrarian reform implementation (e.g. post-land distribution, reversals, uninstalled beneficiaries, land use conversions, land grabbing, support services, human rights violations).

## MAP

### Location of Cases with Crop Line



Source: Author's rendering; <https://www.easymapmaker.com/>

From October to November 2016, a research design was drafted and completed, outlining the parameters, recommended set of questions, and report guide for collecting data and information. The research team employed multidisciplinary approaches and different methods such as modified life history, case study, focus group discussions, action research, multi-site ethnography, historical, discourse, and policy analyses. Four case studies engendered the participation of 106 farmers/ agrarian reform beneficiaries in four provinces through seven focus group discussions, involving 21 individual storytellers. Table 1 summarizes the data on participants:

**TABLE 1**

**Total Number of FGD Participants and Individual Storytellers in the CARPER Audit Case Studies, by gender**

Location/ Field Sites	Number of FGDs conducted	Participants	Male	Female	Individual Storytellers	Male	Female
Sumalo	2	18	10	8	5	n.p.	n.p.
Hacienda Luisita	1	7	4	3	0	0	0
Leyte	2	25	n.p.	n.p.	4	n.p.	n.p.
Nueva Ecija	2	35	18	17	12	8	4
<b>Total</b>	<b>7</b>	<b>85</b>	<b>32**</b>	<b>28**</b>	<b>21</b>	<b>8**</b>	<b>4**</b>

Source: Author's rendering

NB: \* n.p.: Not provided; \*\* incomplete data/total

The case studies on Davao del Norte and Negros Occidental are based on long-term, field researches, and ethnographic work of the authors. Four of the cases have undergone land distribution via PD 27/CARP/ER reformed areas; while the other two cover agrarian cases that involved socio-political contestations between the state, corporations, and landless farmers.

## Research Findings and Narratives

Land cases in the provinces covered in the case studies<sup>4</sup> is near completion, based on DAR reports (see table 2); their cases mirror the national trend. A total of six 889,271.45 hectares were earmarked for CARP/ER coverage in these provinces; this figure is equivalent to 16.43 percent of the national target area for land distribution. Of these six provinces, Davao del Norte has awarded 109,907 hectares or 97.31 percent of its target for land redistribution. It is followed by Nueva Ecija, which has distributed 97 percent of rice lands earmarked for operation land transfer under P.D. 27 and CARP/ER. Bataan has reported that 21,736 hectares or 95.03 percent of its target has been distributed to more than 18,555 ARBs.<sup>5</sup> Tarlac, on the other hand, has moved 78,693 hectares benefiting more than 50,096 farmer beneficiaries. Leyte has an accomplishment rate of 80.45 percent; while Negros Occidental has the lowest accomplishment rates among the six provinces, with 59.4 percent or 183,075 hectares distributed from 1972 to end 2015. Except for Bataan and Tarlac, the four provinces have poverty incidences above the national average of 21.6 percent.

As shown in table 2, Negros Occidental has the highest land redistribution backlog, not only among the six provinces but also for the rest of the country. Leyte, on the other hand, has a remaining LAD balance of about 20 percent while the other four provinces have remaining LAD balances that ranged from 2.7 to 7.3 percent.

**TABLE 2**  
**Poverty and Land Distribution Profile of Province/Location of the Cases**

Province/ National	CARP Scope/ Target Area for Coverage (in hectares)	Reported Accomplishments (in hectares)	Land Distribution Balance (in hectares)	Poverty Rate (2015) (f)	
				Magnitude (poor population)	Incidence (in percent)
Bataan	22,872 (e)	21,736 (e)	1,136 (e)	14,793	2.0
Tarlac	84,966 (e)	78,793 (e)	6,173 (e)	252,471	18.1
Nueva Ecija	143,970.45 (a)	139,653.90 (a)	4,316.55 (a)	547,711	22.6
Leyte	220,000 (b)	177,000 (b)	41,801 (c)	652,690	31.0
Negros Occidental	304,515 (f)	183,075 (f)	125,343 (f)	867,141	29.0
Davao del Norte	112,948 (d)	109,907 (d)	3,041 (d)	299,672	33.2
Total (6 provinces)	889,271.45	711,205.90	178,065.55	2,634,479	22.65*
National	5,413,630 (e)	4,718,845 (e)	694,785 (e)	21,927,009	21.6

Source: Author's rendering

NB:

(a) Data is from 1972-July 2016. See Table 1 of Flores-Obanil, C. *Agrarian Reform in Nueva Ecija: Gains, Reversals, and Challenges of a Long-Drawn Out Process* on page 71.

(b) Data from 1972-2013. See Carranza and Reyes, *Disaster after Disaster: Agrarian Reform in Post-Yolanda Recovery in Leyte* on page 35.

(c) Data from 2016 to present. See Carranza and Reyes, *Disaster after Disaster: Agrarian Reform in Post-Yolanda Recovery in Leyte* on page 35.

(d) Data from 1972- December 2014. See Thiers, R., *Banana Negotiations: Contracting in the Davao del Norte Export Banana Sector after CARP* on page 128.

(e) Data is from 1972- December 31, 2015. *DAR Accomplishment Report, 2015*.

(f) See Philippine Statistics Authority, *Poverty Statistics 2015, Table 2. Annual Per Capita Poverty Threshold, Poverty Incidence and Magnitude of Poor Population, by Region and Province - 2006, 2009, 2012 and 2015*. See <https://www.psa.gov.ph/content/poverty-incidence-among-filipinos-registered-216-2015-psa> (Accessed: June 23, 2018).

\* Average for six provinces

Beyond these figures, the case studies provide evidence-based narratives and analyses of what happened to agrarian reform beneficiaries and their communities, especially, during/post-CARP/ER implementation. There are six critical themes/issues that emerged from the case studies.

## 1. Effective and full control and post-land distribution trajectories

While there are qualitative differences in the local political, economic, and social conditions, crops planted, existing community/social arrangements, and level of organizing/collectivity that the ARBs/farmers have, the issue of effective control of land and productive resources is present in all these. Here, effective and full control have been defined as “control over the nature, pace, extent and direction of surplus production, distribution and disposition” of the land to others”.<sup>6</sup> This definition points to who decides on the use of the wealth and benefits from the land; control goes beyond management of farms and includes power to realize the farmers’ rights, capability to live a life with dignity, and decide on their livelihood options and trajectories. Further, a common finding among the cases is that ‘control’ over land is a continuing process that is embedded in existing social, gender, and power relations within the household, in the community, and beyond. The following elements also affect the level of effective control of ARBs/farmers over their lands or the lack thereof:

- ability (or failure) of the state to decisively and swiftly implement the program/law and counterbalance anti-reform forces;
- level of farmers’/tenants’ organization/claim-making, knowledge of their legal rights, cooperativism, and entrepreneurship, especially post-land (re)distribution;
- enabling/hindering factors for small farmers/ small farm development: access to productive resources, markets, credit, etc. (e.g. readily available source of affordable credit, farm-to-market roads, technology, farm equipment, and other infrastructure); local institutions (e.g. central market or *bagsakan*, post-harvest facilities, cooperatives); and market forces/structure (existence of traders and usurers, level of monopoly over milling, etc.).
- local and national government’s policy and practical support for ARBs at various levels (or lack of it) (e.g. trainings, financial, technical, etc.);
- presence of (informal) land markets and (in)equality in terms of land-based social relations beyond agrarian reform (e.g. existence of arriendo system or informal lease, pawning, selling of lands to local/foreign capitalists); and
- urbanization, OFW remittances, climate change (e.g. disasters). etc. that determine the changes in land use and real estate value of land.

Based on the cases, four findings have emerged. First, farmers’ loss of control over their land is due to various mechanisms, such as the gradual reconsolidation of lands in the hands of the rural middle class, financial intermediaries, and people with capital through informal and illegal land transactions (under the CARP/ER law, there is a 10-year prohibition on the sale or transfer of lands to other parties), “bigay-bawi” of CLOAs/land titles, and land use conversions into non-agricultural uses by real estate developers and corporations driven by urban sprawl and changing rural landscape.



Second, there is 'ownership without control', which means that the land is owned by the cooperatives or individual ARBs/farmers but are tied to long or short-term contracts with corporations, local capitalists, and financial intermediaries. Such contracts, usually unregulated and un-monitored by the state, are governed mostly by onerous terms and conditions as exemplified in the cases of Negros Occidental, Davao del Norte, and Hacienda Luisita.

Third, farmers/ARBs maintain some form of control over their CARP/ER-awarded lands via collective/individual and independent farming/production system, through cooperatives' provision of important agri-services, regaining of control from the *arriendador* or financiers, as well as through *diskarte* and self-help initiatives. The factors that help farmers maintain control of their land are: (i) having access to socialized credit and initial capitalization, (ii) capability of households to support independent farming (e.g. through OFW remittances and other off-farm incomes), (iii) presence of pro-poor cooperative/association, (iv) small farmers' entrepreneurship, (v) timeliness and relevance of support services, and (vi) institutional, infrastructure, and policy support (from national and local governments and non-state actors).

Fourth is the presence of long-drawn agrarian conflicts in areas where land distribution has already been reportedly completed (e.g. Sumalo, Leyte) but landlord resistance ensues, while second and third generation problems<sup>7</sup> and anomalies hound the implementation. Examples of anomalies are when land distributions have been reported as accomplishments but the CLOAs or land titles are not distributed; when illegal and unequal share tenancy relations persist. The problematic and anomalous land distribution has created schisms, even animosity, in the agrarian communities and fostered unnecessary conflicts between various farmer groups.

In all these trajectories, the subject of contestation or control is not only the land but historical rights and legitimate tenure rights already recognized by state laws. When local communities are faced with more economically and politically powerful land claimants, they tend to lose control over their lands, and their legitimate tenure rights disrespected and disregarded (e.g. Sumalo, Leyte).

## 2. Agrarian transitions

Having or owning land is certainly an essential ingredient to free farmers and tenants from exploitative relations. However, it is not enough in as much as land titles are not enough. This is the painful reality in the reformed areas covered by the case studies. The process of agrarian transitions is a painful and difficult process, especially for former tenant/workers-turned-small landowners. The local contexts are generally averse to the still vulnerable ARBs/farmers. Also, existing policies can partially or fully cancel out gains from land redistribution, if not reverse

them. CARP/ER is considered an orphan program, contradicted, if not often cancelled by other state policies such as the liberalization of the mining industry and resource extraction, and preference for domestic or foreign investments in land. The redistribution of sugarcane hacienda lands in Haceinda Luisita among the farmworkers through the *tambolo* (raffle) system provides a case in point. The lands awarded to ARBs/farmworkers are far from their place of residence, increasing their transportation costs and disincentivizing them from farming. At the same time, the general political economy of sugarcane and existing illegal land pawning, sale or lease called *arriendo system* have made it difficult for farmers to shift to other crops or alternative models of farming.

Further, as mentioned above, the lack or inaccessibility of support services, especially credit and initial capitalization, is critical for new and existing ARBs, as it can lead to the loss of meaningful control of lands. Here, rights-claiming or claim-making continues and oftentimes, successful transition from former tenants/workers to new ARBs/landowners entail effective organizing (e.g. into ARB-led cooperatives), small farm management and development, leveraging of or critical engagement in local markets, and counter-balancing of big players with capital and finance. These are tools that can aid in farmers' improvement of their household incomes as well as in improving their general well-being. But even in successful cases (e.g. Nueva Ecija's land transfer of rice areas), agrarian reform reversals are real and tenure security is always contested. Reversals even occur through legal ways such as the cancellation of land titles/CLOAs filed by commercial and business groups and use of coercion, force, and repression as in the case of land enclosures and land grabbing. There are also various forms of disincentives, such as lack of subsidies in terms of pricing or farm inputs that make it hard for the farmers to compete in a largely liberalized agricultural market, for instance in competing with cheaper agri-produce from China and Taiwan. Other disincentives pertain to the structure of local agricultural value chain, e.g. monopoly control over milling in sugarcane or rice areas by local capitalists.

What the cases in this publication underscore is that the role of the state and its agencies, whether in terms of support services, policy, infrastructure, and institutional support, are much needed for ARBs/farmers and small farm development to flourish. And a big lesson for many farmers/ARBs and agrarian reform advocates is that land struggles should always be accompanied with struggles for broader development alternatives, especially around public financing and investments in rural areas and in the creation of autonomous agrarian communities where small farming is both an attractive and viable undertaking.

Another key finding is the importance of land tenure security in the context of climate change-induced disasters as seen in what happened in Yolanda-stricken areas. In post-disaster recovery and rehabilitation, land ownership is at the front and center—evacuated victims/survivors,

mostly farmers and fishers, are displaced from their lands and sources of livelihoods, proof of land ownership through titles are needed to access government support, and contestations over lands intensify through real estate development prospecting, resettlement efforts, and land use re-planning and zoning.

### 3. Transformations and changes in the politics of land and market

The narratives reveal that CARP/ER changed the social relations among ARBs, between ARBs and non-ARBs (e.g. rural labor, former landlords, etc.), as well as their socio-economic status in the communities. There are positive and negative changes as well as unintended consequences. On the positive, there have been changes in the lives of the ARBs/farmers such as increased incomes, freedom from exploitative relations, and exercise of power and agency in everyday practices whether through contract negotiations as in the case of Davao del Norte's ARBs in the banana plantations or through more strategic changes in the relations between ARBs and their former landlords/corporations. For the latter, for example, after the redistribution of lands in Negros Occidental, Nueva Ecija, and Davao del Norte, the positions of either the local hacenderos, former landed elites, and agribusiness corporations have general weakened not only because of CARP but also because of entry of new players. In the case of Negros Occidental, the local hacenderos lost ownership of most of the province's sugar mills to non-local Chinese and Filipino corporations. In Davao del Norte, the demands for bananas in the Chinese markets have loosened the control of the Philippine Banana Growers and Employers Association, traditionally dominated by powerful Filipino families in Mindanao. In Nueva Ecija, the distribution of rice lands to small farmers has created a new sub-class of middle, rich farmers that are able to compete with former landowners. Some small landowners are now able to exercise control over their lands as they have found ways to maneuver in the local markets (in terms of where they will sell and how much they can earn).

The negative and unintended consequences of CARP/ER are seen in the following:

- In sugarcane, banana, and rice areas, an unintended outcome of CARP/ER has been the creation of a vast informal land market for lease, mortgage, and sale. There is an ensuing commodification of the land and land rights of ARBs despite the prohibition of the law, a re-concentration of tracts of lands in the hand of lessees or third parties, and indebtedness among ARBs who have pawned or leased their lands. In the sugarcane areas, this illegal and informal land transfer is called *arriendo*; in the banana plantation areas, this take the form of leaseback arrangements and in rice lands, *sanglang sagad* or *sanglang patay*. Most of the arrangements are unregulated and un-monitored by DAR, are governed by onerous terms, and are disadvantageous to the ARBs/farmers.

- Rapid differentiation or sharp stratification among ARBs—many have become landed workers or landed poor through the informal lease, pawning and selling of their CARP/ER awarded lands; still many have become landless and are unable to regain control. New forms of exploitative relations have also emerged; for example, the labor in ARB-owned banana and sugarcane plantations or rice farms are casualized and rural labor are displaced by farm mechanization (e.g. use of big rice harvesters called ‘halimaw’ in Nueva Ecija).

#### 4. New ways to assess CARP/ER implementation and its impacts

The cases to some extent validate the findings of CARP impact at macro level of different institutions, i.e. the program has positive effects but are modest, whether in terms of realizing land equity or poverty alleviation. There is also a general sentiment among ARBs that CARP/ER as a reform and social justice program can be seen as ‘glass half-filled’; that there are positive effects of agrarian reform on their lives, especially in building social capital and alleviating them from poverty but that the program remains unfinished not only in terms of land distribution but also in fulfilling its mandate of integrated support service provision to new and existing farmer beneficiaries.

The cases bring forth an analysis that the formula for a dynamic agricultural/agrarian sector comprise effective land distribution and control, secure land rights, production assistance or subsidies for support services. Secure land rights entail ensuring that the bundle-of-rights are guaranteed, i.e. ARBs maintain user rights, decision-making over production, selling and even pricing, and have the right to sell or lease portions of their land in a non-forced or coercive manner. This bundle-of-rights continues to be contested and at times needs to be negotiated, as in the case of the decision to lease or mortgage ARB lands to third parties.

The last point points to a new way of appreciating the effects and impacts of CARP/ER and agrarian reform in the countryside—that “instead of solely focusing on small farmers and agriculture, land reform needs to be understood as a means to create conditions in which people can construct livelihoods from a variety of sources, both agricultural and non-agricultural, in more effective and productive ways”.<sup>8</sup> This means that the livelihood strategies of ARBs/farmers need to be appreciated, their interests and points of view considered, and CARP/ER’s success or failure measured according to the impact on their daily lives.

For example, the land is not just a material resource but carry the beneficiaries’ aspirations to be independent and autonomous when they are transformed from being former tenants/farmworkers to being new small landowners. The latter state brings them a new sense of dignity and enriches their social identities as farmers. At the same time, there are major concerns over securing

subsistence for their households, improving their income and livelihood, sending their children to school to find a better future for them, and having enough monies for hospitalization, health, and other basic needs. In this light, the ARBs value the land differently depending on their livelihood resources, strategies, and opportunities within the context of diversified household economies. Farmers/ARBs are able to exercise their power, agency, and control, even in the most inhospitable environments, either through rightful resistance<sup>9</sup>, leveraging, or claim making.

The cases also show that there are broader structural contexts that limit their options, which entail going beyond categorizing ARBs who lease, sell or mortgage their lands as law-breakers according to the state's standards, or as failed ARBs. This new way of understanding CARP/ER's impacts can engender appropriate policies that can open new spaces and options for ARBs to flourish. Another implication is that there is a need to re-examine decades-old call of land-to-the-tiller, especially when the cases clearly show that owning a piece of land is a start and that agrarian reform remains relevant, but is not enough and certainly not a magic bullet or panacea that can automatically bring rural development.

## 5. The urgent need for social protection

Social protection in the countryside is a theme that came out in all of the cases. Social protection comprises social rights derived from national and international human rights instruments and treaties, such as access to basic services (health care, education, housing, water and sanitation) as well as social transfers, either in cash or kind that guarantee food and income security, right to adequate nutrition, and access to essential services (e.g. conditional cash transfers, targeted policies supporting senior citizens). The inadequacy in or lack of social protection in the rural areas render post-land distribution initiatives and efforts by ARBs/farmers challenging and add to their vulnerabilities. A common narrative is that one of the reasons for the sale, mortgage or lease of CARP/ER-awarded lands by ARBs is to have cash for hospitalization and health care needs. Unfortunately, many ARBs and rural laborers do not have social and health care security (e.g. PhilHealth coverage or insurance coverage). A forward-looking agenda for the countryside must tackle this challenge.

## 6. Power of ARBs/farmers as a united collective voice and actor

Landless farmers and ARBs can be seen as new political players emerging from particular socio-economic, political, and cultural processes; and often, they are change-makers in their own right. These processes are of course tied to the state's implementation of CARP/ER, the presence of positive state-society interactions, and the incremental and protracted initiatives of ARBs and peasant organizations to claim their Constitutionally-mandated and historical rights. The power of

ARBs to defend their interests within current conditions are often either reinforced by the presence of pro-reform state allies (state reformists) or challenged by existing constraints that range from landlord resistance and influence of other actors to broader structural and institutional issues. Defending these interests entails combined forces of “independent pressures and mobilizations from below by rural movements, as well as managed state endeavors from above by programmatic bureaucrats...catalyzed significant political opportunities for pro-agrarian reform forces to strengthen their collective bargaining power in relation to landed elites and other anti-CARP social groups”<sup>10</sup>. In other words, these are positive state-society interactions in favor of agrarian reform. This is especially important in the context of harassments and human rights violations in on-going agrarian conflicts. The cases illustrate that the ARBs as a collective and new political player need to influence the state and its various agencies to stop such violations and bring justice to the victims.

Further, as CARP/ER has become an arena for intense social and political mobilizations, the reformed areas have become sites through which ARBs (and other local actors) attempt to domesticate these domains and channel its multiple flows and benefits in desirable directions. For instance, weak farmers’ organizations or absence of cooperatives in post-land distribution areas adds to further fragmentation and weakening of political agency of ARB population, instead of making them a united collective voice. Organizing of ARBs towards becoming a powerful collective voice and actor that can demand fair pricing, access to local markets, and policies that support small farm development remains a major challenge.

## Conclusion

The above themes do not form a comprehensive list. This collection offers much more depth and analyses in terms of making us understand current ground realities of people affected by one of the longest running agrarian reform programs in the world under a ‘democracy’. CARP/ER’s implementation and its impacts on the lives of farmer beneficiaries as well as its ability to change the politics of land and market exist in a field of contending forces with variegated interests, where one finds the landed elites’ protracted opposition, and on the other hand differing bargaining power, including that of the farmers’.<sup>11</sup> What the case studies reveal is that land ownership and tenure continue to be relevant and important; but with continued precarity and vulnerabilities of small farmers, rural laborers, and ARBs, greater challenges of climate change, attacks on democratic institutions and human rights under the current administration, and changing rural landscape (partially, induced by CARP/ER), more grounded policies to assist farmers and ARBs, to foster independent, small farm development, and to usher in an era of lasting peace and prosperity in the countryside, are still imperative.

## ENDNOTES

- 1 However, technically-speaking, the research project was not an audit but a collection of qualitative researches and case studies.
- 2 NEDA argues that there is a positive correlation between the CARP scope and the extent of landless workers, measured as the ratio of tenants/landless workers to total farmers, in provinces slated for compulsory acquisition. This means that provinces identified for compulsory acquisition are also the areas where big landholdings exist and with large number of tenants/landless workers. See Ballesteros, M., Ancheta, J. and Ramos, T. (2017), "The Comprehensive Agrarian Reform Program after 30 Years: Accomplishments and Forward Options, Discussion Paper Series", No. 2017-34, Philippine Institute for Development Studies. [www.pids.gov.ph](http://www.pids.gov.ph)
- 3 This aspect was not further interrogated in the case studies.
- 4 Two of the case study areas are part of the priority provinces at the beginning of the original CARP's implementation, i.e. Nueva Ecija and Negros Occidental.
- 5 DAR Region III, CARPER Situationer 2013, [https://docs.google.com/presentation/d/1OSd1CFAN7mc\\_2S2YE2fp4JcXJpRHI4S7PKOPjELHzPA/pub?start=false&loop=false&delayms=3000&slide=id.g5324ac52f\\_2\\_108](https://docs.google.com/presentation/d/1OSd1CFAN7mc_2S2YE2fp4JcXJpRHI4S7PKOPjELHzPA/pub?start=false&loop=false&delayms=3000&slide=id.g5324ac52f_2_108) (Accessed: June 23, 2018). The number of ARBs is not complete as it only covers data from 1972-2013.
- 6 Borras, 2005: 92. See Borras, S. (2005), "Can redistributive reform be achieved via market-based voluntary land transfer schemes?: evidence and lessons from the Philippines", *Journal of Development Studies* (40), 90-134.
- 7 Second and third generation problems pertain to issues related to the post-land distribution, which include cancellation of titles, exemptions, reversals, and others that undermine reform gains. The term was first coined by the defunct agricultural and rural development-focused NGO Philippine Peasant Institute in the 90s.
- 8 Hart, G. 1995: 46, cited in Razavi, 2003: 29. See complete article, Razavi, S. (2003), "Introduction: Agrarian Change, Gender and Land Rights", *Journal of Agrarian Change*, (3, 1-2): 2-32.
- 9 Rightful resistance is a term popularized by Kevin O'Brien, which refers to popular actions that use policies, laws, and other established values to challenge/defy power holders who failed to deliver on promises and live up to some ideals and make them accountable.
- 10 Cruz, J.P. and Manahan, M.A. (2014). "CARPER diem: a socio-legal analysis of the state of the comprehensive agrarian reform program in the Aquino administration", *Ateneo Law Journal*, 59(3): 930-1006.
- 11 Ibid.



# DISASTER AFTER DISASTER AGRARIAN REFORM IN POST-YOLANDA RECOVERY IN LEYTE

BY DANILO T. CARRANZA AND RINA B. REYES

*The case study features the anomalous implementation of agrarian reform and illegal tenurial arrangements uncovered in Yolanda-stricken Leyte and the rightful resistance<sup>1</sup> of affected farmers, communities, and survivors of disasters to reclaim their lands and make the state accountable.*

## Introduction

Formal land property right has emerged as a central issue in emergency response and long-term recovery in areas affected by large-scale disasters, such as in the case of central Philippines that was devastated by super typhoon Yolanda (international name: Haiyan) in November 2013. Recovery has been more difficult for those with land tenure problems, especially that they were mostly the poor and marginalized even before the disaster. They were the informal settlers, farmers, and public land occupants.

Leyte, one of the three main islands in the Eastern Visayas or Region 8, has a total land area of 744,760<sup>2</sup> hectares. It has the largest croplands in Region at 322,252 hectares<sup>3</sup>; rice and coconut are the main agricultural products. Of the total land area, 293,000 hectares are classified Alienable and Disposable and 278,000 hectares are forest lands<sup>4</sup>.

Yolanda either severely damaged or completely destroyed more than 8.5 million coconut trees in Leyte province, according to the Philippine Coconut Authority. Meanwhile for rice farmers, the damage was more extensive, despite having completed the wet season harvest when Yolanda struck. The damage was more in “farm machineries, storage, housing, and damage to roads and

irrigation”<sup>5</sup> due to the storm surge. The super typhoon affected a little over 50 percent of the almost two million residents of Leyte province, who mostly depended on agriculture for livelihood. The number of impoverished persons in the Visayas further increased and it would take longer for the poor to escape poverty.<sup>6</sup>

CARP was on its 25th year of implementation when Yolanda struck. DAR Region 8 (DAR R08) reported that its cumulative land distribution from 1972 up to December 2013 amounted to more than 150,000 hectares of the 200,000 hectares of lands for redistribution, these had been distributed to about 50,000 ARBs (see table 1).<sup>7</sup> Leyte had the highest CARP accomplishment in the region. As of end 2015, the balance in Land Acquisition Distribution was 31,148 hectares, 95 percent of which or 29,682 hectares were for Compulsory Acquisition.

**TABLE 1**  
**Land Acquisition and Distribution (LAD) Target, Reported Accomplishments and Balance under CARP/ER (in hectares), 1972-2013**

Provinces	CARP Target/ CARPable lands for acquisition and distribution (1972-2013) (1)	Reported CARP Accomplishments (1972-2013) (2)	Remaining LAD Balance (2016-Present) (3)
<b>Region 8</b>	<b>494,000</b>	<b>430,000</b>	<b>61,117</b>
Leyte	220,000	177,000	41,801
Southern Leyte	25,000	23,000	1,652
Samar	85,000	82,000	2,382
Eastern Samar	75,000	69,000	5,946
Biliran	14,000	13,000	40
Northern Samar	75,000	66,000	9,296
<b>National (4)</b>	<b>5,344,277</b>	<b>4,718,845</b>	<b>625,432</b>

Sources:

1. Estimated values based on graph presented in CARP Situationer, <http://www.dar.gov.ph/region-viii>
2. Ibid.
3. DAR powerpoint presentation, Leyte Provincial Assessment, PALO, May 2017
4. Data is from 1972-2015, from DAR website, <http://www.dar.gov.ph/major-final-outputs-mfos/lti-2>

CARP is important because it is a major anti-poverty policy that has recognized landlessness among tillers as a primary cause of rural poverty. Still, land distribution alone is not enough to address poverty. In 2008, CLOA generation was reported at its highest in Region 8. This would indicate that aside from land redistribution, the farmers should have had benefited from the support services from various agencies. But this seemed to have had little effect on poverty alleviation in the region. Eastern Visayas' poverty incidence worsened from 47.4 percent among farmers and fisherfolk in 2006 to 49.2 percent in 2012.<sup>8</sup>

Official reports on land redistribution differed radically from ground realities exposed after Yolanda when farmer-survivors who were supposed to have had secure land tenure were found not to be the real holders of titles. This has far reaching implications for their early recovery and long-term rehabilitation as Yolanda survivors.

As part of its on-going community organizing and social movement building work<sup>9</sup> aimed at uncovering the anomalous records and as contribution to the CARP/ER research project on why farmers are still not in full control of their lands, the Rural Poor Institute for Land and Human Rights Services, Inc. (Rights, Inc.) conducted three focus group discussions with 25 farmers on CARP/ER and Yolanda rehabilitation. They were from 17 barangays in six municipalities and with participants' age ranging from 18 to 61 years old. (See Tables 2 and 3) The FGDs were not enough to draw out the farmers' experiences in their struggle for land rights vis-à-vis existing agrarian reform program, so the team also solicited written narratives from the participants.

**TABLE 2**  
**Individual Narrators**

Interviewee*	Socio-Economic Profile
1	<ul style="list-style-type: none"><li>• A 40-year old Married Male, with three children.</li><li>• College Graduate</li><li>• Barangay Official</li><li>• Agricultural Leaseholder, no land of his own</li><li>• Started farming at an early age of 10, belongs to a large family</li><li>• Sees college degree in Fisheries as a fallback, and farming as the main profession</li><li>• Member of an active Farmers' Group</li></ul>
2	<ul style="list-style-type: none"><li>• 56-year old Female, Married with 5 children</li><li>• President of a Farmers' Association, Concurrent President of a Municipal Federation</li><li>• With para-legal trainings</li><li>• Husband was a former OFW. These days rely solely on income derived from farming</li></ul>

3	<ul style="list-style-type: none"> <li>• A 61-year old Male, Married with 4 children</li> <li>• BARC Chairman</li> <li>• President of a barangay level Farmers Organization, Officer of their municipal federation</li> <li>• Relies solely on income derived from farming</li> </ul>
4	<ul style="list-style-type: none"> <li>• 38-year old Female, Married, with 4 children</li> <li>• Lives with mother</li> <li>• Barangay Volunteer</li> <li>• College level education</li> <li>• Husband helps to tend to a small rain-fed lot planted with root crops, palay and coconut trees. Husband is a “mananagot” (tuba gatherer) by trade</li> <li>• Active leader of Katarungan Leyte Federation (Regional level formation)</li> </ul>

*\* Numbers used in identifying key informants to preclude possible harassment*

**TABLE 3**  
**Socio-economic Profiles of Focus Group Discussions**

Participants	Socio-economic Profile
A	<ul style="list-style-type: none"> <li>• 36-year old Female, Married with 1 child</li> <li>• Daughter of a CLOA Holder</li> <li>• Eldest of five children, was given the rights to her father's CARP covered land</li> <li>• Relies only on income derived from farming</li> <li>• Started farming at a young age, assisting her father in tilling their CARP covered land</li> <li>• Lives in a shack in their CARP covered land</li> </ul>
B	<ul style="list-style-type: none"> <li>• 21-year old, college graduate</li> <li>• Single father, works odd jobs</li> <li>• Son of a CLOA Holder reinstalled after 15 years struggle</li> <li>• Supports parents in their farming activities</li> </ul>
C	<ul style="list-style-type: none"> <li>• 21-year old single Male, son of a CLOA Holders re-installed after 15 years struggle</li> <li>• College level</li> <li>• Assists parents in tending their CARP covered rice field</li> </ul>
D	<ul style="list-style-type: none"> <li>• 23-year old Male, unmarried, son of a CLOA Holder reinstalled after 15 years struggle</li> <li>• No longer studying, finished high school</li> <li>• Focused on tending to their CARP covered rice field</li> </ul>
E & F	<ul style="list-style-type: none"> <li>• Husband and wife, with 5 children</li> <li>• Husband is CLOA Holder</li> <li>• Wife retired from security service, used retirement money as capital for rice and fruit bearing trees</li> <li>• With basic orientation on para-legal training</li> <li>• Wife is president of a barangay level organization and an Officer of the Katarungan Leyte Farmers Federation (Provincial level formation)</li> </ul>

G	<ul style="list-style-type: none"> <li>• 74-year old widow, Female</li> <li>• Lives with children and grandchildren</li> <li>• Claimant to an LSBDA covered land</li> <li>• Relies on vegetable and root crop farming using natural farming methods and some economic support from children</li> <li>• Evicted from land decades ago</li> </ul>
H	<ul style="list-style-type: none"> <li>• 53-year old Female, married with 12 children</li> <li>• Relies heavily on income derived from palay and root crop farming</li> <li>• Elementary level education</li> <li>• Husband is a part time laborer, and part time farmer</li> </ul>
I	<ul style="list-style-type: none"> <li>• 61-year old Female with 4 children</li> <li>• Tenant without a leasehold contract</li> <li>• Officer of the barangay level Farmers Association</li> </ul>
J	<ul style="list-style-type: none"> <li>• 65-year old Female with 4 children</li> <li>• Awaiting release of CLOA</li> <li>• President of a barangay level association</li> <li>• Former Barangay Official</li> </ul>
K	<ul style="list-style-type: none"> <li>• 42-year old Single Mother</li> <li>• Daughter of an ARB, whose CLOA is still unreleased</li> <li>• Part time salon worker, farms a small backyard with mother</li> <li>• Eldest of 9 children. Thus, was expected to help mother in farming</li> </ul>
L	<ul style="list-style-type: none"> <li>• 54-year old Male, Married</li> <li>• Eldest of seven (7) children</li> <li>• Deceased Father is the awarded beneficiary of the CLOA that is part of the Undistributed CLOA</li> <li>• Barangay Kagawad</li> </ul>
M	<ul style="list-style-type: none"> <li>• 55-year old Married Female</li> <li>• Barangay Volunteer</li> <li>• President of a barangay level Farmers Association</li> </ul>
N	<ul style="list-style-type: none"> <li>• 47-year old Female, Married, with 2 children already working in Manila</li> <li>• Tenant without leasehold contract, threatened of eviction by landowner</li> <li>• Barangay Kagawad</li> <li>• College graduate</li> </ul>
O	<ul style="list-style-type: none"> <li>• Married Female with 8 children</li> <li>• Barangay Captain</li> <li>• President of a barangay level farmers association</li> <li>• Head of the family as husband is currently incarcerated</li> <li>• Battered wife</li> <li>• Tenant without leasehold contract</li> <li>• Familiarized self with land reform laws through seminars and trainings with Rights, Inc.</li> </ul>
P	<ul style="list-style-type: none"> <li>• 57-year old Female, Married with 7 children</li> <li>• Husband is a part time laborer, mason and tuba-gatherer</li> <li>• Lives with youngest child and one granddaughter</li> <li>• Barangay Kagawad on her last term, wants to focus on farming</li> </ul>

*\* Numbers used in identifying key informants to preclude possible harassment. Three of the children of beneficiaries joined the discussion for the first time but have shared their insights gained through observations from the sidelines.*

The team encouraged the participants to speak in the vernacular. Most turned emotional when telling the stories of their struggles, which for some had been ongoing for 20 years. The FGDs had to pause from time to time to acknowledge the emotions running through the discussion and to allow translation of difficult Waray phrases. The participants were accustomed to each other well enough to be comfortable in telling their stories. Their solidarity was fostered by two years of mobilizations, camp-outs, joint activities, and meetings.

The choice of Leyte as a case study was strategic as it contains elements of the criteria set out by the collective research project: high accomplishment report, locality (coconut areas), critical issues of erroneous coverages, strong peasant initiatives, and land tenure issues amid post-disaster recovery. There are four key issues over-lapping in these organized municipalities: 1) generated and registered but undistributed CLOAs; 2) awardees and holders of CLOAs have yet to be installed as owners of the lands in Ormoc City and Kananga; 3) anomalous coverage of the Leyte Sab-A Basin Development Authority (LSBDA) land, government-owned lands partly controlled by influential private persons<sup>10</sup>, and; 4) persistence of share tenancy, which was no longer allowed by law, and could have been resolved with a little sense of urgency from the government in the context of super typhoon Yolanda's catchphrase "build back better".

Five years since Yolanda, the government has yet to fully realize its promise of building back better the lives of the survivors. These are their stories.

## Realities from the Ground

### *Exclusion of farmers from humanitarian aid and government support*

*"Kung hindi dahil sa Yolanda ay wala kaming alam sa mga CLOA na yan".* (If not for Yolanda, we would not have known anything about CLOAs) What Lolita Candaza of Barugo said encapsulated the extent of awareness of the Leyte agrarian reform beneficiaries about land reform. Through dialogues conducted with government, the farmers uncovered approximately 10,000 CLOAs, which remained undistributed, to around 16,000 farmers or 18,716 hectares spread in 167 barangays in five municipalities, thereby challenging the number of "agrarian reform beneficiaries" officially reported in the province of Leyte.

According to Candaza, these CLOAs had been generated between the years 2006 to 2008 but were not released from DAR and the Registry of Deeds, pending DAR's submission of documents, supposedly necessary for the regular transfer of property such as tax records and transfer action from one person to another, among other requirements.

Jean Rollo, whose mother was an ARB of a government-owned land in Barugo, was one of the farmers who trooped twice to Manila to demand for the immediate release of the CLOAs to enable them to get shelter assistance from humanitarian organizations. They garnered support from the Office of the Presidential Adviser for Reconstruction and Rehabilitation during two dialogues with the agency. In one of the dialogues, DAR was asked by then OPARR Secretary Panfilo Lacson to resolve the complaint of farmers within three months due to the urgency required by the situation. The Commission on Human Rights also convened a national level Inter-Agency dialogue and the House Committee on Agrarian Reform in 2014 and 2015. During the hearing organized by COCAR, members of the Committee appealed to DAR to issue certifications for temporary tenure so that the farmers could still secure the shelter assistance they needed. DAR, however, did not agree to such proposal on the ground that said certification would have no legal force.

This has created an anomalous situation. CLOAs are titles that should be in the hands of farmer-beneficiaries; DAR has failed to fully explain this anomaly. However, the timing of the en masse generation of CLOAs creates suspicion; they were often made on the last day of the year, probably to shore up accomplishments, as every field personnel directly involved in documentation was "reported to receive cash incentive for every CLOA processed"<sup>11</sup>. An employee of DAR who requested anonymity revealed to the interviewers that during the years that the said CLOAs had been generated, the province of Leyte topped the land distribution performance of DAR in the entire country.

To secure their titles, the farmers conducted their own validation to determine the extent of the undistributed CLOAs in their municipalities. In the process, they discovered that there had been a substantial number of CLOAs issued to non-tillers, professionals, members of influential families, and even to a DAR Legal Officer.

What started as a bid to claim their titles needed to access livelihood and housing support after Yolanda soon evolved into a campaign to stop farmers' evictions from farmlands. Catalina Bacatano of Parag-um, Carigara, whose husband Alfredo was one of the five ARBs of a 12.17-hectare coconut land, was issued a notice by their *agaron* (Waray word for land owner) to vacate the land due to non-payment of shares. Bacatano said that their share stood at 50-50 of gross production, but when Yolanda fell the coconut trees, they were unable to give their share. Bacatano and her husband, technically, should not have had an *agaron*, as the coconut land had been classified as a non-compensable GOL, meaning that these had been allocated for other government entities. Compensation should not be required as there was no cost in the acquisition of these lands.



Non-compensable GOLs were lands that had been used for government programs for socio-economic growth of rural areas like *Kilusang Kabuhayan at Kaunlaran* in the 1980s and in 2004, the National Livelihood Support Fund.

Totally oblivious about being an ARB as far back as 1993 but with no CLOA on hand and lacking awareness of the government's agrarian reform program, Bacatano gave in to the demand of giving shares, as a tenant would. Bacatano's *agaron* was a notorious family in Carigara, whose business thrived on money-lending and selling of goods like kerosene and other small household items to farmers; they demanded for the farmers' land as collateral once the debts had piled up. Bacatano said that when their family was able to pool together money to pay off their Php800.00 debt, the *agaron* refused, and instead demanded Php40,000.00 so that Bacatano could get back the land. But Bacatano has refused to give up the land, tilled by her ancestors, and has stopped acknowledging the *agaron* despite fear for her family's safety. The *agaron* allegedly burned down the house of a farmer and bulldozed the house of Bacatano's brother when both had refused to leave their farms. "*Kung alam ko lang noon pa na may ganyang programa ang gobyerno at kami ang binigyan ng titulo, naipakita ko sana sa kanya nung 1993 pa*", Bacatano said. (Had I known of the government's program that would award my husband the title, I should have shown it to them back in 1993)

Many other farmers shared stories similar to that of Bacatano's. The weak presence of farmers' organizations and the farmers' generally insufficient awareness of their legal rights had made them vulnerable to land grabbing and other unfair arrangements, such as the persistence of share tenancy. They were also unable to make DAR officials and employees accountable for the misdeeds and malpractices that had undermined farmers' rights.

Criseta Albarido, a farmer leader in Alangalang presented a different case though. She and other 43 families had cultivated 18 hectares of land in Alangalang, only to find out later, when she was scrutinizing the list of undistributed CLOAs that said certificates had been in the name of the heirs of a well-known political family in Palo, Leyte. "*Ang hindi ko lang maintindihan bakit sa pamilyang ito naibigay ang CLOA samantalang hindi naman sila qualified na beneficiary, nung Yolanda wala kaming nakuhang ayuda kasi hindi naman kami ang nakalista bilang mga ARB*", she recounted. (I am at a loss as to why the CLOAs were awarded to this family when they were not qualified as beneficiaries. After Yolanda, we did not receive aid or support because we were not recognized as ARBs) DAR later said that the CLOAs, also undistributed to the heirs of the political family, would be cancelled since the land had not been titled. Albarido is now involved in a mediation case for the execution of a leasehold contract with her *aragon*. She still aspires for DAR to cover the area beyond the five-hectare retention limit given to the landowners.

This lack of mechanism of accountability and the non-participation of actual tillers in the implementation of the program have also resulted in the exclusion of some actual occupants from

being selected as CLOA awardees. Consequently, the excluded farmers have continued to face difficulties in accessing humanitarian aid. Benilda Madronero's father is one such farmer. Tilling the land in Hilaba, Barugo since the 1940s, the land was instead awarded to another claimant with a tax declaration presented as proof of tenure.

Rights, Inc. and its partner mass-based organization, *Katarungan or Kilusan para sa Repormang Agraryo at Katarungang Panlipunan* (Movement for Agrarian Reform and Social Justice), started organizing the farmers in the last quarter of 2014. Through the farmer organizations' relentless mobilizations, steadfast campaigns at the local and national levels, and the push to re-validate the list of ARBs with undistributed CLOAs, DAR acceded to a joint-revalidation process with the farmers in the five municipalities covered by Katarungan. As a result of the campaign, the Land Registration Authority intervened, which resulted in ROD releasing about 6,000 physical copies of the CLOAs. The joint re-validation activity also resulted in the distribution of a total of 1,058 CLOAs given to 1,127 ARBs in November 2016, covering 2,153.7 hectares.

The joint re-validation, concluded in June 2017, revealed a host of other issues ranging from lands for distribution to non-tillers and non-farmers being identified as ARBs to overlapping titles from DENR and DAR and thus, double issuance of CLOAs. The Katarungan validating team is now working with respective DAR Municipal Offices for re-documentation and further research on the issues that were discovered during the re-validation.

### ***CLOA holders with no land: the plight of the uninstalled farmers***

There were farmer-survivors who received their CLOAs but have yet to peacefully occupy the lands awarded to them. They are commonly known as “uninstalled beneficiaries”. DAR's official record as of June 30, 2014 showed that there were about 1,200 uninstalled farmer beneficiaries who should have been the owners of 1,800 hectares in Ormoc and Kananga alone. Many of these farmer beneficiaries had received their CLOAs in the 1990s.

This scenario has been perpetuated by government's failure to affirm the rule of law. They did not assert the farmers' land rights despite sustained dialogues initiated by the farmers. This may be attributed to the DAR Region 8 chief legal's position that the 'CLOA is not a title', which offers very little sense of security to the uninstalled farmers. In most instances, farmers were forced to give up their land rights through “compromise agreements” mediated by DAR to thwart resistance by landowners or adverse claimants towards a peaceful cultivation of land by the CARP beneficiaries. Threats of violence against uninstalled farmers have emanated from non-beneficiaries. Motivated usually by fear or loyalty to former landowners, these non-beneficiaries refused to be identified as beneficiaries under the agrarian reform program.

In the case of Bugho Farmers Association (BFA) in Ormoc, problems arose when the CLOA holders were installed in their awarded land in 1999. This case was referred to Rights, Inc. by then Social Action Center Director of Palo (SAC Palo), Leyte, Fr. Edwin Perito. SAC Palo has been an active advocate of agrarian reform, and one of the cases they handled involved the 15-year long struggle of the 21 uninstalled farmers in Ormoc City. Rights, Inc. helped by organizing and assisting in the farmers' campaign for their re-installation.

Shortly after converting and developing the awarded 46 hectares from sugarcane land to rice, since being awarded their collective CLOA in 1998, the 21 uninstalled farmers were forced to give up seven hectares when they were driven out by the non-beneficiaries. These non-beneficiaries had been regular farmworkers in the sugar fields who refused to submit to the process because they were allegedly promised by the former landowner that the land would not be subjected to coverage if no one applied.

On the second cropping in 1999, in the middle of harvest, several non-beneficiaries assisted by some members of the 19th Infantry Battalion forced CLOA holders to leave the land at gunpoint. These non-beneficiaries illegally occupied the lands while petitioning for their belated inclusion as beneficiaries. They used their petition for inclusion as ARBs to pre-empt legitimately selected farmers from returning to the land. These non-beneficiaries then started to organize themselves into a farmers' group and recruited other persons, including some *habal-habal* drivers, and continued as illegal occupants in the 46-hectare land. This resulted in a poor versus poor situation, as has been the case in many agrarian reform areas in Leyte.

Failure to install/reinstall the real agrarian reform beneficiaries opened up the land to informal land transactions between illegal occupants and land speculators/bankers, and even to illegal squatting syndicates. Rosenda Apay, CLOA holder and president of the BFA, recounted stories she had heard about illegal occupants selling portions of land to other farmers within the community, to an influential businessman in Ormoc, and to the village head. The non-beneficiaries' group or the illegal occupants have continued to front for these influential individuals to make it appear that the conflict is exclusively between competing land-poor farmers. This situation has blurred the fact that the selling of agrarian reform lands was prohibited; meanwhile the identity of land buyers and speculators not qualified as agrarian reform beneficiaries were protected.

Years of dialogues held at the local DAR level and fatigue from a series of long drawn-out legal processes, which BFA consistently won, drove BFA to agree to a compromise agreement authored by DAR. In the said 2002 compromise agreement, BFA would retain 25 hectares out of the 46 hectares to avert further violence and so that BFA members can also peacefully return to their land. However, more than a decade later in 2012, they remained uninstalled as DAR had failed to implement the Writ of Execution on the compromise agreement. *"Pumayag na nga kami na mawalan ng karapatan*

*sa bahagi ng lupang ini-award sa amin. Pero hindi pa rin kami mai-install ng DAR. Nung ma-Yolanda kami, nagdesisyon na lang kami na subukang mag-self install, kahit walang suporta ang gobyerno dahil masyado nang mahirap ang aming sitwasyon”,* Apay said. (We have agreed to give up some of the lands we received. But DAR still failed to install us. When we were hit by Yolanda, we decided to try occupying the lands even without government support because we were in a difficult situation)

Drawing strength from about 300 fellow Katarungan members, the BFA members, by virtue of their CLOA (Numbers 00276805 TCT-780 and 00276806 TCT-781), successfully reclaimed three hectares of the property on April 30, 2015 through self-installation on only a small portion of the land awarded to them. Since then, however, the other group of farmers has not stopped threatening BFA members. Violence has been avoided so far but only because of timely police visibility during situations of near-physical confrontations. On October 21, 2015, BFA members once again collectively occupied and tilled seven hectares more of the awarded land, believed to have been sold by the other group to a local businessman.

BFA has continued to call out DAR on its responsibility to uphold their rights as CLOA holders. Because of their continuous dialogues with DAR and the Commission on Human Rights, the original non-beneficiaries who had illegally occupied the land broke away from their group and submitted to the process of ARB identification as part of the newly drawn Compromise Agreement. This led to the official re-installation of the 21 CLOA Holders on June 30, 2016. Both groups have since renewed their ties and are now working harmoniously in the area. As of the writing of this study (latter part of 2017), the remaining illegal occupants allegedly supported by the incumbent barangay captain, formed a group and identified themselves as “Lumad”<sup>12</sup>. They claimed they were aligned with the group of one Prince Julian Tallano, a family member of the self-proclaimed owner of the entire Philippine Islands, with fake title OC 01-4.<sup>13</sup>

For GlecY Manggas, daughter of a CLOA holder, *“pinakamalaking tagumpay ang naipasok na kami salupa. Nakabalik kami”*. (The greatest success of the agrarian reform program is our re-installation. We have reclaimed our land) She is referring to their official installation on June 30, 2016. But threats and intimidations from the “Lumads” continue to this day. In compliance with the Joint DAR-DILG-DND Memorandum #005, police has been provided in the area.

### ***Problematic coverage and grabbing of government-owned lands***

Prior to typhoon Yolanda, farmers in the Leyte Sab-A Basin Development Authority (LSBDA) had been locked in decades’ long struggle over ownership and against land grabbing, eviction, and cancelled CLOAs.

The LSBDA was created under Presidential Decree No. 625 to cover of 88,000 hectares. Subsequently, 3,118 hectares covered under Special Patent No. 3412 were transferred to DAR in the 1990s for distribution to qualified farmers. Twenty-five years after, however, the distribution continues to be slow and problematic.

Some parts of the LSBDA lands, farmers complained that DAR distributed swampy and non-cultivable areas. In other parts, DAR covered and distributed CLOAs covering hundreds of hectares only to cancel such CLOAs later because the groups/beneficiaries were deemed as “fictitious” as they have not been registered with any registering bodies. Ironically, these groups with cancelled CLOAs were organized by the local DAR offices and their groups identified ARBOs. In one of the dialogues, a long-time DAR municipal staff said that they were not aware of the disputes around the LSBDA lands and they were only informed when the CLOAs had already been canceled.

Farmers from one of the ARBOs, whose CLOA had been cancelled by DAR itself, reported about land grabbing with intimidation and harassment resulting in forcible eviction of occupants in a 400-hectare portion of the area. The evicted farmers, comprising of 144 families, had to resettle in urban areas as informal settlers and were replaced by workers of the land grabber. Pedro Baclaocos, 77 years old, was one of the evicted farmers forced to resettle as an informal settler in Brgy. Diit, Tacloban City. Three of his children were killed when typhoon Yolanda struck Tacloban.

Based on the initial plotting of 400 plus hectares conducted by DAR, the land was within timber or forest zone; therefore, it should be classified as non-alienable public domain. Yet it was subjected to “agrarian reform” through voluntary land transfer, an act of transferring lands voluntarily to supposedly qualified beneficiaries preferred or chosen by the landowner. The claimant, said to be a former counsel of LSBDA, allegedly used dummies as beneficiaries to ensure that he maintained control of the land even after subjecting it to agrarian reform through VLT.

In allowing VLT for portion of the LSBDA, DAR, in effect, recognized the ownership of a huge portion of a supposedly government-owned land under the ownership of only one person. Meanwhile, evicted farmers became informal settlers in various places and have had to struggle to survive. They have had difficulty recovering from the devastation caused by Yolanda due to their landlessness.

The issues involving LSBDA coverage are now the subject of consultations and dialogues. Lot 1578 in Brgy. Capilhan, San Miguel, covering 207 hectares had been re-surveyed, and as a result, 74 ARBs were installed in February 2017. These farmers have since organized as Samahang Magsasaka ng Capilhan and are included as priority recipients of the Php288 million worth of support services from DAR in 2017.

Despite the injustice that continues to engulf the survivors, they are engaging the government with hope of bringing justice for the families of their co-members who have been killed, physically harmed, and deprived economically due to their eviction. Justice, the group's spokesperson said, is when their land is returned to them.

### *Illegal practice of share tenancy*

Another issue—farmers affected by Yolanda continues to confront are the payments for rice lands covered under Presidential Decree 27, a law enacted by former President Ferdinand Marcos in 1972. Dhon Daganasol, farmer-leader from Carigara, whose mother had stopped share payments only in 2015, said that sharing is still prevalent in many reformed rice land areas because recipients of Emancipation Patents', the land title awarded under PD 27, are unaware of their rights as beneficiaries. Another affected farmer, a barangay captain in the municipality of Barugo, said that her share is 17 cavans of palay every harvest or 34 cavans a year, which could have helped a lot in the recovery of her family from Yolanda's devastation.

It is estimated that more than a thousand farmers are affected by this anomaly in rice and coco areas of Leyte. Lourdes Cabelis, a farmer-leader and a member of the Katarungan validation team, the mechanism between DAR and Katarungan which conducts field verification on the status of farmers and lands affected by undistributed CLOAs, discovered the persistence of 70-30 sharing favoring the land owner during one of their validation activities in the municipality of Jaro. More than the lack of knowledge on the abolition of share tenancy, these tenants have agreed to this oppressive practice due to fear of eviction from their lands or risk imprisonment that may come from trumped up charges from the land owner.

Criseta Albarido confirmed this fear, citing the story of one farmer from San Diego who was imprisoned for two years for estafa because he believed that receiving his CLOA meant the end of share payments. He died shortly after being released from prison. His wife continues share payments, remaining a tenant to this day for fear of suffering the same fate as her husband's.

Elmer Opeña from Barugohay Central, Carigara, said no one knew the law about agricultural leasehold until they were organized. *"Hindi ako confident na kaya kaming ilaban ng DAR kapag kaharap ang agaron, parang hindi rin pamilyar ang DAR sa batas. Yung may mga CLOA nga ibinabalik pa sa pagkasaop, samantalang bawal na pala ang maging saop"*. (I am not confident that DAR will help us assert our rights when confronted by our landlords. They seemed to be not familiar with the law. They have reverted CLOA holders to being tenants when this was already prohibited) Opeña said. He is referring to the usual results of mediation conducted by DAR Legal-Provincial Officers that reverted CLOA holders back to tenant status similar to the fate of the farmers from San Diego.

Opeña said the information should reach those concerned. Along with other farmers, they conducted a farmers' assembly at the barangay level, and asked the DAR Municipal Officers to conduct their own *pulong-pulong*.

Illegal share tenancy is making farmer-survivors poorer who pay land owners' shares, instead of allocating such shares for their most basic needs like food, shelter, and clothing. Small rice farmers in the area also have to deal with predatory traders who deliberately lower the price of palay by as much as Php4.00 per kilo at farm gate. Rice farmers anticipate that their situation will only get worse now that the quantitative restriction on rice was lifted in 2017. The quantitative restrictions protected the local rice producers from foreign rice imports with a high 35 per cent tariff rate once a shipment ceiling has been reached. In a dialogue on this issue held in September 2015, a local official of the National Food Authority allegedly told the rice farmers to instead shift to high value crops and be the local traders of imported rice that would come from Vietnam and Thailand.

## Discussion and Analysis

What farmer Lolita Candaza has said holds true: Yolanda, for all the havoc it created, have also compelled the survivors to assert their land rights. The situation of farmers and agrarian reform in Leyte, one of the provinces most heavily devastated by the super typhoon, has not allowed them for regular interaction between farmers and the government due to the weak presence of land rights' movements. The result has been an almost absent sense of accountability by the government agencies tasked to help the farmers.

The pre-existing issues (see map), some for almost three decades now, made rehabilitation in farming communities more difficult. The insecurity in land tenure in the midst of climate change, as experienced with Yolanda, rendered the farming community more vulnerable. When they needed most, the farmers were excluded from vital rehabilitation assistance such as farm inputs and shelter. This myriad problems could have been prevented if the agrarian reform law was effectively and decisively implemented prior to Yolanda. What should be done now is to uphold the "tenurial security for, of, and with the tillers of the land towards the improvement of their quality of life",<sup>14</sup> instead of continually depriving tillers of their land rights.



## FIGURE 1

### Key Agrarian Reform Issues in Yolanda-stricken Areas in Leyte



Source: Author's rendering

For Rights, at least in the case of those who participated in the focus group discussions, it became clear that lands reported as distributed are not actually under farmers' control, because of the failure of the government to implement the law honestly and decisively. In relation to the farmers, the tenants' lack of organization and knowledge of their legal rights have contributed to the state's lack of accountability.

For the land-dependent rural poor affected by Yolanda, relatively pro-poor land policies like CARP and PD 27 should have worked in their favor, securing land tenure for farmers which could have provided resiliency in times of disasters. As a rule, land tenure security of farmers is instituted through certificate/s of title to the land awarded to them based on land reform programs, i.e., CARP, PD 27, patent titling of alienable and disposable public lands; and through leasehold contracts between farmers and landowners. Farmers without such instruments fall into the category of informal/ undocumented occupants and were therefore excluded especially from permanent shelter and farm rehabilitation support. Unfortunately, the exclusion adversely affects share tenants who, by policy and operation of law, should be considered leaseholders and afforded the same rights as the latter. Presence of organized farmers' group in areas where undistributed CLOAs are most prevalent,

such as in Barugo, Carigara, San Miguel, and Jaro, could have motivated DAR to release the said documents. In turn, this could have lessened threats of eviction and may have discontinued the practice of share tenancy. The presence of farmers' organization has in the past resulted in farmers' better understanding and appreciation of their rights and what existing laws provide.

Instead of helping the farmers realize their rights and thereby reconfiguring land-based power, three situations emerged in Leyte as a result of the failed implementation of the agrarian reform program: 1) farmers who continue to confront the threat from landed, professional individuals, and politically-influential families successfully evading agrarian reform; 2) poor versus poor situations, where farmers who are loyal to landlords or under the influence of land speculators, influential personalities/families, resist land reform and frustrate pro-reform farmers in taking control of reformed lands; and; 3) farmers who are officially considered as agrarian reform beneficiaries but do not have with them their respective titles (undistributed CLOAs) or not in control of lands awarded to them (uninstalled beneficiaries). The lack of political will to implement the law particularly stood out in landholdings controlled by big names, according to the farmers.

The recovery of the survivors, despite claims and reports of advancement, is still slow and has not fulfilled the promise to “build back better.” Fast tracking rehabilitation and reconstruction demands that the government focus urgently on resolving land and tenurial rights issues.

The presence of some reform-minded officials especially at the provincial level has nevertheless given the farmers some spaces for positive engagements in pushing for the resolution of land and tenurial rights issues. The organizing of land rights claimants have enabled survivors to initiate sustained social pressure while their vastly improved knowledge of the law has been crucial in making sure that past mistakes are gradually resolved in favor of the farmers.

## Conclusion

The long-standing problem of agrarian reform implementation, especially its land distribution component unraveled by the disaster in Leyte, has stressed the conditions, reasons, and processes that explain why farmers are not in full control of lands, on one hand, and their continuing vulnerabilities post-Yolanda on the other. But the case study also revealed the importance of organizing, farmer-led popular actions, and solidarity among affected communities to get accountability from the state. The stories of disaster-affected farmers from Leyte are one of calamity but they are also stories of persistence, resilience, claim-staking, reclaiming their lands, and speaking truth to power.

# RECOMMENDATIONS

The occurrence of super typhoons such as Yolanda is being touted as the “new normal”. But this supposedly new normal unmasks an ugly reality—farming communities suffer most as government continues to conduct recovery and rehabilitation programs in a business-as-usual approach. Whether the government agrees or not, securing land and property rights is vital to effective recovery of the farming communities.

Rights, Inc. reiterates its calls<sup>15</sup> to implement the following steps in the rehabilitation response to Yolanda-stricken area. These steps range from audit of CARP implementation to information drives as well as national and local policies that provide support for ARBs. Same steps can be taken for disaster-affected areas confronted with the same issues:

## ***On Undistributed CLOAs/EPs***

1. Audit of CARP accomplishments prioritizing Eastern Visayas; publication of results to feature list of landholdings “accomplished”, CLOA/EP holders thereon, status of distribution; posting of the list of the CLOA/ EP holders in the barangays where the affected lands are located; related transparency measures;
2. For DAR to continue with the massive conduct of barangay-level assemblies in coordination with farmers organizations and barangay officials to roll out information on the rights and obligations of an ARB and on the support services these farmers can avail of;
3. Coordination among concerned agencies through the creation of an Inter-Agency Committee composed of the Department of Agrarian Reform (DAR) and the Land Registration Authority—Register of Deeds (LRA-ROD) to resolve as soon as possible issues relating to qualifications of ARBs, ownership documentation, registration of CLOAs/EPs, cancellation of CLOAs/EPs awarded to non-occupants and re-awarding the same to deserving, actual tillers, among others.

## ***Uninstalled Farmers***

1. Convening of a governmental inter-agency committee composed of DAR, members of the Philippine National Police, Armed Forces of the Philippines, Local Government Units, affected farmers, to plan the installation of legitimate farmer-beneficiaries to the land awarded to them;
2. Installation of affected farmers to flesh out their rights as agrarian reform beneficiaries;
3. Synchronized planning of DAR Operations and Program Operations Division to ensure that support services will be immediately granted to farmers, once installed.

### **Emancipation Patent Areas (where the beneficiaries are still paying share/rentals to former landowners)**

1. Conduct of massive information campaign about the rights of farmers as Emancipation Patent recipients;
2. Conduct of face-to-face dialogue between the former landowners and the farmer-beneficiaries to address issues being confronted by the farmers (e.g. harassments).
3. Assistance to farmers to ensure that their rights as EP holders are fully exercised/ enjoyed by them.

### **Leasehold Areas**

1. Conduct of barangay assemblies for a massive information drive to tenants;
2. Immediate Leasehold implementation in all landholdings still under share tenancy, without prejudice to the acquisition and distribution of CARP-covered areas to qualified ARBs.

### **Specific to Leyte, for Leyte Sab-a Basin Development Authority (LSBDA)**

1. Conduct of inventory of CLOAs issued and determination of the location of covered areas; Distribute generated/ registered CLOAs/ EPs the soonest possible time;
2. Meetings/Dialogues with affected farmers on the issue of the reported cancelled CLOAs to inform the latter on the reasons for the cancellation and the actions being undertaken to reconstitute the CLOAs, in particular and to implement agrarian reform in the area, in general;
3. Setting up of a governmental Inter-Agency Committee composed of DAR and the Department of Environment and Natural Resources (DENR) to map out the exact boundaries of the LSBDA, including actual classification of the areas within the LSBDA and to strategize the full implementation of agrarian reform therein;
4. Review, and when evidence warrants, cancel the VLT undertaken within the LSBDA. Initial data indicate that cancellation is warranted given that a) the land is within a GOL; and, 2) the land is within timberland;
5. Implementation of plans towards the full implementation of the agrarian reform program relative to the LSBDA landholdings.

## ENDNOTES

- 1 Rightful resistance is a term popularized by Kevin O'Brien, which refers to popular actions that use policies, laws, and other established values to challenge/defy power holders who failed to deliver on promises and live up to some ideals, and make them accountable.
- 2 DAR. Agriculture and Fishery Modernization Plan (2012-2017) Eastern Visayas. Department of Agriculture Region VIII.
- 3 Ibid.
- 4 Ibid.
- 5 IRRI. (2013). Post –typhoon rice damage assessed in Philippines. International Rice Research Institute, 13 Nov 2013.
- 6 ADB. (2013). Key Indicators for Asia and the Pacific 2013. Asian Development Bank. Retrieved from: <http://hdl.handle.net/11540/4928>.
- 7 DAR website: [www.dar.gov.ph/region-viii/LTI](http://www.dar.gov.ph/region-viii/LTI)
- 8 Bersales, L.G.S. (2014) Fishermen, Farmers and Children Remain the Poorest Basic Sectors. Philippine Statistics Authority, 4 July 2014. Retrieved from: [psa.gov.ph/content/fishermen-farmers-and-children-remain-poorest-basic-sectors-0](http://psa.gov.ph/content/fishermen-farmers-and-children-remain-poorest-basic-sectors-0).
- 9 RIGHTS has organized 32 interior barangays in six (6) municipalities in Leyte: Alangalang, Barugo, Carigara, Jaro, Ormoc and San Miguel.
- 10 DAR (n.d.) “CARP Scenarios and Options for Future Development”, <http://www.dar.gov.ph/downloads/category/92-carp-scenarios-and-options-for-future-development>
- 11 Arlanza, R.S., Gordoncillo, P.U., Meliczek, H., Palafox, J.A.F., &Peñalba, L.M. (2006).The Comprehensive Agrarian Reform Program: Scenarios and Options for Future Development. Department of Agrarian Reform. Retrieved from: <http://www.dar.gov.ph/downloads/category/92-carp-scenarios-and-options-for-future-development#>.
- 12 Verification with the National Commission on Indigenous Peoples (NCIP) verified that there are no IPs in Region VIII.
- 13 OC 01-4 and its derivatives has been declared a fake title by HUDCC's National Drive Against Professional Squatters and Squatting Syndicates.
- 14 DAR. Mission Statement. Department of Agrarian Reform. Retrieved from: [www.dar.gov.ph](http://www.dar.gov.ph)
- 15 Carranza, D.T. (2015). Two Years After: Housing and Land Property Rights Status of Yolanda Survivors.

# LAND ENCLOSURES VERSUS HISTORICAL OCCUPANCY WHAT REMEDY DOES CARPER OFFER?

BY RAPHAEL BALADAD

*A case study highlighting community perspectives on how to assess agrarian reform implementation in Barangay Sumalo, Hermosa, Bataan.*

Alongside redistributive justice, the Comprehensive Agrarian Reform Program (CARP) also sought to remedy the imbalance of social-political and economic power in the countryside caused by the remnants of centuries-old feudalism and unjust tenurial arrangements. Three decades hence, reality shows that despite the implementation of CARP, those who have stronger capabilities to assert their property claims still have better chances of owning lands. Power and influence still play a large part in deciding whose claims for land ownership are successful in resolving land conflicts despite the policy foundations set by the program to level the playing field. Over time, power-holders have devised effective ways to protect or claim land holdings, from 'legal' methods such as exploiting policy loopholes and criminalizing opposing parties, as well as extra-legal means such as the employment of guns, goons, and gold.

Another striking trend in agrarian disputes is that many power-holders have resorted to enclosures to maintain control over land holdings or to quell weaker claims and/or opposition. The use of enclosures is not an entirely new phenomenon. But its re-emergence in recent years for resource grabbing suggests that the same motifs in the struggle for control, management, and governance of land exercised in the past colonial history of the country exists until today. The enactment and implementation of CARP (with Extension and Reforms—CARP/ER) serves not only to correct historical imbalances in land ownership but to act as safeguard against any threat to the small farmer's security of tenure. However, enclosures have now become a threat, if not outright obstacle, to the implementation of CARP/ER.

The experience of Barangay Sumalo as highlighted in this case study aims to unpack why farmers are not in full control of their lands, through the lens of historical occupancy, while tackling various issues in claim making through legal and extra-legal means. The case study also aims to expose the challenges, limitations, and opportunities in the implementation of CARP/ER from the perspective of farmers and through the narrative of their long-drawn struggle for land. In addition, the study looks at how enclosures have affected the community members' land claims in the context of the agrarian reform program.

Sumalo is a Barangay (a barrio, the smallest administrative division) within the municipality of Hermosa in the province of Bataan. To date, Sumalo has 388 households, majority are engaged in agriculture and livestock growing. Sumalo has a total land area of 1,801.67 hectares, majority of which are forest lands and in mountainous areas.

Income sources within the Barangay are anchored on agriculture—with rice, corn, cassava, sweet potatoes, peanuts, string beans, squash, and tomatoes as main crops. Sumalo is also known for propagating the “Hermosa Pineapple” as well as several other fruit bearing trees such as mangoes, bananas, watermelons, avocados, star apples, and papayas. In terms of livestock, most families raise chickens in their backyards, and some have native black swine, heifers, and ponies. Other sources of income are: (a) farm work or farm labor, within or outside the barangay depending on the cropping season; (b) harvesting of honey, indigenous vegetation or kindling in the nearby forests; and, (c) in some rare cases, hunting of wild chickens. Sources of income outside farm life are: (a) barter of plastic and wooden wares; (b) management of *sari-sari* stores; (c) handicrafts; (d) paid labor for construction projects; (e) employment at the nearby Hermosa Ecozone Industrial Park (HEIP); and (f) money lending and agricultural trade (of products where middlemen play a significant role).

Table 1 shows the socio-economic profile of the case study participants, whose age ranged from 32 to 79 years old, with an average family size of three, and most of whom are secondary/high school graduates. Due to the unavailability of people, the researcher was able to conduct five out of the targeted eight Key Informant Interviews (KIs) (see Executive Summary for methodology). The KIs were conducted in the homes of the interviewees, at the kitchen, living room, or in the front yard—the purpose of which was to make the interviewees comfortable in answering questions or in telling their stories. On the other hand, the researcher was able to conduct two Focused Group Discussions (FGDs), with eight female respondents in the first, and 10 male respondents in the second. Sumalo was chosen as a case study based on the criteria of the CARPER research project (see Executive Summary), i.e. it covers controversial issues such as land grabbing/enclosures, human rights violations, and land use conversions.

**TABLE 1****Socio-economic Profile of the Case Study Participants**

<b>Age range of interviewees/ participants</b>	32-79 years old
<b>Average family size</b>	3 children per family
<b>Educational attainment</b>	77 percent are secondary school graduates, 13 percent have finished only primary school, 9 percent are tertiary education graduates and 4 percent finishing vocational courses.
<b>Heads of Household<sup>2</sup></b>	45 percent of the respondents said that they practice shared decision making; 45 percent declaring that the female (wife) stands as the head of the household, and 10 percent that the male (husband) as the head of the household.
<b>Income Class<sup>3</sup></b>	Most respondents (60 percent) have declared that they are “poor”, with 30 percent declaring themselves to be low income, and only 5 percent have declared that they belong to lower middle income and the middle class.
<b>Roles in the Community</b>	Among the roles mentioned are (a) Barangay Officials, (Barangay Captain, Kagawad, Secretary, Staff, Peacekeeping and Security Officer); (b) Govt/Social Workers (BHWd, BARC); (c) Small Entrepreneurs, Shopkeepers; (d) Farm-worker; (e) Skilled Labor (Carpentry, Masonry); (f) Physical Therapists; (g) Farmer/Movement Leaders; (h) Spiritual or Religious Leader/persons; and, (i) Elders.

*Source: Data compiled by the author*

## Historical Occupancy: The Case of Sumalo

Although formally established by the Local Government of Hermosa in 1957, Sumalo was already known as a *sitio* (small communities that comprise a barangay, a political unit) in the early 1900s. It later became a barangay, a local government unit, and oral and several documentary accounts<sup>4</sup> have placed occupants in the area of Barangay Sumalo in 1911; most of its present occupants migrated to the area from Cavite after World War II. Farmer occupants who participated in the KIs and FGDs have often claimed that most of the fruit-bearing trees in the area “had been planted by our ancestors a century ago,” and that “our families have tilled the land for more than three generations”—a testimony to their historical occupancy.

These claims however are being contested by the Riverforest Development Corporation (RDC) owned by the Litton family, who asserts that they have legally acquired the land from the government, resulting in an agrarian dispute as old as CARP itself.

Almost the entire of population of Sumalo lives within the 213 hectares of agricultural land currently under dispute with the RDC. Only 15 households and some indigenous people’s groups are documented to be living outside the aforementioned area.



## *From idyllic to uneasy*

Land-based social-economic relations in Barangay Sumalo have been depicted by its residents “back in the day” (1940s-60s) as a harmonious interaction between those with significantly larger landholdings and those with smaller landholdings.<sup>5</sup> Smaller landholders looking to augment income have undertaken paid farm-work and other forms of equitable labor. Within the barangay, this has been practiced with previous landowning families such as the Andulans, Bautistas, Farjardos, Pobletes and Pangililans, owning from 8 to 15 hectares of landholdings. Paid farm-work was also commonly available outside Sumalo, and the farmers were used to being employed by landowners owning more than 30 hectares of agricultural lands across the province of Bataan. Living conditions were described as “plentiful” or “in abundance”.

These social arrangements however were disturbed as the RDC began to heavily assert ownership in the disputed area via enclosures. Farmers were forced to not rely only on, and look for other means for income, as they are unable to till their own lands. According to all participants in the FGDs and KIs, this was a pivotal point when living conditions began to worsen and families were pushed to poverty. The community's cohesiveness also started to weaken when several families aligned themselves with the RDC due to its promise<sup>6</sup> of tenurial security after the planned developments in Sumalo. A number of individuals has also joined the ranks of RDC's private security and for their service have been given free access to the enclosed farmlands.

## *Who owns the land?*

The RDC management<sup>7</sup> has claimed that the “lawful” acquisition of the property by the Littons was based on early government policies to expand opportunities for land ownership. The RDC management has also insisted that the historical ownership claims made by the farmers in Sumalo were “spurious” and “baseless”. On the other hand, the farmers in Sumalo, as well as all the participants in the FGDs and KIs, have said that the Littons have never been in Bataan and only asserted their ownership in paper.

The experience of Sumalo is a unique case where CARP is tapped not to redistribute land to landless tillers, but as a remedy to a long-standing legal contest for ownership punctuated by the impacts of enclosures. The timeline below narrates how the ownership dispute in Sumalo unfolded and eventually turned into an agrarian reform case; it also illustrates how legal interpretations in policy have affected the course of claim-making done by farmers from exhausting legal channels to extra-legal means such as protests. The timeline would show how both the DAR and the judicial system have responded to claims of farmers and how the Sumalo case turned into a protracted land struggle. (*See box 2*)

## SUMALO TIMETABLE

<b>1900</b>	<b>Earliest tillers</b> were composed of small farming families who settled in the area sometime in the early 1900s.
<b>1911</b>	<p><b>Isaac and Sabater</b> - Proceedings for ownership of the landholding can be traced back to pre-1911 under “Expediente” No. 7098. Ciriaca Isaac and Manuel Sabater were given ownership of 2,224,269 sq. m (222.4269 ha.) in Sitio Sumalo, Municipality of Hermosa.</p> <p>In 1912, Isaac and Sabater’s property foreclosed and was acquired by the <i>Insular Government of the Philippine Islands</i>. Government held the rights to the property until 1931 with the creation of a cadastral survey. The property was later auctioned to Adoracion and Severino Izon.</p>
<b>1944</b>	<b>The Littons</b> - During WWII, the Izens allegedly sold the property rights to Rosa and Edward Litton; but no records exist.
<b>1957</b>	<b>Barangay Sumalo</b> - After WWII, numerous settlers cultivated the land. The Municipality of Hermosa declared Sumalo a barangay in 1957. Without recognized owners; this became an act of no contestation to the declaration.
<b>1979</b>	<p><b>Reconstitution &amp; sale of land titles</b> - The Ministry of Natural Resources<sup>8</sup> had a court order and reconstituted a land title based on unknown cadastral records.<sup>9</sup> In 1979, the said title for a 2,224,269 sq. m property was allegedly sold to Rosa Litton and Edward Litton<sup>10</sup> for PhP 0.0052 per sq. m<sup>11</sup> or a total of PhP 11,285.54, through a Sales Patent Scheme.</p> <p><b>Historical occupancy and land transfer</b> - Farmer-occupants of Sumalo first contested the property claims of the Littons a few years after the sale.</p>
<b>1988</b>	<p><b>CARP as a remedy</b> in 1988 the farmer - occupants in Sumalo filed for coverage and 23 farmers became grantees of CLOAs. These were submitted for registration in the Register of Deeds of Bataan but were refused due to a letter filed by the Litton heirs to hold it in abeyance.</p> <p><b>Voluntary Offer to Sell (VOS)</b> - The Litton Family in 1988 filed a VOS before DAR for the disputed property, with an aggregate area of 213.61 ha., as covered by 3 Transfer Certificate of Titles<sup>12</sup> (TCTs).</p>
<b>1991</b>	<b>No deal with VOS</b> - The DAR Region III Office issued a Notice of Acquisition informing the Littons’ that the DAR would acquire 42.4034 hectares. This was updated in 1993, and the DAR would acquire 45.3789 ha. at PhP1.17 per sq. m for a total pf PhP529, 414.68.

<b>1994</b>	<b>Land conversion Application</b> - The Littons' withdrew the VOS and applied for the conversion of the property from agricultural to other uses despite the VOS withdrawal prohibition. In 1996, DAR Sec. Ernesto Garilao denied the application for conversion. A Motion for Reconsideration was applied but was denied.
<b>1997</b>	<b>Land conversion Approval</b> - The Littons' filed an appeal <sup>13</sup> to the Office of the President (OP). On June 16, 1997, Executive Sec. Ruben Torres, issued a Resolution "approving the conversion of 214 ha. of Brgy Sumalo" and "setting aside" the two earlier decisions. The resolution triggered protests from the Sumalo farmers.
<b>1998</b>	<b>Reversal</b> - Sumalo farmers sought reconsideration from the OP with the newly installed Executive Secretary Ronaldo Zamora. On September 1998, Sec. Zamora issued a resolution "reinstating" the two orders set by DAR and "reversing" the resolutions made by Sec. Torres.
<b>2000</b>	<b>Countermand by the Court of Appeals (CA)</b> - The Littons' appealed through a "Petition for Review" in the CA, who then decided to "reverse" and "set aside" the resolution made by Sec. Zamora and "reinstate" the resolution made by Sec. Torres. In 2006 Sumalo farmers filed a Motion for Reconsideration in the CA but was denied.
<b>2006</b>	<b>Supreme Court (SC) affirmation</b> - In 2006 Sumalo farmers filed a Petition for Review in the SC but was denied <sup>14</sup> , affirming the resolution made by Sec. Torres and the decision of the CA. Sumalo farmers moved for a Reconsideration, but was again denied by the SC.
<b>2007</b>	<b>Defeat in the SC</b> - The SC issued an "Entry of Judgment" on January; whereby rendering the decision last August 2006 "final" and "executory", thus ending a decade-long legal battle.
<b>2010</b>	<b>No developments</b> - Under DAR Administrative Order 01-02 on the Comprehensive Rules on Land Use Conversion, a landowner shall have only 5 years upon the issuance of a Conversion Order to develop the property. From 2006 up to 2011, no development was introduced. Nearing the expiration of the 5 year period, Sumalo farmers filed a petition for CARP Coverage.
<b>2011</b>	<p><b>Land enclosures</b> - The Littons' intensified the installation of armed security personnel and enclosed the property; some farmers were evicted by force, while some were barricaded out.</p> <p><b>Protests and criminalization</b> - To prevent additional enclosures, Sumalo farmers in 2011 blocked main routes, with different materials and even used their own bodies. The disruption of the enclosure operations prompted the Littons' through the RDC to file criminal cases against the protesters in the Regional Trial Court Circuit of Dinalupihan, Bataan.</p>

2012	<p><b>Harassments and intimidations</b> - Within the year, the RDC filed an administrative case vs several local barangay officials for diverting the water supply.</p> <p><b>No help from the government</b> - The farmers wrote to DAR Sec. Gil Delos Reyes, with a prayer to fast-track the release of a “Notice of Coverage (NOC)”. The DAR Office of the Secretary remanded the case to the DAR Region III for disposition; it remained in limbo in the next two years. Farmers wrote the DAR Secretary requesting for immediate Cease and Desist Order (for the Land Conversion). But the RDC has completed the installation of all enclosures; almost all agricultural activities ceased.</p> <p>On April 3, the Regional Director (RD) rendered an order denying an earlier petition of Sumalo farmers to cover the area under Compulsory Acquisition; due to <i>Res Judicata</i><sup>15</sup>. Sumalo farmers filed an appeal against the order of the RD in the DAR OSEC. The appeal remained pending in the OSEC, the farmers camped outside the DAR Central Office beginning October.</p>
2013	<p><b>Order for Compulsory Acquisition</b> - On March 15, the OSEC finally rendered an order to reverse the prior (Res Judicata) order of the Regional Director making the disputed property open to Compulsory Acquisition under CARP/ER.</p> <p><b>Landowner’s Appeal</b> - The Littons’ filed a Motion for Reconsideration and on November 29, the DAR OSEC again issued a Resolution affirming the March 2013 order. The Littons’ appealed to the OP where case is presently pending.</p>
2014	<p><b>Request for NOC</b> - While still on the camp-out at the DAR Central Office, Sumalo farmers requested the DAR OSEC to start the coverage proceedings for Agrarian Reform by issuing an NOC. The NOC remained in limbo for another year and a half until it was issued on June 16; farmers ended the camp-out.</p>
2017	<p><b>NOC (still) in Limbo</b> - Three years later, the NOC is still in limbo and the DAR is unable to execute the initial processes for coverage (such as surveys, finalization of potential beneficiaries) through its Region III office.</p> <p><b>Lakbayan</b> - Sumalo farmers marched via a 100 KM <i>Lakbayan</i>; in response DAR. Sec. Rafael Mariano formed a task force to expedite the coverage of Sumalo and several other cases. Dialogues were opened and provincial DAR officials were questioned on the status of NOC. New rounds of ocular inspections were implemented.</p>
2018	<p><b>Still waiting</b> - Despite the taskforce and several dialogues with the DAR’s new leadership (OIC Sec. Rosalina Bistoyong and current Acting Sec. John Castricones), the NOC for Brgy Sumalo remains uncertain.</p>

Source: Author’s rendering



*Domingo Sanchez Sr., a Sumalo Farmer mans a picket protest in front of the Department of Agrarian Reform Central office last June 2017. The protest lasted for 2 months after a 100 KM “lakbayan” march from Bataan to Metro Manila.*

## Impacts of Enclosures

Above all, land struggles are underscored by the impacts on living conditions in communities and how individuals react to such impacts. The farmers in Sumalo are mostly unaware of the technical details of their agrarian dispute case and why it has dragged on for decades. But all agree that their “actual struggle” began when enclosures were installed. Their stories, in general, revolve on how mere fences have affected their day-to-day existence.

For the RDC, the enclosures stand as proof of their legal ownership over the land, banking on the SC decision in 2006<sup>16</sup>. But for the farmers, these enclosures act as a constant pressure to surrender their rights to the land and are viewed as tools wielded by the RDC for (a) economic sabotage—to induce poverty, and therefore, the displacement of tiller-occupants; (b) justifying violence—as a measure to suppress any activity deemed illegal within the contested property; and (c) criminalizing the rightful dissent of farmers in local courts as they react to both violence and economic sabotage.

## *Economic sabotage*

In stark contrast to the living conditions before the enclosures were set in place, the participants have claimed that some currently cannot send their children to school or to have three meals a day. They also stressed that there was “some measure of peace” in the community before the enclosures, even when the agrarian dispute case has progressed. Upon the installation of enclosures, farmers were immediately barred from tending to their crops. Some even witnessed how their crops were harvested by the RDCs guards. Attempts have been made to enter farmlands unnoticed, but farmers could harvest very little. Some had to rely on pawnshops and moneylenders for their everyday survival, giving up what little they owned, from household appliance to ATM cards as collaterals (so lenders can withdraw directly from deposited wages). In the absence of farming activities, some families survive only through small business such as sari-sari stores, until they eventually run out of capital. Desperate, some farmers have abandoned their homes to seek better fortune in Manila, and some have sent their children away to relatives, or to work as househelp. Before the enclosures, a farmer in Sumalo had an income range of PhP 70,000.00-PhP 100,000.00 after harvest, depending on the crop. Now, most interviewees/participants have claimed, they get less than PhP 5,000 or even nothing from farming activities.

Local barangay and local government officials supportive of the land struggle could do very little in terms of providing solutions to the poverty situation. Elizabeth Mesina, a woman farmer leader said “it would be better for us if the DAR could extend some support services even if we are not (yet) actual beneficiaries, because the agrarian dispute has become a matter of survival for our families.” Though some social welfare support systems have managed to trickle down to the barangay, such as Conditional Cash Transfers, medical supplies, or provision of farm inputs for those who still farm outside the enclosures. But these, Ms. Mesina said, have not been enough to make a mother like her feel secure.

## *Harassment and coercion*

After the enclosures had been put in place, the RDC aggressively developed the area with road and water systems as well as the installation of security barracks. These facilities have allowed security forces to execute their directives with ease, and then with impunity. To the farmers in Sumalo, these security personnel have not only kept people out of the fenced property but have evicted them altogether. Patrolling the outskirts of the enclosures, security forces have been known to taunt or coerce people into violent reactions, enabling them to make arrests.

In an incident both documented and witnessed by the community, a farmer being verbally abused by security personnel who caught him entering the enclosed area to fetch his grazing pony. Responding

to the said abuse, the farmer held on to his machete as if drawing it to defend himself. He was then given a rifle-butt to the jaw, arrested, and detained in one of the barracks owned by the RDC. Another incident was when a mentally handicapped child was raped by one of the security personnel but was neither charged nor brought to court due to “RDC’s connections” as an interviewee recounted. In 2013, several students from the University of the Philippines seeking to document the Sumalo case unknowingly entered the enclosed area and were received with several warning shots from automatic rifles. In 2015, two journalists were detained for allegedly trespassing while conducting interviews within the enclosed area. There are also reports of security personnel verbally abusing or pointing firearms at schoolchildren passing through the enclosures on their way back home from class.

Local authorities have been unable to extend help to the residents of Sumalo whenever such pockets of violence would occur, and almost all of the FGD/KII participants have said that they “lack the initiative to catch perpetrators since they are under RDC’s influence”. Rolly Martinez, Sumalo’s Barangay chief, said that “the DAR lacks any mandate to protect farmers against harassments and intimidations. Whenever harassment cases have been forwarded to the DAR, more often than not they have been declared as “not within their jurisdiction but of the courts”.

These constant harassment, intimidation, and coercion have taken their toll on farmers over time, with some saying that “fear has already claimed some of their members’ morale”, while some “have resorted to leaving the disputed area entirely,” and others are “contemplating on taking up arms”.

### *Criminalizing dissent*

Criminalization of struggles in Sumalo is best illustrated when a farmer<sup>17</sup>, who had wanted to harvest coconuts in the disputed property for *noche buena* in 2012, was arrested, and kept in jail on trespassing and theft charges.

The aftermath of the protests done during the initial salvo of enclosure installations were the “heaviest to deal with,” according to a KII interviewee, especially when “30 farmers in 2011 were accused of grave coercion, grave threats, and frustrated murder against a “battalion” of armed security guards”. Out of 30, 22 were women and eight were senior citizens. Belinda Petinez, a farmer leader claims that “based on the experiences shared by other farmers’ groups, criminalization seemingly is a *by-the-book* strategy for land grabbing often done in conjunction with enclosures to maim land struggles or to reduce pressure coming from communities”. Situations such as filing of trumped-up charges leading to the arrest and detention of key people in land struggles show a trend towards a systematic suppression of dissent. Ms. Petinez have also said that “the mere idea of having a criminal case lodged against your name and dignity is unimaginable, much so if such a case is entirely based on falsehood”. But the most damaging impact, as stories tell, is on convincing community members to hold on with the struggle, as against the threat of facing incarceration.



In October 2015, the Regional Trial Court circuit in Dinalupihan dismissed the grave coercion charges due to lack of evidence and witnesses, to the relief of the 28 farmers (two had already died). Though a lawyer assigned by the Commission on Human Rights had supported and represented them, “the financial impacts in facing court hearings have severely affected our families” according to Ms. Petinez. She also added “that as we celebrated this small victory, we failed to realize that another round of criminal cases was underway, with stiffer penalties and heavier bail bonds”. To date, 18 farmers from Sumalo are still facing criminal liabilities for allegations of destruction of private property, forcible entry, and even illegal possession of fire arms; two are in detention for these charges.

According to Mr. Martinez, more than PhP 400,000.00 have been raised and paid for bail bonds by the farmers in Sumalo. He also added that “the criminalization of farmers not only tells a lot about the flaws of the current justice system, but also illustrates how the government, through the DAR, fails to protect its prospective beneficiaries from outright *legal harassments*”.



*Department of Agrarian Reform Officials and Sumalo farmers converge in the outskirts of a contested area for an ocular inspection.*



## What the Farmers Think of CARPER

Despite the impacts of enclosures on the communities' living conditions, all FGD/KIs participants agreed that the effective implementation of agrarian reform remained as the “only viable solution in their struggle for land”. They also see agrarian reform as a form of empowerment that would “enable them to escape the clutches of poverty,” essentially by giving them “a right to the land”. When asked however if the CARP/ER has been effective in realizing its mandate, the common response was that it was “ineffective” or “inefficient”.

The knowledge of CARP/ER as a law, as well as how it should be implemented varied between participants. But there was no absence of awareness of the program's intrinsic objectives, which they have summed up as: (a) to facilitate the redistribution of land; (b) to ensure tenurial security; and (c) to help farmers retain their lands through essential support services. There was also agreement that agrarian reform should be a continuing government program, that CARP/ER was not a total failure since it has managed to secure lands for thousands of small farmers across the country. The problem now lies, as they say, with the government agencies involved and how they operationalize their mandate according to the program/law.

### *Perspectives on the program's performance*

According to the interviewees/participants, the problem lies “on the DAR's apparent lack of priority to the interests of farmers”, especially in areas with critical cases of agrarian dispute. The law in their perception was initially crafted for farmers, but its flaws overtime were abused to protect the interests of land owners; that even by the DAR itself are perpetrators of the apparent failure of the program. The CARP's ideal of empowering rural folk, fell victim to the inefficiency of its bureaucracy. One FGD participant stressed that “the lack of political motivation, patronage politics and corruption within the government entirely defeated the purpose of the program” to a point that it was completely disabled from promoting the interests of small farmers. Apollo Satimbre, an FGD participant also said that “we rely on the program, but it is very hard for us to rely on the people who implement it”.

Based on the FGDs and KIs, it could be said that the implementation of the CARP/ER was hounded by countless issues, namely: (a) the slow progression of agrarian reform coverage; (b) the passing of anti-farmer and pro-land conversion policies that contradicted key provision in the CARP/ER; and the (c) protracted resolution of agrarian cases and case decisions. These issues consequently led to various social costs such as poverty, urban migration, harassment, and even the deaths of key leaders/movers in the community. In the case of Sumalo, the participants said that “if only the DAR has swiftly acted on the petition for coverage filed by the farmers upon the expiration of Riverforest's conversion period, that the installation of enclosures and would been prevented, and the misery it entailed averted”.

But despite the policy and technical loopholes being abused by land owners as well as the inefficiencies of the DAR, the participants believed that CARP/ER was still a key program for rural development. “In the absence of an alternative, the program must go on”. The participants agreed that “the CARP/ER is in dire need of reforms, not entirely in the law, but in how it is still to be implemented”.

When asked how they would rate the DAR in the implementation of the program in a scale of 1 to 10, all of the participants answered “zero”. Justifying this score, the participants explained that it was based on their experience that: (a) there was still no distribution in Sumalo after three years of the NOC issuance; (b) there were no safeguards implemented by the DAR against the criminalization of farmers; (c) there was lack of policy and other mechanisms in place to protect farmers against the “extra-legal” activities of land owners during an agrarian dispute; and, (d) the over-complicated steps or requirements the farmers needed to fulfill to effect the coverage. Lastly, Rolando Martinez explained that “we could have given them a perfect score, had they (DAR) acted upon their duties in accordance with the program without us putting any pressure on them”.

### *On land rights claims and tenurial security*

During the FGDs and individual interviews, most participants described their claims to the land as a right conferred by historical occupancy, that they had “owned and tilled this land for generations” and that they “do not recognize the Littons as actual claimants”. One participant claimed that the Littons “did not live here and we did not witness them to have actually worked on the soil”. However, another participant argued that “although they (RDC) will never recognize our (historical) claims because of the SC decision, they cannot disregard our new claim to the land under CARP/ER—since they failed to act on the development period prescribed by the law itself”.

Despite several arguments, a participant in one FGD explained that “although we have historical occupancy claims, our basis for asserting our right to the land should be grounded on the fact that we were actively tilling the area before the enclosures were installed”. A key element in the promotion of land rights is recognition, and according to the participants, “if the government somehow recognized the importance of actual tillers, there would be no problems in covering us under agrarian reform, as against the entities seeking to remove us from our farmlands”. To support this statement further, Pedro Poblete, a community elder added that “if the government have supported the best interests of small farmers, like the people in Sumalo, against the claims of powerful families like the Littons, there would be no need for us to resort to CARP in the first place”.

The right to access support services was also viewed as “equally important” under the program. “Agrarian reform should not stop with the mere distribution of land, it should extend support services such as seed and equipment support as well as financial capitalization, to protect our



*Several “No Trespassing” signs have been placed by the RDC in key locations within the disputed property. Over the years, trespassing, or illegal entry has been common criminal case filed by the RDC against the farmers in Sumalo.*

security of tenure against reversals caused by poverty”. The farmers said that the access to support services should not be limited to beneficiaries themselves, but the government should also extent the same to potential beneficiaries still engaged in agrarian disputes.

Lastly, security of tenure according to the participants, “is of utmost importance and requires vigilance”. Clarissa Poblete, an FGD participant, added that “relying on laws when it comes to tenurial security is only one aspect in the entire struggle to defend lands, in a time when land grabbing and displacement literally happens overnight”.

### *On priority issues and threats*

All of the participants during the FGDs and KIs agreed that the greatest threat to the community were the “enclosures installed by the RDC”. Michael Pasquil, a farmer and a local peacekeeper, explained that “if the land enclosures are not dismantled, the RDC’s claims will continue to be recognized, making the hopes of farmers to finally possess the land even bleaker”. With impacts such as poverty, insecurity of families, weakening of community cohesion and morale, and criminalization, participants saw these enclosures as “the root cause of their misery”. *Malapit na akong sumuko*—“I am on the verge of giving up”, a KI interviewee whispered as she pondered on the seeming hopelessness of their situation.

On the topic of agrarian reform coverage, all of the participants agreed that another threat came from the corruption and/or inefficiency of the provincial DAR office. Rolando Martinez clarified that “we are not accusing that all of them are corrupt, but the amount of pressure needed from the community in order to push them to actually do their mandates is surprising.” Another participant also said that she “had lost her confidence on the ability of the local courts to dispense justice” due to the sheer amount of false criminal cases lodged against her.

When asked if there were other external threats to the community, several participants replied that land prospectors or investors have been seen doing ocular inspections in the community. Belinda Petinez said that she “cannot accept the fact that they are already selling the land, even though the agrarian case is still pending,” which only confirmed her belief that “they have no intention of actually developing the area but are just intent on consolidating and selling it.”



*Combat wires and chain-link fencing installed by the RDC to limit/prevent movement within the contested land holdings.*

## On self-help and strategies

According to Fe Andulan, president of the Samahang Nagkakaisang Mamamayan ng Barangay Sumalo (SANAMABASU), *Kapag marami nang gustong sumuko, doon dapat mas mag tulungan*—“When a struggle is on the verge of collapse, we need to find ways to help each other better.”

Self-help initiatives through small barangay-initiated projects were seen as helpful particularly from small income generating projects (such as vermiculture growing and backyard production of cash crops). Such projects help cancel debts as well as on providing food to families who cannot afford to sustain the daily nutrition needs of their children. Government agencies through their local offices have helped too through programs such as conditional cash transfers, free medicines and check-ups in health centers, provisions of seeds and planting materials as well as financial aid for senior citizens. However, due to the pending agrarian case, there has been a lack of long term development support, except for a few infrastructures (such as waiting sheds and basketball courts) provided by the local government. According to Rolando Martinez, “it seems, that the contentious security of tenure in Barangay Sumalo, and the politics of land itself have hampered much needed aid to escape the grasps of poverty.”

However, in terms of dealing with both the agrarian and criminal cases, the farmers in Sumalo have actively sought support from allied civil society groups, people's organizations, and the Commission on Human Rights. “Being involved in a collective with the same advocacies can be considered as an effective form of self-help,” Mr. Martinez said.

## Current State of Battle

Why are the farmers in Sumalo still not in full control of their lands? The central cause has been the inability of the DAR to implement the CARP/ER effectively due to the continuous resistance of the RDC to be covered under the program. This resistance is expressed in attempts to prolong the process of agrarian reform coverage until such time that they are able to acquire another favorable decision from a higher court. The farmers in Sumalo are trapped in this cycle. While they seek remedy from the CARP/ER itself, as demonstrated when they filed for coverage in 1988 and 2011, the RDC has been favored with better legal standpoints to: (a) reinforce their claim over the disputed property from the SC decision and (b) disable the coverage process completely due to the enclosures they erected. Another reason has been the inefficiency of DAR officials and personnel to deliver their mandate, due to either (a) alleged corruption; (b) incompetence; or (c) the sheer complexity of navigating through local bureaucracy and political dynamics.



Is the CARP/ER therefore still a remedy? The key, as the participants have repeatedly pointed out, is the capacity of DAR to exert its authority as against resisting landowners or power-holders such as the RDC. To the farmers in Sumalo, this authority is best expressed if the DAR can execute the removal of enclosures, which they believe can be the turning point of their struggle. However, it is clear to them that they cannot assess the effectiveness of the CARP/ER simply because they believe that it has not yet taken place in their community, due to the pending enactment of the NOC. On the other hand, the experience of Sumalo also underscores that the DAR as the implementing body of the program, should be measured by how it represents the best interests of farmers and instigate peaceful transitions, amid the imbalances in claim-making caused by political power and influence.

While the struggle of Sumalo farmers unfolded as a protracted struggle in the midst of competing claims, the farmers have persisted with their belief that their right to the land is based on intergenerational testimonies that have placed the community as actual tillers. Moreover, grounds for recognizing these time immemorial rights have also emerged as CARP/ER recognized them as beneficiaries.

## ENDNOTES

- 1 *Historical Imbalances* - Ownership of land as an asset and a source of power that dates back to the Spanish colonization of the Philippines, when lands were concentrated either to the Catholic religious order (Friars) or the Spanish elites.
- 2 Head of household in the government's definition usually mean main provider and decision maker, the argument being that decision making is usually correlated with whoever holds the power of the purse/ economic power within the household.
- 3 The 2015 Family Income and Expenditure Survey (FIES) of the Philippine Statistics Authority determined the following income classes (in Philippine pesos): (a) Under 40,000 (average annual income is 31,000); (b) 40,000 - 59,999 (average annual income is 51,000); (c) 60,000 - 99,999 (average annual income is 81,000); (d) 100,000 - 249,999 (average annual income is 162,000); (e) 250,000 and over (average annual income is 516,000). Retrieved from <https://psa.gov.ph/sites/default/files/attachments/hsd/article/TABLE%202%20Total%20and%20Average%20Annual%20Family%20Income%20and%20Expenditure%20by%20Income%20Class%20and%20by%20Region%202015.pdf> (July 25, 2018)
- 4 Such as tax declarations and/or tax payment receipts.
- 5 These landholdings, however, were already subdivided through 3 generations of inheritance.
- 6 Fleshed out by the signing of Memorandums of Understanding between several residents and the RDC.
- 7 *On Contentious Grounds: Fenced in, Fenced Out*. A Video Documentary produced by Focus on the Global South.
- 8 Reorganized into the Department of Environmental and Natural Resources (DENR) in 1987.
- 9 The said court order and cadastral records are missing.
- 10 The Littons are a known influential family in Bataan, hence the attribution.
- 11 PhP 5.00 to USD 1.00 in 1979.
- 12 Transfer Certificate Title Nos. 80135, 80136, 80137.
- 13 Office of the President Case No. 97-A-7020.
- 14 General Registry No. 146061.
- 15 *Res Judicata* - a matter that has been adjudicated by a competent court and may not be pursued further by the same parties.
- 16 Based on an informal interview with the RDC management during the production of the "On Contentious Grounds: Fenced in, Fenced Out" video documentary.
- 17 Orejas, Tonette. (2012). *Coconuts for 'Noche Buena' Land Farmer in Jail*. Inquirer.Net, 24 Dec 2012. Retrieved from: [newsinfo.inquirer.net/329381/coconuts-for-noche-buena-land-farmer-in-jail](http://newsinfo.inquirer.net/329381/coconuts-for-noche-buena-land-farmer-in-jail).

# AGRARIAN REFORM IN NUEVA ECIJA GAINS, REVERSALS, AND CHALLENGES OF A LONG-DRAWN OUT PROCESS

BY CARMINA FLORES-OBANIL

*This is a case of five barangays in Cabanatuan, Nueva Ecija, originally intended to be the showcase of agrarian reform. Forty-five years since PD 27, and almost 30 of CARP/ER, farmer beneficiaries' lives have improved but there are serious challenges that they confront involving potential cancellations of their titles, selling and pawning, displacement of farmworkers due to farm mechanization, and mechanisms that facilitate the loss of control of their lands.*

Two major decrees on land and agrarian reform impacted Nueva Ecija tremendously. These were the Public Land Act of 1903, which introduced the concept of homesteads in the Philippines in the early 1900s, and Presidential Decree No. 27 that mandated the implementation of land reform in rice and corn areas, which was issued after former President Ferdinand Marcos declared Martial Law in the Philippines on September 21, 1972.

The Public Land Act of 1903 (also known as Act No. 926) or the Homestead Act governed homesteading, selling, and leasing of portions of the public domain of the Philippines. This law encouraged the migration of homesteaders to Nueva Ecija, most of whom came from Bulacan, Ilocos, and Pampanga to cultivate frontier lands for agricultural production. Wolters (1999) wrote that from 1850 to 1920, "individual ownership became the general form of government-regulated land tenure".<sup>1</sup> This was also facilitated by the Philippine Bill of 1902 that listed the conditions for the disposition of public lands and the Cadastral Act of 1913, which mandated cadastral survey and registration of lands.

PD 27 on the other hand decreed “the emancipation of tenants from the bondage of the soil, transferring to them the ownership of the land they till.” The decree mandated that all tenant farmers (sharecroppers and leaseholders alike) of private rice and corn lands were deemed owners of five (5) hectares of non-irrigated or three (3) hectares of irrigated land. Landowners on the other hand were allowed to retain not more than seven hectares. Valuation was set at “two (2) times the average harvest of three normal cropping years immediately preceding” the passage of the decree. The prospective beneficiaries would have to pay the amortization over a period of 15 years at six percent interest. Lands acquired under the decree were not transferable “except by hereditary succession or to the Government”.<sup>2</sup>

Accordingly, Nueva Ecija received special attention under PD 27, not only because the province was predominantly devoted to rice and corn production but because the aim was to make it the “showcase of the land reform program.” As cited in Byrne (1970), former Undersecretary of Agriculture and Natural Resources Jose Drilon had said that “if land reform does not succeed in Nueva Ecija, it will ‘probably not succeed elsewhere in the country. Or to be more conservative, it will probably have rougher sailing elsewhere’”.<sup>3</sup>

## The Impacts of Agrarian Reform

Presently, rice remains Nueva Ecija’s main crop. Though the province has earned the title of also being the ‘Food Bowl of the Philippines’ owing to the marked increase in vegetable production, Nueva Ecija remains as one of the biggest producers of domestic rice in the country. In 2015, the province produced almost two million metric tons of rice. There was a decrease though from 2014’s 2.26 million metric tons because of the damages caused by typhoons Kabayan, Lando, and Nona.

The province’s total land area is 550,718 hectares, 64 percent of which is classified as alienable and disposable<sup>4</sup> and the rest are forestlands. Of the A&D lands, 143,970.45 hectares have been placed under the agrarian reform program. In 2013, the Office of the Provincial Agriculture came out with an updated estimated physical area for agriculture in the province pegging it at 200,828.50 hectares. The Department of Agrarian Reform Provincial Office had a larger estimate of the province’s agricultural area at 253,330 hectares.

Land is still largely for agricultural purposes, even in highly urbanized Cabanatuan, though its proximity to Metro Manila and its good network of major highways and rural roads have made it a natural target for the expansion of real estate and other commercial projects. This can be easily seen in the province’s major cities and municipalities like Cabanatuan, Sta. Rosa, San Leonardo, and Gapan



where subdivisions, malls, and other commercial establishments have sprouted like wild mushrooms. Even in the smaller municipalities, agricultural lands are being converted mostly to residential subdivisions, especially farmlands near farm-to-market roads originally developed by the government to facilitate the transport and marketing of harvests.<sup>5</sup>

According to DARPO’s official reports on land conversion, the total approved conversions have amounted to 381.21 hectares from 1983 to 2016.<sup>6</sup> The report shows that in Cabanatuan, 74.61 hectares have been legally approved by DARPO for conversion. However, a cursory examination of all the new subdivisions built on former farmlands in Cabanatuan raises doubts on the accuracy of the reported area affected by land conversions, as the number may be bigger.

Based on the accomplishment report provided by Nueva Ecija DARPO, from 1972 to July 2016, the province distributed 139,653.9 hectares to 103,682 farmer beneficiaries. The remaining balance is 241.25 hectares of PD 27 targets and 4,075.3 hectares under CARP and CARPER intended to benefit 4,384 farmer beneficiaries. (See table 1)

**TABLE 1**  
**DAR Land Acquisition and Distribution Scope vs. Accomplishment**  
**(1972- July 2016)<sup>7</sup>**

	Scope	% of Total Scope	Reported Accomplishment (in hectares)	No. of FBs	% Accompl. vis-à-vis Scope	Land Acquisition and Distribution Balance (in hectares)	% Balance
PD 27 (OLT)	75,439.97	53	75,198.71	55,851	99.6	241.25	0.4
CARP/ CARPER	68,530.48	47	64,455.18	43,447	94.1	4,075.30	5.9
Total Target	143,970.45	100	139,653.90	103,682	97	4,316.55	3

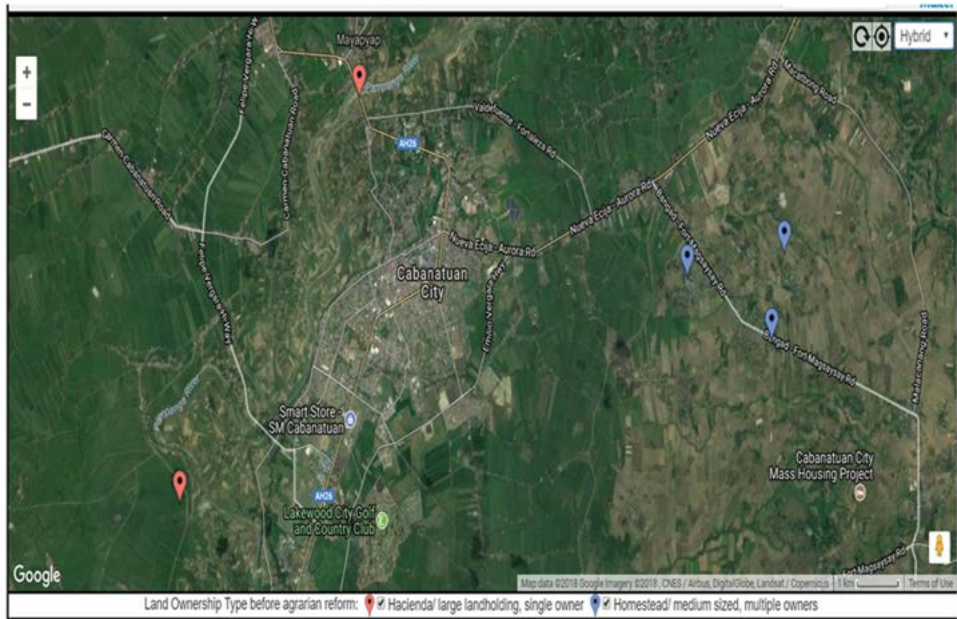
*Source: DAR Nueva Ecija Provincial Office Accomplishment Report, 1972 to July 2016.*

This is already 97 percent of the over-all target of the province for distribution, covering lands under PD 27, CARP, and CARPER. However, viewed against the duration of the agrarian reform program implementation since PD 27, this may not seem as impressive. The passage of CARPER in 2009 made to 44 the laws that the Philippine government have passed to address agrarian inequities.<sup>8</sup>

Given the above context, this paper examines the situation of farmer beneficiaries in Nueva Ecija post-land distribution in an attempt to understand why farmers are not in full control of their lands. (See Box 2 on details about the case study) The case study sites are rice growing areas covered under the agrarian reform program. All of these barangays are part of Cabanatuan City, (see Figure 1) chosen because it is classified as a highly urbanizing city even as majority of its lands beyond the city center are still rural. Barangays Palagay and Polilio are irrigated rice lands with two cropping seasons. Barangays Kalikid Sur, Kalikid Norte, and Camp Tinio are rainfed rice areas with one cropping season, except for farms with pumps and shallow-tube wells invested by owner-ARBs and in some cases provided by the Office of the Provincial Agriculturist.

The chosen areas for study also typify the two dominant land ownership structures prior to the implementation of agrarian reform in Nueva Ecija: the large haciendas (more than 100 hectares) normally owned by a single family and medium-sized landholdings measuring 25 to 60 hectares owned or co-owned by different families. Barangays Polilio and Palagay were formerly haciendas controlled and owned by a single family, the De Leons' in Polilio and Del Rosarios' in Palagay. The lands in Barangays Kalikid Sur, Kalikid Norte, and Camp Tinio fall under those of medium-sized landholdings, some of which were former homesteads and owned by different families.

**FIGURE 1**  
**Satellite Map with Road Outlines of Case Study Sites**



Source: Editor's rendering; <https://www.easymapmaker.com/map/56a027fc403b94fc611af6f482277f07>

The focus group discussions and separate interviews reveal several common perceptions and issues shared by the participants from the two chosen areas in Cabanatuan, Nueva Ecija. The most common is the appreciation and understanding of the importance of agrarian reform in improving their family's lives. Their lands have been instrumental in sending their children to school, paying for emergency care services and hospitalization, and in sending their family members for overseas employment. These have been the clearest gains in having been awarded lands under the agrarian reform program.

The FGD participants have also agreed that being owners of the lands have given them not only access to this productive resource, but also granted them control and placed them in a position where they can now decide how to use these lands, which they could not do previously as tenants. For example, when they were still tenants, they would still need the permission of the landowner or the overseer if they wanted to change crops or cultivate vegetables that could provide them additional income.

But some threats have remained; the more serious has been the reversal of agrarian reform gains. The interviewees have lamented, for example, the lack of support services, especially access to credit and crop insurance. Two of the farmworkers interviewed had pawned and lost their lands (due to crop failure and hospitalization needs) and are now back to being farmworkers for other beneficiaries in the area. In the absence of government credit, private sources with higher interests have persisted in rural areas.

The FGD participants and interviewees from Barangays Kalikid Norte, Kalikid Sur, and Camp Tinio are already facing different agrarian cases threatening the ownership of lands awarded them. Some of them have claimed that the lands awarded to them under PD 27 were homesteads tilled by their ancestors and they were surprised when these lands were covered under PD 27. Homesteads are governed by Public Land Act of 1903 and should have not been subjected to PD 27 (see above). This is a confirmation of historical account on how some homesteaders did not register their lands even as they and their offspring have tilled it.

Those interviewed in Brgy. Palagay have expressed concern that the former landowner will file re-valuation cases for their awarded lands based on the on-going valuation of the 52-hectare landholding in Palagay, which was not covered under PD 27 but has now been covered under CARP. If the PhP200,000 per hectare valuation will be upheld, many landowners can use the case to file for cancellation of Emancipation Patents and to demand that their lands be valued under CARP/CARPER. Only two families originally owned the lands in Palagay and Polilio before PD 27 (see Box 1 on Nueva Ecija history) and the fear expressed by tillers is that these families can easily unite to demand more money for their lands especially since the values of land in Cabanatuan have skyrocketed after its classification as a highly urbanizing city.

Most of these problems and uncertainties facing the ARBs could have been avoided had the program been implemented swiftly and decisively. Now, ARBs in Brgy. Palagay have waited long to own the lands, and may have to pay the P200,000 per hectare just because their lands were not immediately distributed like the other lands in the area.

The following sections, which are divided into six parts, narrate the themes and issues that ARBs/ small farmers shared during the interviews and FGDs.

## Economic and Social Impacts of PD 27 Awarded Lands

All of the FGD participants and the interviewees said that agrarian reform has helped improve their lives and that of their families. But they were also quick to point out how the lack of government support made it doubly hard to eke out sufficient income and to keep their farms economically viable. Under PD 27, farmer beneficiaries were to be awarded three hectares (for irrigated lands) and five hectares (for rainfed areas) each. In practice, though, because most of these beneficiaries were long-term tenants, what were awarded them were the actual areas they had been tilling when PD 27 was implemented. An average landholding would be two to 2.5 hectares but there were also instances when the beneficiaries received less.

In Brgys. Palagay and Polilio, the implementation of PD 27 indeed succeeded in breaking up the huge rice haciendas in both areas. Except for the 52 hectares later covered under CARP and which is now the subject of a valuation case under the DAR Adjudication Board, all of the lands under the ownership of De Leon and Del Rosario were covered and distributed under PD 27. This they said had a huge impact not only economically but also in restructuring the social strata in the area given that almost all of the informants agreed that about 95-99 percent of households in Palagay and Polilio are farming households. At the household level, this meant being able to send their children to school, finance overseas employment, and to pay for emergency needs like hospitalization, medicines as well as other unforeseen needs that crop up. They said that though they started equally as tenants and now beneficiaries, there are those who are able to create further opportunities because of their awarded lands. For example, they talked of how their barangay captain, another PD 27 beneficiary, used her lands to send her children abroad after their studies and how they in turn helped her recover the land she initially pawned. This barangay captain is now the one lending money to other beneficiaries for production or emergency purposes. But they said that this has created a certain social divide between those beneficiaries who now have capital and those who are still not financially able.

Though most farmer beneficiaries interviewed in Kalikid Sur and Kalikid Norte are facing possible cancellations of their awarded titles due to several reasons (see discussion below), they see their awarded lands as an asset and source of livelihood for their respective families.

Leovigilda Labrador or Gilda,<sup>9</sup> whose son Marx Labrador has taken over farming of their awarded lands under PD 27, said that their awarded land helped her send her children to school by serving as indirect “collateral or security”. *“Ang mainam naman na mayroon kang lupa, maliban doon sa prestihiyo na may sariling lupa, kahit mangutang ka alam nila may lupa ka. Kolateral mo na ang pagmamay-ari ng lupa kahit hindi mo naman diretsong ikokolateral ang lupa, alam nila makakabayad ka kasi nga may lupa ka. Iba rin talaga pag may lupa ka.”* Gilda’s son, Marx Labrador, holds a degree in Computer Science though he has opted to continue farming their lands instead of practicing his vocation.

Trinidad Domingo, chairperson of the women-led national organization KABAPA, who took over farming of her father’s awarded land under PD 27 had similar experience: the land helped send her siblings to school and provided enough to tide their family over until the next cropping season. She said that the Samahang Nayon, which were pre-cooperatives organized at the barrio (village) level during the ‘70s, provided the needed credit in the earlier years when she helped her father cultivate the lands. Later, she was employed as program manager for a funding agency which provided additional income that was used to also continue their rice and vegetable production, and to fund the education of her siblings.

## Absence of Support Services

According to the interviewees and FGD participants, the absence of needed support services like credit, crop insurance, post production processing, etc., has been the major reason why there are farmer beneficiaries who pawned and eventually sold their lands. Credit is still highly privatized and controlled by richer individuals who are traders and in some cases, a new class of landowner some of which are ARBs themselves who have significantly improved their lives through the overseas employment of their children whose education has been financed initially by incomes from their awarded lands. This new class of landowners have become sources of credit for those in need.

Since Land Bank only provides credit to cooperatives, non-cooperative members are automatically barred from accessing credit. Rolando Abad, a member of AMMMA-KATIPUNAN, estimated that 80 percent of the credit accessed by farmers in Palagay came from local creditors or micro-finance entities, while only 20 percent were from their respective coops and organizations.

Rufino Ricio, an heir of a PD 27 beneficiary, recounted how he was forced to pawn, initially under a “sanglang patay” arrangement and that eventually led to “sanglang sagad”<sup>10</sup> or selling the land he inherited from his father due to hospitalization and the fact that he did not have enough capital to continue rice production. He is now employed as a farmworker in a three-hectare farm owned by another PD 27 beneficiary in Polilio, earning 12 cavans of palay out of every 100 cavans harvested in the farm he is employed in. Ricio said that his was not an isolated case, estimating that only 15 percent of the lands in Polilio have remained in the hands of the original beneficiaries or within the family of the original beneficiaries.

The DAR Provincial Office reported that as of March 2017, it had extended the agrarian production credit program to 1,377 ARBs from 36 agrarian reform beneficiaries organization that they had organized. In Cabanatuan, only one ARBO, the Bagong Buklod Multi-Purpose Cooperative that owns 50 hectares has had access to this credit.<sup>11</sup> This means that only 1.3 percent of the 103,682 ARBs in the province so far have had access to credit provided by DAR. This is one of the reasons why traders and middlemen continue to proliferate; they provide the much-needed capital (with higher interests) by ARBs. Domingo and Abad said that in some cases, ARBs who access loans from traders and store owners have to sell their harvests based on an agreed price even before the harvests come in. So any price increase during harvest would accrue only to the traders or the store owners and not the ARBs.

## Coping Mechanisms: On-Farm and Off-Farm Sources of Income

Most of the farmers also shared about employed on-farm and off-farm setting to ensure that they can continue rice production, have enough to tide them over until the next cropping season, and respond to emergencies that arise between cropping cycle. Other on-farm sources of income are vegetable production and hog and poultry raising. Domingo cultivated vegetables in a small *tumana* (highly arable land) and raised pigs, which are normally scheduled during the lean months after harvest and before the next cropping season. Rufino Ricio plants vegetables in the “paliguingliit” or the area near the irrigation canals for additional income. Eduardo Geronimo, aside from tilling his own land, works as a farmworker in a four-hectare rice land.

Labrador, meanwhile talked about how they have started a marketing cooperative, Ang Nagkakaisang Kababaihang Entrepreneurs (NIKE-NE), to process some of their vegetable produce and market organic pigs, which they plan to become another source of additional income.

Off-farm sources of income include carpentry, the men as tricycle drivers while the women often accept sub-contracted sewing jobs. There are also those employed in malls, government offices, and schools in Palagay and Polilio. Few work abroad.

The respondents from Brgys. Kalikid Sur, Kalikid Norte, and Camp Tinio also rely on off-farm activities/jobs such as in the case of Pablo Salvador and Editha Tabianan.

Salvador of Brgu. Kalikid Sur, whose wife took over the farming of their awarded lands, has a job in Manila as foreman for an engineering firm that build offices and other structures around Camp Crame. He normally resumes farming during weekends when he is home. His family also hires a “kasama” or farmworker to take on the heavier tasks in farm production such as preparing the land. He said that it was his income as foreman that made it possible for him to fully pay the Php 14,000 amortization per hectare under PD 27 and make farm improvements like installation of a water reservoir that enables two cropping seasons per year compared to rainfed farms. Salvador’s son now works on their lands, after he got sick, and lost his job in Manila.

Tabianan, a farmer and former teacher, paid for her amortization and real estate taxes, and raised capital for rice cultivation and a small mango plantation from her income as teacher.

Florentina Agunoy was an ex-OFW who took over the farming of her father’s awarded land. She shares the land with her five siblings and they take turns tilling the 1.8 hectare rainfed land. She, too, lamented the lack of support services from the government to help small farmers like herself to become sufficient producers.

## Second Generation Problems of PD 27 and CARP

In Brgy. Palagay, 52 hectares were not covered by the government under PD 27 but was later covered by CARP. Valuation<sup>12</sup> for the lands covered by CARP/CARPER has now ballooned to almost Php 200,000 per hectare whereas adjoining lands were only valued at Php 10,000 to Php 12,000 per hectare under PD 27. Rolando Abad said that members of their organization, AMMMA-Katipunan in Pamaldan, Cabanatuan City, are now facing a case of revaluation of their awarded lands aside from the retention case filed by the former landowner. Their members are now afraid that they may have to pay more for their awarded lands despite of the fact that some have already fully paid under PD 27.

Salvador, Tabianan, and Agunoy from Kalikid Sur and Maxima Agunoy and Harold dela Cruz of Kalikid Norte are all facing possible agrarian reform reversals.<sup>13</sup> ARBs from Brgy. Kalidkid Sur said that they were initially surprised when they learned that their lands had been covered under PD

27. They all grew up believing that the lands their respective families have been tilling for several generations were homesteads cleared and farmed by their ancestors and whose size only became smaller due to the practice of dividing these lands between the family members over time. But since the former Ministry of Agrarian Reform (now DAR) started the process of identifying and mapping out the lands under PD 27, they just allowed the process to continue and paid their amortizations as required under the law, and especially since they were living under Martial Law then. For example, Salvador and Tabianan (inheritor of a PD 27 beneficiary) have both fully paid for their lands and the real estate taxes.

All of them might lose their lands anytime because a final order of cancellation has been issued for these lands. They said that they were initially unaware that a cancellation case had been filed by a certain “Lopez” who made claims as owner of the lands. They later learned that the case notification had been addressed to Cipriano Tabianan, the person who helped the MAR identify the beneficiaries and mapped out the lands to be allocated under PD 27. Tabianan was already dead when the case was filed and the beneficiaries were never informed of the case until it was too late. At present, they are still fighting out the case and hope to overturn the cancellation order.

Maxima Agunoy and Harold Dela Cruz of Kalikid Norte are confronted with a seemingly complicated case that involves domestic banks and private individuals. The lands measuring more or less 50 hectares belonged to a certain “Ronquillo”. There were two main titles covering the lands, divided into what they called Lot C1 and Lot C2. Agunoy said that C1 under Title#14.183 comprised 20 hectares and this was accordingly sold to PS Bank. Some of the tenants of this lot accepted the disturbance compensation when the sale was consummated though not all of the farmer beneficiaries received compensation. Agunoy is a beneficiary in Lot C2 under Title #14.184 measuring 30 hectares; EPs have been distributed to them. The process started with CARP and was finalized under CARPER. They were surprised to learn now that their EPs have been cancelled because a petition was filed by a certain “Teofilo Santos” who claimed that he purchased both C1 and C2, which was consolidated in a title mortgaged initially with Prudential Bank. The Bank of the Philippine Islands in turn bought the title from Prudential. Now, she is fighting the cancellation case especially since she had started paying the amortization for these lands despite the cancellation case.

Dela Cruz, on the other hand, was one of the seven beneficiaries in Lot C1 who was not given disturbance compensation and who still hopes to receive land under CARPER. He is now banking on the provision of CARP/CARPER, which stipulates that all lands measuring five hectares and above should be covered under the program. He believes that the change of ownership from Ronquillo to PS Bank to the consolidated title being claimed by Teofilo Santos and mortgaged to Prudential Bank and ultimately bought by BPI does not exempt it from CARPER coverage. Unfortunately, the Land Bank did not give any valuation for the land until CARPER’s land distribution component expired on June 30, 2014.



## Gender-bias

Gilda Labrador lamented that gender equality still remains a distant dream when it comes to recognizing women's role in agriculture. While majority of those interviewed were married, only Pablo Labrador acknowledged the role of his wife as a farmer.

Despite their continuous attempts to educate their male members and their wives that both have a stake in farming, the male respondents described their wives as “mere” housewives and mothers. Rufino Ricio, Eduardo Geronimo, and Rolando Abad are all members of AMMMA-Katipunan, the national umbrella organization of KABAPA in which both Trinidad Domingo and Gilda Labrador are members. In stark contrast, the three female respondents readily acknowledged that their husbands were also farmers.

Gilda Labrador gave her case as an example of how DAR has yet to recognize women's contribution to agricultural production. Their awarded land had been tilled and managed by both Gilda Labrador and her husband since they started cultivating it. She was the one responsible for securing credit since her husband would lose face if he negotiated for credit. But her name remained as “only married to” in their title. This despite the clear provision under Sec. 17 of CARPER or RA 9700 of 2009 recognizing the equal rights of women to land ownership under the program and despite DAR AO 1, series of 2011, that already mandated the issuance of titles under the names of both spouses using “and” instead of “married to.”

As of 2015, there was a total of 415,741 agrarian reform beneficiaries awarded with EPs in the country. Of these, 86.2 percent were men and only 13.8, women. Among the 1,996,454 agrarian reform beneficiaries of Certificate of Land Ownership Agreements (CLOAs), 32.8 percent were women and 67.2 percent, men. Analyzing the distribution of EPs and CLOAs per year, the percentage of women beneficiaries has been below 50 percent across the years examined by the PSA. The lowest percentage share of women beneficiaries was recorded in 2001 at 30.6 percent and the highest was in 2010, 41.2 percent.<sup>14</sup>

## Displacement of Agricultural Workers

Farmworkers interviewed in Polilio, Palagay, and Camp Tinio have said that the current thresher cum harvester had replaced farmworkers normally hired during harvest season in the province. Wilfredo Magpale (Willy) narrated during the interview that most of their 500 rural agricultural worker members in Nueva Ecija have lost their livelihood because of this new agricultural equipment, which they have nicknamed “*halimaw*” or monster. He mentioned that there were basically three major strands of work

as a farmworker in rice lands: (1) *manananim* (one who plants/sows seeds); (2) *mag-aararo* (one who plows the field); and (3) *manggagapas* (one who harvests). In most cases, “*halimaw*” has already taken the work of all *manggagapas* because it is deemed more efficient. One machine can replace the work of 20 rural workers needed to harvest a three-hectare palay area in one day. The usual charge is eight to 10 cavans per 100 cavans, almost equal to what is normally paid per farm worker after harvest. They said that agricultural rural workers or *manggagapas* are only employed during typhoons or strong rains when it is impossible for “*halimaw*” to do the harvesting. Other remaining work though tedious pays very little. A *tagabilad* or those who help dry the *palay* only gets Php 1.00<sup>15</sup> per sack of dried palay. Those who work as *cariadas* who carry the harvested palay from the field to the roads and stack them carefully are paid Php 20 per sack. Many farmworkers now work as tricycle drivers to augment their incomes.

According to DAR, they did purchase three threshers and gave these to DAR-organized agrarian reform beneficiaries’ organizations; but these were not enough when viewed against the list of 36 ARBOs that had been accessing credit from DAR Nueva Ecija. Members of ARBOs not given the equipment were left to the mercy of enterprising traders, former landowners, and even the new class of “landowners”<sup>16</sup> who cashed in on and started renting out their own harvesting machines.

Gilda Labrador, as well as the other participants, said that they are not against farm mechanization as long as access to it is socialized and it is not controlled by only a few individuals. She also pointed out the need to create diversified sources of income for rural farm workers that will be displaced by this mechanization process.

## A Different Success Indicator

Majority of the interviewees and FGD participants in Brgys. Palagay and Polilio believed that the program failed if viewed against their own success indicator. They said that the main indicator of success for PD 27, CARP, and CARPER should be the number of original ARBs as well as their heirs who still own and are presently tilling the lands awarded them. Using how many hectares were distributed and how many ARBs were given lands would not be sufficient indicators of success. In their own estimation, the interviewees and FGD participants said that only 15 percent to 22 percent of the awarded lands in Brgys. Palagay and Polilio have remained with its original beneficiaries and heirs. They said that the lack of or insufficient support services coming from the government as promised under the program had resulted in the pawning and indirect selling of lands. They also thought that an audit/inventory of accomplishments based on the indicator they suggested should be undertaken, as this could expose the inaccuracy of basing the program’s success on mere numbers without looking at whether or not the ARBs have been able to make

these farms economically viable, consequently improving their lives. They were however divided over whether the lands acquired by some ARBs who lent money to other ARBs should be redistributed to other landless peasants. In their case, the titles have remained under the names of the original ARBs because the law explicitly prohibits selling awarded lands. PD 27 had limited the transfer of awarded lands to either the government or another ARB which was supposed to be chosen by the ARB's organization.

Those in Brgys. Kalikid Sur, Kalikid Norte, and Camp Tinio who are all fighting different “second generation problems” are united in saying that the program has failed not only in terms of land distribution but also in providing comprehensive development needed to transform the beneficiaries into efficient agricultural producers and entrepreneurs.

## Conclusion

Various studies have already affirmed the positive effects of agrarian reform on the lives of farmer beneficiaries especially in terms of building social capital and helping alleviate poverty; this was also reaffirmed by those interviewed for this study.

However, it is also clear that while the ARBs have indeed been made owner of the lands they have been tilling through PD 27 or CARP, they still have limited control over their lands since they lack access to credit and other support services crucial to ensure their awarded land's viability and continuous cultivation especially in the face of natural disasters. By accessing credit from private sources, their decision-making as regards to where to sell their harvests to get the highest returns is also impeded because in some cases loans attach a conditionality that the harvest would automatically be sold to those who lent them the capital based on an agreed price.

Both the FGD participants and the interviewees have affirmed that the absence of program beneficiary development, especially the lack of adequate and needed support services, has hampered ARBs from fully developing their lands and taking advantage of its productive capacities that would help ensure the land's economic viability. Forty-five (45) years of implementation, yet both DAR and DA still have to harmonize or complement each other in initiatives that can maximize their already limited interventions. Tadem (2015) cited that only 44 percent of all ARBs had access to support services packages, and that 27 percent were in agrarian reform communities,<sup>17</sup> the model communities established by DAR and mostly with foreign funding, during former DAR Secretary Ernesto Garilao's time. As mentioned above, credit provision in Nueva Ecija is in private individuals and/or richer ARBs' control.

Most of the problems and uncertainties that the ARBs face could also have been avoided had the program been implemented swiftly and decisively. The high valuation (as compared to PD 27 valuation) of the remaining 52-hectares in Palagay covered under CARP/CARPER was a case in point. It was also typical that in the cases of agrarian reform disputes mentioned by the interviewees and FGD participants, the ARBs were the last to know that a case had been filed against them. This was the case for many ARBs now facing different agrarian reform disputes. In both cases mentioned here, the ARBs only knew that there was a case against them after a decision had already been issued cancelling their titles. Their opportunities, therefore, to contest and air their sides are now severely limited. Again, the long-drawn process of implementation has provided former landowners or new prospectors the opportunity to either question the coverage of their lands under agrarian reform and to impede its implementation by filing different cases against the ARBs.

Though the remaining land for distribution in Nueva Ecija is not only three percent of the target, the issue of whether its coverage would proceed or not especially in cases where no Notices of Coverage have been issued prior to June 30, 2014, remains unclear. This is the same case for those lands where erroneous NOCs have been issued. This was the case of C1 in Brgy. Kalikid. In an informal discussion with DAR PO Legal Office head Atty. Darius Bondoc, he said that for those lands under PD 27, they can still be legally covered since NOCs were not required under PD 27. But for those landholdings under CARP and CARPER in which NOCs have not been issued, the possibility of non-coverage looms.

Palay is a labor-intensive crop, but for Nueva Ecija's agricultural workers, technological advances have eroded available on-farm jobs and facilitated rural labor displacement. Farm mechanization in land preparation already widespread in the province has already limited the available work for rural farmworkers. The introduction of the harvester-cum-thresher has exacerbated it. Compared to manual labor, the machines are faster and cost-effective. Enterprising traders, former landowners, and even the new class of "landowners" or richer ARBs earning from their own machines.

Nueva Ecija can be considered a good showcase for the gains, failures, and threats brought about by the implementation of agrarian reform in the province. The words of then Undersecretary Drilon were in a sense prophetic. Forty-five years of PD 27, Republic Act 6657 or CARP, and then CARPER, the agrarian reform program remains unfinished. Ironically, its reported gains are under threat of reversals as "second generation problems" like cancellations of EPs and CLOAs continue, land conversions both legal and illegal abound, and former landowners wage legal battles to stop and reverse its implementation.

## Nueva Ecija's Agriculture and Agrarian History

Nueva Ecija is a first-class province in Central Luzon, north of Manila. It is a landlocked province, primarily comprising low-lying alluvial plains in the west, central and south western parts, and rolling uplands in the northern, eastern, and south eastern parts. In the 1920s, it was recognized as the “Rice Granary of the Philippines” producing sufficient rice to cover national consumption and ranking first in terms of production yield among all the rice producing provinces in the country.

The province, formerly called Upper Pampanga, was originally part of Pampanga province during most of the Spanish era. In 1705, however, it was established as a military district and its name was changed to Nueva Ecija<sup>18</sup>. Its alluvial plains according to historical accounts were formerly frontier lands that were cleared by immigrants from Ilocos, Pampanga, and Bulacan for the production of tobacco during the Tobacco Monopoly<sup>19</sup> period from 1766 to 1880. Historical accounts show that the first wave of Ilocano migrants came in 1800s, most of whom settled in the northern areas of the province, now part of Pangasinan province; it was removed from Nueva Ecija's territorial jurisdiction in 1901. The second wave following in 1870s and 1880s also settled in the northern parts which were retained under Nueva Ecija's jurisdiction and became the towns of Cuyapo, Nampicuan, and Talugtug.<sup>20</sup>

When the monopoly ended, tobacco was replaced by sugar and corn as the favored crops. By 1886, the province was shipping sugar to Manila. Sugar was the main crop of the local principalia, although the bulk of production accordingly came from six Spanish-owned haciendas. Historical accounts also show that in Cabanatuan City, the chosen area of this study in the province, there were four large<sup>21</sup> sugar haciendas. These sugar haciendas would later be converted to rice haciendas in the early 1900s since the volume produced in the province could not outpace that of Pampanga, Bulacan, and Pangasinan. But even when sugar was considered the main crop of the province, rice was already being produced in significant quantities and was regarded as one of the major industries in the province. Then, rice was produced mainly in large estates or haciendas<sup>22</sup> measuring 100 hectares above and owned by different families and in some cases in smaller homesteads cleared by immigrants.

There were also large and small haciendas in central and northern Nueva Ecija, which were predominantly devoted to livestock, the largest of which was the 6,000-hectare Sabani Estate in Gabaldon, Nueva Ecija. There were also livestock industries—cattles, carabaos, horses, and pigs—in the province that served source meat for Manila in the 1800s. An epidemic of

rinderpest (viral disease in buffaloes and cattles) and foot-and-mouth disease, however, wiped out large-scale ranching in the province.<sup>23</sup>

Most of the big haciendas producing tobacco were owned by Spaniards, which were acquired through royal land grants or from the colonial government. Immigrants from Pampanga and Bulacan, mostly *principales*<sup>24</sup> or traditional local elite bought some of these estates from the original Spaniard grantees or from the royal domain<sup>25</sup> after the 1900s when the Americans started implementing laws (Homesteader's Law, Cadastral Law, etc.), formalizing property rights in the country.

Aside from the royal grants from the Spanish crown, other haciendas were formed out of homesteaders' lands awarded under the Public Land Act of 1903 during US colonization. The law allowed individuals to apply for homesteads of up to 16 hectares while corporations and partnerships could own as much as 1, 024 hectares.<sup>26</sup>

Most homesteads were in northern and eastern Nueva Ecija, including in the towns of Guimba, San Jose, Rizal, General Natividad, Llanera, Munoz, Bongabon, Laur, Sto. Domingo, Cuyapo, and Talavera.<sup>27</sup> Overlapping claims, lack of access to basic necessities like water, and lack of capital to register these homesteads as their own and to fully develop the lands they cleared made most of the migrants' or homesteaders' claim to the land tenuous. Some of these homesteads also fell prey to pacto de retroventa and were consolidated as medium-sized and smaller haciendas. *Pacto de retroventa* was both a mortgage and a contract of sale under which the owner (migrants or homesteaders in this cases) had the right to repurchase the land at a set price within a set period. But the land automatically became the property of the money lender upon the failure on the part of the farmer or a homesteader to repurchase the land within this stipulated period. Pacto de retroventa made it possible for money lenders, mostly Chinese mestizos, to acquire and amass lands which would later become the medium and small-sized haciendas in the province.<sup>28</sup> These smaller and medium haciendas measuring from 10 hectares up to as much 50 or 60 hectares were mostly scattered because they were initially owned by different migrants.

The enforcement of the Cadastral Law in 1913 formalized the ownership of Chinese mestizos of the lands they acquired through pacto de retroventa. These medium-sized and small haciendas owned by the Chinese mestizos and landed estates governed by the "inquilinos" converted to rice haciendas both contributed to making Nueva Ecija as the country's rice granary and in making Cabanatuan as one of the biggest producers of rice in the province.<sup>29</sup> In a study of property rights development in the Philippines noted that the process of land

registration in the country under the Cadastral Law was not suited to the local circumstances causing the registration to be marred by land-grabbing, controversies and their irregularities. opening up frontier lands required huge land labour and money to finance the registration of these lands.<sup>30</sup> Thus, most of those who undertook it were those with means to finance such undertakings. In some cases, the migrant farmers who cleared the lands as homesteads were unaware of the importance of legally registering their land ownership claims under the Cadastral Law. In these cases, some members of the wealthy classes took the opportunity to register imperfect titles for cleared lands under their names and wresting away ownership from the farmers who originally cleared the lands.<sup>31</sup> But aside from lack of knowledge and money for the registration, some migrant farmers who tried to register their claims were also discouraged by the long and tedious process of registration due to the lack of judges.<sup>32</sup>

Another study said that after 1925 most homesteaders in the province lost their “separate identity” as homesteaders after being “gradually co-opted into the sharpening class struggle between the landlords and the tenants,” while some became landowners and most were absorbed into the tenantry.<sup>33</sup>

Aside from the landowners and homesteaders, companies also established plantations through leasehold in the province such as the Puncan Plantation and the Vega-Chico Agricultural Company. The Puncan Plantation was established on public land in Puncan, Carranglan, Nueva Ecija established in 1919 engaged in large scale rice production in Nueva Ecija. The plantation started in 1921 with 877.9 hectares leased area later growing to a thousand hectares with 104 families mostly from Nueva Ecija and the neighboring provinces of Pangasinan, Tarlac and Ilocos Sur as tenants. Another American owned plantation established in Nueva Ecija was the Vega Chico Agricultural Company which had leasehold over an area of 224.8 hectares. Both companies eventually failed, accordingly due to the feudal arrangement which was not acceptable to the American company owners.<sup>34</sup>

The formation of haciendas reinforced a three-tiered class structure with the landowners comprising a tiny upperclass, a middle-class of inquilinos or leaseholders of agricultural lands, and a lower class of share-croppers or “kasamas” as tenant cultivators. There were also farm workers called “jomaleros” or day workers.<sup>35</sup>

Santiago (2015) listed the big landowners in his study tracing the emergence of Nueva Ecija as the Rice Granary of the country. Some of the families he mentioned were the families Gonzalez, Tinio, Tabaquin and the Esguerras who have established themselves as elites in the province during the 19th century. Alliances formed by marriages between these clans further

resulted to bigger landholdings by these families. Using the data from the American Chamber of Commerce Journal, he listed other families who owned plantations of 500 hectares or more in the provinces, majority of whom were absentee landlords. Other absentee landowners were the de Leons, Maximo Viola, Meliton Carlos; the Tanjancos; Estefania del Rosario and Nicanor Jacinto, the Belmontes and Cojuangco families.<sup>36</sup>

McLennan wrote *"we can safely generalize, nevertheless, that the approximate period 1890 and 1925 saw the bulk of the principalia-owned haciendas established or expanded at the expense of the public domain and small holder neighbors. The period of maturation from 1925 to the outbreak of war in 1941 was used to develop the full potential of the haciendas laid out during the previous period of expansion. The earlier stage saw the hacenderos directing inquilinos in forest felling, the succeeding period was one of converting tenancy arrangements sharecropping and evolving secondary sources of income by extending credit to tenants, introducing threshers, trucks, warehouses and, in some cases, rice mills, for which services the peasants were charged."*<sup>37</sup>

The ownership of lands in Nueva Ecija led to the concentration of wealth in the hands of the few wealthy landowners which majority of poor farmers worked for a pittance of the harvests, suffering from poverty as they barely made ends meet.

It was not surprising therefore that Nueva Ecija became a center of peasant unrest. The Kapisanan Makabola Makarinag of Nueva Ecija in 1928 was pushing for the establishment of a secret people's army that would lead local uprisings aiming for property redistribution.<sup>38</sup> Kerkvliet noted that the first newspaper-reported strike was in 1932 when tenants from four different haciendas went on strike. The strike was conducted to get loans of rice or cash from landlords who had refused these requests. In the years that followed more strikes would occur in the province, some were conducted to seek loans, others to demand an increase in their shares of the crop, etc. Other forms such as petitions were accordingly used by tenants, at first directed to the landlord or overseer, then later were directed to local government officials eventually targeting national government officials. The armed wing of the Communist Party of the Philippines (CPP), the National Peoples' Army (NPA) started its armed campaign in the rural areas of central and northern Luzon, before expanding, during the early 1970s.<sup>39</sup>

Addressing peasant unrest in Central Luzon was one of the two main reasons for Marcos' Presidential Decree No. 27 which was limited to rice and corn lands only. The second reason was that Marcos accordingly calculated that a large proportion of rice and corn



lands were in the hands of only a few very big landowners. By limiting the coverage of land reform to rice and corn areas only, the antagonism that land reform would bring would be limited to the few landed elite. At the same time, the selective reform would target one of his most staunch political opponents, the Aquinos of Tarlac, whose lands were the first to be expropriated under PD 27.<sup>40</sup> Wurfel noted that Marcos' land reform policy especially during the early years of Martial Law "did seem to help create some support for Marcos in the countryside, blunted foreign criticism of his regime, and put the landed elite on the political defensive."<sup>41</sup>

## Details About the Case Study and Socio-Economic Profile of the Participants

Twelve (12) interviews were done with farmer beneficiaries, heirs of agrarian reform beneficiaries, and rural workers from Barangays Palagay, Polilio, Bagong Sikat, Camp Tinio, Kalikid Norte, and Kalikid Sur in Cabanatuan City, Nueva Ecija. Palagay and Polilio are adjacent to each other, and the same applies to Kalikid Norte, Kalikid Sur, and Camp Tinio.

There were eight male and four female interviewees. Most of the interviewees were senior citizens with ages ranging from 60 to 70. As prescribed under Philippine laws, 60 is the mandatory starting age of retirement and conferment of senior citizen privileges to Filipinos. (See Table 2)

**TABLE 2**  
**Socio-Economic Profile of Interviewees**  
**in Brgys. Palagay, Polilio, Camp Tinio, Kalikid Norte,**  
**Kalikid Sur, and Bagong Sikat, Cabanatuan, Nueva Ecija**

Age	Male	Female	Total
30 – 40 years old	2		2
40 – 50 years old			
51 – 60 years old	3		3
61 – 70 years old	3	4	7
71 and above			
Total Number	8	4	12

Source: Author's rendering

Majority of those interviewed were married. Two interviewees were not married and one was a widow. Except for the two single respondents, all of the interviewees had children numbering from three to nine. Regardless of the work in the farm they contributed, all of the wives of the male respondents were described by their farmer's husbands as "mere" housewives and mothers and not as farmers. Only one interviewee acknowledged the contribution of her wife to farming, given that she was the one who took over farming while her husband had a job in Manila. The spouses of the three female respondents were also farmers.

Focus group discussions were also conducted, with eight farmer beneficiaries participating in the FGD in Palagay and Polilio held at the house of KABAPA leader and heir of farmer beneficiary Trinidad Domingo. Twenty-seven farmer beneficiaries participated in the FGD for Barangays Camp Tinio, Kalikid Norte, and Kalikid Sur, which was held in Camp Tinio. Four of the participants in the FGD in Camp Tinio were from other barangays and municipalities in Nueva Ecija (Barangay Bagong Sikat in Talavera, Barangay Maligaya in Fort Magsaysay, and Laur). These farmers experienced land problems related to agrarian reform implementation under CARP/ER.

The FGD participants from Barangay Polilio and Palagay comprise of a generation of PD 27 beneficiaries. Six were second generation beneficiaries and two, third generation. Five participants were females and three, males. Second generation beneficiaries were the sons and daughters or direct heirs of the original beneficiary, while the third generation beneficiaries were the grandsons or granddaughters of the original beneficiary.

The FGD participants from Barangay Kalikid Norte, Kalikid Sur, and Camp Tinio were a mix of second generation PD 27 CARP, and CARPER beneficiaries. Twelve of the 27 participants were female and 15, males.

An FGD with three staff members of DAR Nueva Ecija Support Services Office were also conducted; here, they elaborated their views on agrarian reform, experiences in support services provision to agrarian reform beneficiaries in the province, and the challenges they faced as implementors.

## ENDNOTES

- 1 Wolters, W.G. (1999). "The Development of Property Rights in the Philippines, 1850-1930," Property Rights and Economic Development, Land and Natural Resources Development in Southeast Asia and Oceania, edited by Toon Van Meijl and Franz von Benda Beckmann, Routledge, 1999. Accessed Accessed March 13, 2017 <https://books.google.com.ph/books?id=71GklcOBKlNYC&printsec=frontcover#v=onepage&q&f=false>.
- 2 Bryne, J. (1970). An Appraisal of Presidential Decree 27 Purposes and Accomplishments with Focus on Nueva Ecija. [http://lynchlibrary.pssc.org.ph:8081/bitstream/handle/0/4681/07\\_An%20Appraisal%20of%20Presidential%20Decree%20No%2027.pdf?sequence=1](http://lynchlibrary.pssc.org.ph:8081/bitstream/handle/0/4681/07_An%20Appraisal%20of%20Presidential%20Decree%20No%2027.pdf?sequence=1) accessed June 1, 2017.
- 3 Bryne, p. 4.

- 4 Alienable and disposable lands of A & D lands are lands refers to those lands of the public domain which have been the subject of the present system of land classification and declared as not needed for forest purposes.
- 5 Flores-Obanil, C.B. (2015). Striking a Balance: Agricultural Lands vis-à-vis Housing Concerns in the National Land Use Act. Land Watch Asia, Quezon City, Philippines. Available online: <http://angoc.org/portal/striking-a-balance-agricultural-interests-vis-a-vis-housing-concerns-in-the-national-land-use-act/>.
- 6 DAR Nueva Ecija Provincial Office Approved Land Use Conversions, 1983 to 2016.
- 7 DAR Nueva Ecija Provincial Office Accomplishment Report, 1972 to July 2016.
- 8 Philippine Peasant Institute. (1989) "The Myth of Agrarian Reform in the Philippines." Farm News and Views, Vol. II, No. 1, p. 1. Some of these laws were Public Land Act; Republic Act No. 1400 or the Land Reform Act of 1955; Republic Act 3844 or the Agricultural Land Reform Code later known as Agrarian Reform Code; and the Presidential Decree No. 2 and No. 27 or the Tenant's Emancipation Act; Republic Act No. 6657 or the Comprehensive Agrarian Reform Law (CARL) which provided the mandate for the implementation of the Comprehensive Agrarian Reform Program (CARP); and the Comprehensive Agrarian Reform Program (CARP) Extension with Reforms Law or RA 9700.
- 9 Unfortunately, Ka Leovigilda Labrador passed away last August 2017.
- 10 There are several schemes for accessing credit in Nueva Ecija using the awarded land as indirect collateral. Sanglangpatay is when you pawn your lands for a loan e.g. P20,000 and in exchange the creditor will cultivate the land for a cropping season or a year or until the loan has been repaid. The farmer-pawnee is often hired as the farmworker while the debt remains unpaid. Sanglangasad, on other hand, is an indirect way of already selling one's land. Normally, a contract for sanglangasad runs up to 3 years, and the debt owed runs much higher from P100,000 up to P750,000 per hectare which is almost at par at current market valuation in the areas of Palagay and Polilio for irrigated rice lands.
- 11 DAR. (2017). Agrarian Production Credit Program: Status of ARBOs Loan Documentation as of March 2017.
- 12 PD 27, CARP and CARPER use different formulas for valuation of rice lands, with CARP and CARPER having higher prices.
- 13 "Agrarian reform reversals" encompass the different problems besetting farmer beneficiaries (FBs) including cancellations, land conversions, reclassification, etc. which normally results to the FBs losing the lands awarded to them under the agrarian reform program. The Philippine Peasant Institute (PPI), coined the term way back in the early 1990s in their papers and publications on the situation of agrarian reform in the Philippines.
- 14 Philippine Statistics Authority (2016). Women and Men Statistical Handbook. Retrieved from: <https://psa.gov.ph/sites/default/files/kmcd/WAM%20Women%20and%20Men%20Handbook%20in%20the%20Philippines%202016.%20Final.pdf>, accessed November 16, 2017.
- 15 Php 1 = US\$ 0.019, 2018 rate.
- 16 The class of landowners are mostly ARBs who have improved their lot and now have the capacity to lend money and accept informal pawning arrangements.
- 17 Tadem, E.C. (2015). Philippine Agrarian Reform in the 21st Century, Land grabbing, conflict and agrarian environmental transformations: perspectives from East and Southeast Asia International Academic Conference. Retrieved from: [https://www.iss.nl/fileadmin/ASSETS/iss/Research\\_and\\_projects/Research\\_networks/LDPI/CMCP\\_D2-Tadem.pdf](https://www.iss.nl/fileadmin/ASSETS/iss/Research_and_projects/Research_networks/LDPI/CMCP_D2-Tadem.pdf).
- 18 It was Governor Fausto Cruzat Y Gongorawho gave Nueva Ecija its name. The province was named after Gongora's native town in Andalucia, Spain named Ecija. Nueva Ecija means "New Ecija."
- 19 The Tobacco Monopoly forced farmers to plant tobacco and sell their harvests to the Spanish Colonial government for a fixed price. Every area must meet the mandated production volume quota every harvest season.
- 20 Villafria, J.(2015). Evaluation of American Colonial Policy on Agriculture: The Case of Rice Production Industry in the Philippines, 1902 to 1940. Accessed March 31, 2017, Retrieved from: <http://iaast.org/upload/6310A0715054.pdf>.
- 21 In 1886, six large haciendas in Nueva Ecija produced the bulk of sugar produce in the province. Four of these Spanish owned haciendas were in Cabanatuan while the two others were in Cabiao and Jaen. (Santiago, 2015)
- 22 The large hacienda's were actually owned by provincial Spanish and Chinese mestizo elites (McLennan, 1982 as cited in Villafria, 2015) . Santiago (2015) identified some of these provincial elites: Don Mariano Garcia, Sitio Garcia, Santo Cristo, Gapan; Don Meliton Carlos of Sitio Tila Kaingin, Sitio Bakood and Barrio San Miguel na Munti in Talavera; Don Gabriel Llamas of Barrio Tobacao, Sitio Bulak and Sitio Basanghamog; Juana Saranggaya of Sitio Saranggaya, and the Tinios of Barrio San Pascual and Barrio San Ricardo; In Cuyapo was Don Primitivo Versula of Barrio Medico (now Maeling); Vega, Bongabon which was cleared by several principalia; in Guimba, Kapitan Berong (aka Casimiro Tinio) of Barrio Ayos-Lumboy and Barrio Narvacan; Don Luis de Ocampo of Barrio Bantug and Barrio Catimon (formerly Turod); Don Francisco Gonzalez of Barrio Casongsong and Barrio Manggang Marikit; and the hacendero of Barrio Agcano.

- 23 Otis, E.S.(1899) Notes on the Philippine Military Trade, and Finance Report of General Otis. p. 127. RG 350, NARA, Washington, DC. as cited in Santiago, Fernando Jr. (2015). A Historical Evaluation of The Emergence of Nueva Ecija as the Rice Granary of the Philippines, DLSU Research Congress, 2015, p. 1. Accessed March 3, 2017.
- 24 Buhler (1983) described the changes in societal structure in her doctoral dissertation. She pointed out that pre-Spanish time, there was a three-tiered native class structure composed of a small chiefly class, a slightly larger class of freemen, and a mass of slave dependents. This structure was replaced by a two-tiered class system following the Spanish Conquest composed of the local principalia (traditional political elite) and the rest of the population. This would again be replaced by a three-tiered class structure consisting of a tiny upperclass, an intermediate "middle class" of inquilinos, and a lower class of kasamas and jornaleros. Inquilinos are leaseholders of agricultural land; kasamas are tenant cultivators; jornaleros are dayworkers.
- 25 McLennan, M. S. (1955). Peasant and hacendero in Nueva ecija: the socio-economic origins of a Philippine commercial rice-growing region (Doctoral dissertation). University of California, Berkeley as cited in Santiago, Fernando Jr. (2015). A Historical Evaluation of The Emergence of Nueva Ecija as the Rice Granary of the Philippines, DLSU Research Congress, 2015, p. 1. Accessed March 3, 2017, Retrieved from: [http://www.dlsu.edu.ph/conferences/dlsu\\_research\\_congress/2015/proceedings/TPHS/017TPH\\_Santiago\\_FA.pdf](http://www.dlsu.edu.ph/conferences/dlsu_research_congress/2015/proceedings/TPHS/017TPH_Santiago_FA.pdf).
- 26 Putzel, J. (1992). A Captive Land: The Politics of Agrarian Reform in the Philippines. Quezon City: Ateneo de Manila University Press.
- 27 McLennan, M. (1980), p. 230-231.
- 28 Allen, J. S. (1938) Agrarian tendencies in the Philippines. Pacific Affairs, 11(1), 52-65. as cited in Santiago, Fernando Jr. (2015). A Historical Evaluation of The Emergence of Nueva Ecija as the Rice Granary of the Philippines, DLSU Research Congress, 2015, p. 1. Accessed March 3, 2017, Retrieved from: [http://www.dlsu.edu.ph/conferences/dlsu\\_research\\_congress/2015/proceedings/TPHS/017TPH\\_Santiago\\_FA.pdf](http://www.dlsu.edu.ph/conferences/dlsu_research_congress/2015/proceedings/TPHS/017TPH_Santiago_FA.pdf).
- 29 McLennan (1980), p. 69.
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# HACIENDA LUISITA AFTER CARP IMPLEMENTATION

BY RICARDO REYES

*Hacienda Luisita is hailed as a litmus test for agrarian reform implementation in the country, representing decades-old problem of landlordism, injustice, and land inequality. Its distribution in 2012 signaled hope and triumph to farmworkers struggling to reclaim their lands. But what happened six years after? This case study examines the farmers' situation post-land redistribution, painting a picture of 'ownership without control' via the widespread arriendo or illegal mortgage/lease and selling system that prevails in the hacienda.*

After 45 tortuous years of legal and political battles over Hacienda Luisita, spanning six elected presidencies and a martial law regime, the larger portion of the hacienda was finally redistributed to its farmer claimants.

This case study looks into the situation of the farmworker beneficiaries after CARP redistribution in 2011-2012. Far from restoring the farmworkers' claims to owning the land and controlling its use, the study found out that majority of the beneficiaries fell victim to a system called *arriendo* (See Negros Occidental for similar case). Farmers lacking capital to develop their production or worse, in need of steady cash to support other family needs were lured by moneyed people to loan or sell their certificate of land ownership award, which is prohibited under CARP. Under this illegal transaction, the beneficiaries worked as farm laborers to their *arrendador* or allowed the latter to run their farm for normally two to three years. Those who could no longer return the loan money either "sold" their entitlement to their land or entered into another *arriendo*. Another major finding is the difficulty encountered by the beneficiaries to develop and raise a reasonable income from their land, especially if they want to shift from sugar to rice or other crops.

It is important to take a short trip back to the history of Hacienda Luisita to understand this unfortunate development.

## The Saga of Hacienda Luisita

The saga of Hacienda Luisita's redistribution to farmers is still being played out. Much has been written about what happened during the last 45 years and the main highlights of the story have been widely known.

The story starts with the sale of the Spanish-owned Compañía General de Tabacos de Filipinas or Tabacalera of its sugar mill, the Azucarera de Tarlac, and its sugarcane plantation, the Hacienda Luisita to Jose Cojuangco, then co-owner of his family's small sugar central in Paniqui, Tarlac. He would be more popularly known as the father of former President Corazon Cojuangco-Aquino. The Spanish company had decided to sell Tabacalera due to the intense peasant unrest in the area.<sup>1</sup>

There was something special in this sale. It was brokered by no less than President Ramon Magsaysay who wanted somebody like Cojuangco, instead of the Lopezes, to buy the hacienda and the azucarera. He asked the young Benigno "Ninoy" Aquino, Jr., then newly married to Cojuangco's daughter, Corazon, to convince his father-in-law to take up the presidential offer.<sup>2</sup>

To help Cojuangco close the deal, Magsaysay facilitated a 10-year US\$ 2.1 million loan from Manufacturer's Trust Company in New York. The transaction was in dollars and thus, the Central Bank of the Philippines deposited part of the country's foreign reserves to the American company. In order to complete the purchase, another loan from the Government Service Insurance System, Inc., amounting to Php 5.9 million was granted to Cojuangco.<sup>3</sup>

The Central Bank approved the loan "with a view to distributing (Hacienda Luisita) to small farmers in line with the Administration's social justice program", according to CB Monetary Board Resolution 1240 of August 27, 1957. The GSIS had a similar caveat to its loan, i.e. that the hacienda within 10 years would be "subdivided among tenants who shall pay the cost thereof under reasonable terms and conditions" (GSIS Resolution 1085, May 7, 1957 and GSIS Resolution 3202, November 25, 1957). The latter's resolution, however, was amended on appeal by Cojuangco as follows: "the hacienda shall be sold at cost to tenants, should there be any".<sup>4</sup>

Cojuangco's company, the Tarlac Development Corporation, became the new owner of the hacienda and the azucarera in 1958 with Benigno Aquino, Jr. as hacienda administrator.

The 10-year deadline, due in 1967, came and went, but no redistribution was made. Cojuangco insisted that the CB and GSIS Resolutions could not be implemented because there were no tenants in the hacienda. The farm workers started to organize to push for the hacienda's distribution. The Philippine government's Land Authority in 1967 demanded compliance from Cojuangco.



*In one of the CARP-reformed areas in Hacienda Luisita, a farmer attempts to shift from sugarcane production to rice and vegetable.*

Stonewalled by Cojuangco, the government relented despite the growing protests by the hacienda workers who were beginning to experience harassments.<sup>5</sup>

It is interesting to note that Marcos and his martial law regime tolerated the continued stubborn resistance by the heirs of Jose Cojuangco after his death in 1976.<sup>6</sup> Two more follow-ups were made by the government during martial law in 1977 and 1978 but to no avail. Finally, after 11 years of tolerating the disputed hold of the Cojuangcos over Hacienda Luisita, on December 1985, the martial law regime pressured the Manila Regional Trial Court to issue a decision for TADECO to surrender the hacienda to the Ministry of Agrarian Reform. This maneuver by Marcos was done when Corazon Aquino was about to announce that she would contest the results of the snap presidential elections. However, the farmworkers' claims became the sacrificial goat in the inter-elite power game.

The EDSA People Power Revolt of February 1986 overtook the court order. By a cruel twist of history for the farmworkers of Hacienda Luisita, one of its owners, Corazon Cojuangco Aquino was installed as president. She promised during the snap election campaign that she would include the family's hacienda in her comprehensive agrarian reform program. However, before the new Congress under the new Constitution of 1987 was inaugurated, she introduced a scheme called stock distribution option to her agrarian program.<sup>7</sup> Under this scheme, the farmer beneficiaries would be given shares of stocks deemed equivalent to their capital and land value entitlements instead of an actual land



ownership transfer from landowner to farmers. When Congress enacted the Comprehensive Agrarian Reform Program in 1988, SDO was included as one of the implementing modes of CARP. The Cojuangcos readily availed of this scheme for Hacienda Luisita.

As required by the CARP Law or RA 6657, a referendum was held to ask the farm workers to choose between the SDO or actual land transfer. The power of Malacañang combined with the long years of patriarchal relationship between hacendero and workers enabled the Cojuangcos to make the farmworkers vote for SDO in two referendums, May and October 1989. By overvaluing the non-land (capital assets) or their share in the hacienda's development and undervaluing the land, the Cojuangcos retained 67 percent or controlling ownership of Hacienda Luisita, leaving the farm workers 33 percent of stock ownership. The latter could only get the full value of their stocks in a staggered manner, spread over 30 years.

Not only had the farmworkers been denied of their right to own land, they were also subjected to unfair practices. They had to work continuously in the hacienda to receive shares. If they quit or get fired, they lost their shares. The annual payroll was used as the basis for deciding who could get their shares. Through the years, the number of shareholders doubled as more farmworkers were drawn into the hacienda, thus, diluting the entitlements of the original beneficiaries.

More troubles appeared when the Provincial Sanggunian of Tarlac reclassified three-fifths of the hacienda land from agricultural to commercial, residential, and industrial use. Of the reclassified lands, 500 hectares were initially converted by the Department of Agrarian Reform. The farming area became smaller and smaller. Work days were cut to one per week. Wages were frozen. Farmworkers were no longer sure if they could get their equity shares for the large converted portions of the hacienda sold.

At that point on December 4, 2003, some 5,339 farmworkers through their union filed a petition to revoke the SDO and stop land conversions in the hacienda. Later in July 2004, the union also started negotiating for a daily wage increase from Php 194.50 to Php 225 and for a two to three-day work week compared to only one. The management flatly rejected the demands and even retrenched 327 farm workers including union leaders a few months after. The farmworkers went on a strike a month later.<sup>8</sup>

The strike was met with violence by government forces. Two tanks, 700 policemen, and 17 trucks of soldiers were deployed against the strike. On November 16, 2004, seven strikers were killed and more than a hundred injured. The overpowering use of force was justified by both government and the Hacienda Luisita management as a defensive measure against the presence of some armed insurgents in the picket line. This charge was not proven in the Senate investigations that followed, which, unfortunately, never came up with any definite findings and motion to redress. This 2004 incident would be known as the Hacienda Luisita Massacre.<sup>9</sup>



Support for the farmworkers spread nationwide and grew bigger to include other sectors and individuals, including the religious. Two farmer organizations in the hacienda, the bigger cluster of the Alyansa ng Manggagawang Bukid sa Asyenda Luisita, the United Luisita Workers Union, and the Unyon ng mga Mangagawa sa Agrikultura, and the Farm Workers Agrarian Reform Movement pursued the fight before the public, the Department of Agrarian Reform, and the Supreme Court.

The farmworkers' struggle was given a big break by the political conflict between the Macapagal-Arroyo administration and the Cojuangco family. Former President Aquino and her son who later also became president, Benigno "Noynoy" Aquino III joined the widespread opposition movement to oust Macapagal-Arroyo. The Presidential Agrarian Reform Council, the highest agrarian reform policy-making body chaired by the President of the Philippines, acting on a long-processed inquiry into the status of the SDO implementation in Hacienda Luisita, which began under the Estrada administration, decided on December 23, 2005, to revoke the hacienda's SDO and ordered its distribution to the farmworkers.<sup>10</sup>

The Cojuangcos moved for a Temporary Restraining Order from the Supreme Court, which granted it. After more than five years of prolonged and circuitous legal battles, the Supreme Court decided in favor of SDO revocation and land distribution.

## The Supreme Court Decision

The Supreme Court of the Philippines in its November 23, 2011<sup>11</sup> and April 24, 2012<sup>12</sup> decisions ruled that some 4,915 hectares belonging to Hacienda Luisita, Inc. should be distributed to its farmer claimants. The said land was part of the much bigger property owned by the Cojuangco family under the registered name of Tarlac Development Corporation, covering 6,443 hectares. Only 4,915 hectares were covered by the Supreme Court decision because this was the portion of the hacienda that was the case at bar, having been placed under the stock distribution option. The farmlands were located in 10 barangays belonging separately to Tarlac City and La Paz and Concepcion towns.

On the basis of the Supreme Court decision, the DAR proceeded to distribute 4,099 hectares to 6,212 farmers from September 30 to October 18, 2013. Implementation did not cover all the 4,915 hectares. Some 385 hectares were declared exempted from the Comprehensive Agrarian Reform Law. Also excluded were 200 hectares claimed by Luisita Realty Corporation and 184 hectares by the Rizal Commercial Banking Corporation. Both portions of the hacienda were earlier subjected to conversion to non-agricultural uses and were reclaimed by then DAR Secretary Rafael Mariano for land redistribution last February 2017. He also ordered that the 385 hectares, exempted earlier, be covered by CARP.

## Redistribution Scheme

The process to arrive at a redistribution scheme that would satisfy all the claimants was highly contested and acrimonious. Finally, DAR decided to allot the 4,099 hectares equally to the 6,212 claimants. Each claimant then was given .66 hectares or 6,600 square meters. Assignment of farm lots was based on a kind of lottery known as “tambolito agraryo” (*agrarian raffle draw*). Thus, many claimants got by “chance” their awarded farm lots located in barangays other than where they resided, which became a serious disadvantage for those who had to farm far from their abode.

The 2012 Supreme Court decision also ruled that the value of the redistributed land would follow the value set in 1989, which was Php 40,000 per hectare, and not the 2016 market value pleaded by the Hacienda Luisita, Inc. Based on this formula, the .66 hectare farm lot for each farmer would cost Php 26,400.00. A graduated amortization payment to HLI for as long as 30 years was adopted.

Table 1 below shows the number of ARBs that were awarded farm lots in the ten barangays of Hacienda Luisita. Almost one-third of the total lands distributed is located in Brgy. Motrico, La Paz, followed by Brgy. Pando in Concepcion (15.49 percent), and Brgy. Mabilog (15.46 percent). These three barangays make up 60 percent of the total lands redistributed under CARP, benefiting some 3,788 farmworkers.

**TABLE 1**

### Summary of Land Distribution in Hacienda Luisita

Barangay	No. of ARBs	No. of Lots*	Coverage Area (in hectares)	% Total (Coverage Area)
Asturias, Tarlac City	385	413	254.1	6.20
Balete, Tarlac City	87	91	57.42	1.40
Bantog, Tarlac City	236	259	155.76	3.80
Cutcut, Tarlac City	524	577	345.84	8.44
Lourdes, Tarlac City	312	342	205.92	5.02
Mabilog, La Paz, Tarlac	965	1,065	636.9	15.53
Mapalacsiao, Tarlac City	167	187	110.22	2.69
Motrico, La Paz, Tarlac	1,847	2,099	1,219.02	29.73
Pando, Concepcion, Tarlac	976	1,067	644.16	15.71
Parang, Concepcion, Tarlac	713	789	470.58	11.48
<b>TOTAL</b>	<b>6,212</b>	<b>6,884</b>	<b>4099.92</b>	<b>100.00</b>

Source: DAR, 2017

\* One lot is not always equivalent to 0.66 ha. Many ARBs have more than 1 lot.

## After Redistribution

The redistribution of the larger part of Hacienda Luisita was considered a significant, though not a complete victory for agrarian reform. In the long difficult road to agrarian reform in our country, the Hacienda Luisita case has become one of the lynchpins of its success. It has been six years since the DAR implemented the redistribution of the larger part of the hacienda. This is a sufficient period of time to gauge its success vis-a-vis what agrarian reform and in particular, CARP, sought to achieve—namely giving farmers effective control over their land and its use and enabling them to productively develop the land to uplift their lives as well as their families' welfare.

This case study is not an assessment of the redistribution scheme carried out by DAR in the 10 barangays covered. Further, there were serious limitations that the conduct of the research faced. The first was limited resource, which cannot support a survey. The second, which was just as important as the first, was the politically charged atmosphere prevailing in the hacienda, which restricted a freer conduct of a survey and focus group discussions in most of the barangays. As mentioned in the beginning, reports of illegal mortgage or lease called *arriendo* or outright illegal sale of awarded lands were rife throughout the hacienda. Prospective respondents were understandably wary of interviews that may compromise them before the law and with the perpetrators of this illegal scheme, i.e. the *arriendadors* who were powerful and moneyed persons in the area. Complicating the scenario was the validation survey conducted by the Department of Agrarian Reform in the months of March and April 2017 to look into these illegal schemes. The level of anxiety in the hacienda was such that interviewers were viewed with unusual suspicion. In addition, there were one or two barangays where ideological organizations hold sway, and which were so uninviting to researchers not of their persuasion.

### *DAR's validation of Hacienda Luisita*

As earlier stated, DAR undertook a validation program to inquire into the conditions of the ARBs and the status of the awarded farm lots three years after the distribution of the CLOAs. The validation took place from March 16 to April 7, 2017 and was created under Special Order no. 37, series of 2017. Table 2 summarizes the findings of the Hacienda Luisita Validation Team created by former DAR Secretary Rafael Mariano. DAR initially released the partial results of their validation on April 2017 (published in two major dailies) and June (on DAR Region 3 website). The data in the Validation Report shows a very alarming trend of dispossession of the ARBs through *arriendo* and illegal sale schemes. The DAR Region III Website reports:

*"A total of 5,031 of all the agrarian reform beneficiaries (ARBs) validated in 10 barangays have been interviewed during the conduct of the three-week validation of the controversial Tarlac estate. Based on the results of the field interviews and verifications, around 2,800 farmers have leased, mortgaged or rented out their lands while 600 have sold their lots to third-party buyers. In addition, almost 200 have been engaged in joint venture agreements. Barangays Mabilog, Pando and Motrico, with 2,000 farmers, have the biggest percentage of ARBs who rented out their lots. Majority of the beneficiaries in Barangay Pando admitted that their awarded lands were leased for seven thousand pesos yearly to a prominent political clan in Tarlac province. While Brgys. Cutcut and Mapalacsiao have the biggest number of lots sold, data showed".<sup>13</sup>*

The validation report revealed that out of the 5,031 ARBs interviewed or validated, only 21 percent or 1,034 ARBs are in actual cultivation of their lands. Among the 10 barangays, only Brgy. Bantog has more ARBs cultivating their CARP-awarded lands compared to the rest. (See table 2) This barangay represents an outlier as the other nine barangays have an average of one to three ARBs who are still cultivating their lands. According to the report, the lack of funds and other support for agricultural production and family troubles like illnesses account for the major reasons why ARBs resorted to illegal mortgage and sale of their awarded lands. Further, according to the report, "the ARBs who leased and sold their lands disclosed that the transactions for the lease arrangements and/or sale started from the time the CLOAs and the land were distributed".<sup>14</sup> DAR also found out that many beneficiaries were not aware of the 10-year prohibition on lease/ mortgage or sale of the awarded lands, on one hand, and that most of the ARBs may not be actually installed in their farm lots as most of them cannot identify the lands awarded to them. The DAR leadership under then Secretary Mariano, who was the former chair of Kilusang Magbubukid ng Pilipinas, promised to nullify all illegal transactions. But it was frustrated with the change of DAR leadership and with Mariano's rejection by the powerful Commission on Appointments. It remains unclear whether DAR has finalized the publication of its Validation survey and act on its own recommendations, which include (i) conduct of higher level inquiry or an in-depth investigation of the cases of lease and arriendo system to ascertain the violations committed by ARBs and other individuals including government officials involved in the illegal transactions, (ii) review and re-assessment of DAR's support services in Hacienda Luisita, (iii) conduct of trainings or seminars to reorient ARBs on their rights and obligations under existing agrarian laws, (iv) formulate clear policy guidelines to prohibit the lease and/or sale of awarded lots by the ARBs during the 10-year prohibitory period and stiffer penalties to those violators, and (v) conduct relocation survey and monumenting in areas where ARBs are in actual cultivation.<sup>15</sup>

**TABLE 2**

**Validation of Actual Status of ARBs in Hacienda Luisita, Inc. (HLI)  
Conducted by the HLI Validation Team**

Barangay	No. of ARBs	Validated		Actual Cultivation		Lease/ Mortgage		Sold		Joint Venture		Others		Balance
Asturias	449	395	88%	81	21%	161	41%	27	7%	71	18%	55	14%	54
Balete	87	67	77%	20	30%	27	40%	4	6%	3	4%	13	19%	20
Bantog	236	209	89%	117	56%	70	33%	3	1%			19	9%	27
Cutcut	524	473	90%	56	12%	245	52%	120	25%	4	1%	48	10%	51
Lourdes	312	270	87%	85	31%	112	41%	37	14%	18	7%	18	7%	42
Mapalacsiao	167	156	93%	31	20%	46	29%	58	37%	4	3%	17	11%	11
Mabilog	965	756	78%	168	22%	509	67%	20	3%	29	4%	30	4%	209
Pando	976	769	79%	103	13%	543	71%	48	6%	16	2%	59	8%	207
Parang	713	318	45%	70	22%	155	49%	90	28%			3	1%	395
Motrico	1,783	1,618	91%	303	19%	973	60%	206	13%	42	3%	94	6%	165
<b>Total</b>	<b>6,212</b>	<b>5,031</b>	<b>81%</b>	<b>1,034</b>	<b>21%</b>	<b>2841</b>	<b>56%</b>	<b>613</b>	<b>12%</b>	<b>187</b>	<b>4%</b>	<b>356</b>	<b>7%</b>	<b>1,181</b>

*NB: The Others column indicates ARBs interviewed/validated that are waiting for the release of their CLOAs and also their lots found to be idle, stony, or rocky due to construction of roads specifically by the Subic-Clark-Tarlac Expressway. The Balance column represents the number of ARBs whose status of CARP-awarded lands are unclear. Source: DAR Fields Operations Office, 2017.*

## Barangay Pando

The author conducted two sessions of focus group discussion in Brgy. Pando on March 2017. Pando was chosen because a farmer organization exists in the barangay, the Farmworkers Agrarian Reform Movement (FARM), which was open to the study and has less restrictive factors as cited above.

Based on the 2015 Census, Pando had a population of 2, 524 people. DAR's record showed there were 976 agrarian reform beneficiaries who received 1,067 farm lots in the barangay covering 704.22 hectares. This means that many of those awarded came from other barangays, a result of the tambiol allotments.

Most of the farmers have stuck to sugar cultivation. There are some, a majority of FARM's members, who already decided to shift to rice and vegetable farming, but have remained uncertain about sustainability in a largely sugar cultivation environment. Table 3 shows the basic socio-economic profile of the participants and the status of their relation to the farm lots awarded them.

The validation report indicates whether they have received their respective CLOAs or not. Location of the farm lot indicates the proximity of the awarded farm lots to the residences of the participants. The column on status shows if the beneficiaries are in control of the farm lot or have been subjected to the arriendo set up or sold to third-party buyers.

**TABLE 3**  
**Socio-Economic Profile of FGD Participants in Barangay Pando**

Name	Age	Sex	Civil Status	Educational Attainment	No. of Children	Other Source of Income/ Assistance	Validation	Location & Farm Lot	Status
1. Au	70	F	M	Grade 6	5	2 Children OFW Pension	✓	Near Residence	In Control
2. Al	63	M	M	Grade 6	5	None	✓	Far	Sold
3. Ry	43	M	M	College Level	3	Brgy. Kagawad NGO Assistance	✓	Near	In Control
4. Ry	48	M	M	High School Grad	3	NGO Assistance	✓	Near	In Control
5. Py	45	M	M	High School Grad	3	Odd/Outside	✓	Far	Sold
6. Es	60	F	M	Grade 6	4	None	✓	Far	Aryendo
7. Jn	50	F	M	High School Grad	3	Odd/Outside	✓	Far	Aryendo

Source: Author’s rendering.

Based on the above data, there is a relation between access to assistance and capital, the location of their farm lot, and the status of the land. The three FGD participants who are in control of their lands have access to capital/assistance and these lands are near their residences. Conversely, those who resorted to arriendo or to the illegal sale of their lands had no other supplementary incomes or assistance and were awarded lots far from their abode. This observation reflects the findings of DAR’s validation survey of seven out of 10 ARBs in Brgy. Pando leasing or mortgaging their lands to third-party, including to arriendadors.

## FGD Participants

The researcher invited eight participants. Seven were ARBs and one was an agriculturist who had been working as a consultant to the farmer organization's organic farm project. Of the ARBs, two were leaders of the farmer organization, two were members of the same organization, and three, non-members chosen at random. The composition of the FGD was such to reflect the variety of ARBs in Pando. The consultant goes around to provide service to ARBs who were non-members of FARM. The two leaders of FARM were likewise valuable as they were familiar with the ARBs, members or non-members, in the barangay. Except for the two farmer leaders, the others requested anonymity.

## Main Findings

This section is divided into three themes that emerged from the FGD discussions: (i) on the agrarian reform law and its implementation, (ii) the prevailing arriendo system, and (iii) support services.

### **On perspectives around agrarian reform law, its implementation, and post-land distribution.**

With decade-long struggles for the redistribution of Hacienda Luisita, all FGD participants are aware of their land case and the struggle to have it redistributed. They also know of the Supreme Court decision to revoke the stock distribution option and to redistribute the hacienda. The two FARM leaders and the agriculturist have an extensive knowledge about CARP/ CARPER. The others know that CARP/ CARPER is about land redistribution and that the government give assistance to support their farming. All are aware that they have the right to the land but they are not conscious that accessing support services is equally a right they ought to insist and fight for. All complain that support services are very inadequate, especially in the form of credit and grants (see support services section). Those who belong to FARM feel that the PARO ignored them because of their militant participation to revoke the SDO and redistribute the hacienda. They feel that the provincial DAR's initiative to organize the Agrarian Reform Beneficiaries Organization (ARBO) in their barangay is meant to counter their influence in their area. All are critical of the tambio scheme to allot farm lots to the beneficiaries. They cite that many got farm lots far from where the ARBs reside, giving them real financial problems to attend to farming their awarded lands. Two of them raise the possibility of *palakasan* despite the fact that the tambio is meant to be impartial. All are in favor of shifting from sugar to rice and vegetable farming and have taken steps in this direction. Two farm lots are in fact devoted to raising organic rice and vegetables.

**On the arriendo system and sale of farm lots.** All the participants are knowledgeable as to how the illegal and unregulated mortgage system or “arriendo” operates. FARM leaders in barangay Pando estimates that more than 70 percent of beneficiaries awarded lands in the barangay have either mortgaged or sold their farm lots to private parties, which is corroborated by data released by DAR in the first half of 2017. This is how they describe it: Under the arriendo system prevailing in the hacienda, the farmer mortgages or leases his/her farm lot to a third/ private party for Php 10,000 per hectare or Php 8,000. 00 per .6 hectare for a period of 2-3 years. During this period, the mortgagee called the “aryendador” takes control of the land from production to the choice of hired labor. The mortgagor (ARBs) may work under the mortgagee for additional income. After 2-3 years, control over the land reverts back to the owner. The CLOA is in possession of the mortgagee during the period of mortgage.

In a number of cases, after the mortgage period, when the farmer still continues to be in dire straits, he/she finds himself/herself vulnerable to the enticements of a sale, which under CARP/ER is as illegal as the arriendo. The on-going buying price of the land is Php 300,000 to Php 350,000 per hectare, but it can be as low as Php 200,000 per hectare if the farmer immediately needs the cash. The farmer-seller signs a sort of deed of sale that states that the sale and effective transfer of ownership will take effect ten years after the contract is signed. In many cases, the buyer is the same aryendador. At times, the sale is transacted even before the lapse of the mortgaging period. If this is the case and the buyer happens to be a person other than the aryendador, part of the payment is automatically given to the aryendador. Barangay officials usually act as “fixers” and “guarantors” of this agreement.

Among the FDG participants, both the two who entered into arriendo and the two who sold their farm lots to private parties/third party buyers stated that they were forced to do so because they were short of capital and other support services. One who agreed to an arriendo and another who sold complained of the long distance of the awarded land to them from where they resided.

**On support services.** The issue of lack or absence of credit and grants, technical and other extension support, infrastructure and marketing network, and capacity building support came up during the focus group discussion. To get the other side, DAR Tarlac Provincial Agrarian Reform Officer Ileona Pangilinan was interviewed. She cited a whole range of support services DAR has provided the ARBs of Hacienda Luisita and of barangay Pando, in particular. The following are the services she listed down:

1. DAR contracted the services of eleven (11) Field Facilitators to assist the regular employees of DAR in the documentation needed for land distribution, and undertake the required social preparation for support service projects that may be undertaken.



2. The ten (10) barangays were subjected to area profiling, which was completed on October 2013. It was discovered that the average yield per hectare, specifically on rice production, is way below the average in other areas.
3. The DAR held a Support Service Information Drive from May 23 to 25, 2013 to discuss with the ARBs the programs of DAR, DA, and other agencies that they can presently avail of.
4. Tests assessing the soil fertility and water resources at the hacienda were initiated in coordination with the Bureau of Soils and Water Management (BSWM). This was done to provide the ARBs with a soil-based information for a sound fertilization program on the intended crops. The choice of crops to cultivate is left to the ARBs.
5. DAR encouraged the formation of farmer organizations or ARBOs as a channel for government intervention in the provision of support services. An ARBO was set up in each of the ten barangays. By 2014, all ARBOs were set up and registered. The ARBO in Pando, named Coral Pando Pag-Asa ng Magsasaka Association, Inc. was registered on March 28, 2014.
6. DAR's support service programs were coursed through mainly, if not through the ARBOs.

In the case of barangay Pando, the following services were provided according to DAR Tarlac:

1. Under the Agrarian Reform Community Connectivity and Economic Support Services (ARCESS), 2 hand tractors with implements were provided to the Pando ARBO.
2. DAR outsourced professional service providers from the Tarlac State University to assist the Pando ARBO in terms of agri-extension and business development projects that the ARBO may undertake.
3. On June 24, 2014, the Agrarian Production Credit Program (APCP), which was jointly implemented by the DAR, the Department of Agriculture (DA), and the Land Bank of the Philippines, extended a credit assistance of Php 1.88 million to the Pando ARBO. Trainings on capacity development such as financial management were also done.
4. Pando was chosen in 2014 as one of the four pilot barangays for partnership with an international NGO, the Catholic Relief Services, for skills training in vegetable farming, business organizing, and planning and developing strategies in marketing.
5. The Pando ARBO acquired three Shallow Tube Wells under the DA-DAR Convergence on Integrated Agricultural Development Program.
6. Members of the Pando ARBO were included in some of the training programs for the ARBs of the hacienda through the ARBOs.

When asked about these programs, particularly the formation of the ARBO in Pando, the two FARM leaders in the focus group discussion felt that FARM and its members were left out in the formation because of the militant role the organization played in the agrarian reform struggle in Hacienda Luisita, which brought them in many instances to a position of opposition to DAR. The two other members concurred with the leaders. The three non-members were not interested in the ARBO activities because they entered into an “arriendo” or illegally sold their farm lots.

As to the services rendered by DAR to the ARBO, the FARM leaders said they were not in a position to affirm them. What the FARM leaders did was to secure the assistance, both credit and technical, of RIGHTS, Inc, a rural development-focused national NGO. The assistance included credit to some individual members of their organization, five water pumps secured from the social action center of the Catholic Church, and technical assistance by an agriculturist of the NGO in developing their farms, and practicing organic agriculture.

## Conclusion

In the process of agrarian transition in Hacienda Luisita, the most urgent issue to be addressed concerning the ARBs is their being dispossessed of the lands they fought so hard for decades. Based on what is happening in Pando and the findings of DAR's Validation Team in the hacienda, majority of the ARBs may already have experienced dispossession. It is important that the Validation Report be finalized and published so appropriate and timely actions to redress this problem may be taken.

In Pando and other barangays reported by DAR through its website and the media, the lack of funds and other support services needs be solved to free the ARBs from the arriendo and to provide disincentives for the illegal sale transactions perpetrated by landed and other moneyed interests and politicians in the area. Further, the establishment of ARBOs as main funnels for support service delivery by the government will make a difference only if it becomes truly inclusive and free from the patronage politics of local and regional politicians and government officials. While Tarlac DAR officials strongly deny that their service programs are not meant to favor sugar cultivation to serve the owners of the Central Azucarera de Tarlac and the former owners of the hacienda, the programs are obviously very short of what is necessary to promote other crops like rice and vegetables which are preferred by a significant number of ARBs and other off-farm livelihoods that are necessary to lift them from poverty. The success of agrarian reform in Hacienda Luisita requires that the redistribution of land be coupled with an enabling policy environment (including financial, technical, political and economic support) that can prevent further dispossession of ARBs and potential reconsolidation of lands, establish redress and restitution mechanisms, and allow for farmers to shift to other forms of crop cultivation and livelihoods.

If these are lacking, farmworkers turned farmers/ARBs will remain owners without control of Hacienda Luisita.

## ENDNOTES

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- 2 Putzel, J. (1992). *A Captive Land: The Politics of Agrarian Reform in the Philippines* (Quezon City:Ateneo de Manila University Press, 1992), p. 93.
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- 12 This is the Supreme Court decision which affirmed its earlier July 5, 2011 decision putting the entire land holding of Hacienda Luisita at bar and which ruled the 1989 valuation of land of the hacienda.
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# BENEFICIARIES IN NEGROS OCCIDENTAL FROM HACIENDA WORKERS TO LANDED LABORERS?

BY ROSANNE RUTTEN

*The paper puts a spotlight on one of the remaining bastions of landlordism in the country, Negros Occidental. It critically examines the situation of former hacienda workers who became beneficiaries of redistributed sugarcane haciendas—highlighting the vast extent of informal arriendo or ‘illegal’ lease in the province, the reasons why beneficiaries resort to this practice, initiatives to counter it, and the need for grounded policies to assist farmers in regaining control of their lands.*

What the advocates of agrarian reform hoped in Negros Occidental was for hacienda workers and their families to be liberated from the yoke of poverty and exploitation, and that as beneficiaries they would become productive small-scale farmers or members of successful cooperative farms (see Box 1 for background information).

The goal is far from being achieved. But the most striking trend now is that many agrarian reform beneficiaries are leasing out their awarded land to local investors—a general trend among beneficiaries nationwide. In Negros Occidental, many of these ARB lessors work as casual farm laborers for the lessees, reproducing the type of labor relation that CARP sought to remove. Some 41 percent of 2,325 ARBs surveyed province-wide in 2007 had leased out, mortgaged, or sold their land rights, according to a study commissioned by the provincial government of Negros Occidental.<sup>1</sup> This suggests that many beneficiaries experience an extremely tenuous hold over their awarded land. The population of beneficiaries in the province has quickly stratified into those who

subsist precariously as independent farmers, those who relinquished control over their land through lease, mortgage, or sale, and the relatively few who became members of stable cooperatives and successful individual farmers.<sup>2</sup>

This paper discusses why the practice of leasing out the awarded land (locally known as *arriendo* or *arriendohanay*) is so widespread among ARBs in the province, and what they and other stakeholders are doing to help counter this trend. The following reasons are highlighted: (1) the lack of cooperatives that can actually ensure the subsistence and tenure security of ARBs; (2) major challenges faced by ARBs who seek to survive as individual (sugarcane) farmers; (3) the weak political agency of ARBs, and; (4) the family livelihood strategies that motivate ARBs to lease out their land.

## Background

The implementation of CARP in the province of Negros Occidental, the center of plantation-based sugarcane cultivation in the Philippines since the mid-19th century, was contentious and controversies, numerous. The province has the biggest remaining balance for land acquisition and distribution in the country: 108,712 hectares as of August 2015, which was some 35.7 percent of the total targeted coverage area in the province (DAR, 2015a).<sup>3</sup> Resistance to CARP by large landowners (*hacenderos*) through violent and non-violent means has been considerable. Local elite families were traditionally the owners of the province's sugarcane plantations (*haciendas*), which employed resident wage laborers (*dumaan*) and seasonal laborers during the harvest (*sacadas*). The larger haciendas generally measured some 100 to 200 hectares. Many landowners evaded CARP through land conversion, legal maneuvering, illegal sale, and illegal issuance of new land titles.<sup>4</sup> In CARP-covered haciendas, the selection of beneficiaries became a source of conflict leading to long delays in the beneficiaries' actual installation. Landowner representatives in Negros Occidental have called CARP a "total failure"<sup>5</sup> for the structural inefficiencies it introduced in sugarcane cultivation, such as distorted land and credit markets, disincentives for investments, and a considerable drop in farm productivity and in municipal land tax income. They have conducted an intensive lobby against the various extensions of CARP in the last two decades.<sup>6</sup>

Despite landowner resistance, as of January 2016, some 184,116 hectares<sup>7</sup> were covered by agrarian reform in the province and distributed to 159,410 beneficiaries, according to DAR figures (DAR, 2016a and 2016b). Most CARP-covered hacienda lands were processed



*Agrarian reform beneficiary on his awarded sugarcane field, Negros Occidental. | PHOTO BY ROSANNE RUTTEN*

under the 'Voluntary Offer to Sell' scheme which was the least problematic, whereas the LAD balance concerned primarily hacienda lands earmarked for the conflict-ridden Compulsory Acquisition method. Many landowners opted for VOS as they faced two immediate threats: bank foreclosure due to accumulated debts and violent attacks by the underground Communist Party of the Philippines-New People's Army (CPP-NPA) in the 1980s-1990s.<sup>8</sup> Some landowners also (mis)used the VOS scheme as a lucrative business transaction with the help of fixers. Hacienda-worker activists, on their part, launched a sustained struggle for CARP coverage, often supported by NGOs and committed local DAR personnel.<sup>9</sup>

Sugarcane remains the primary crop on redistributed land cultivated by ARB farmers as well as lessees. Demand for sugarcane also remains high in Negros Occidental where eight large centrifugal sugar mills and refineries, at least six smaller *muscovado* sugar mills, and an increasing number of bio-ethanol plants and co-generation power plants are currently operating. However, the Philippine sugarcane industry is no longer primarily an export-oriented *sugar* industry but a small-scale diversified industry focused on the domestic market.

These reasons complement a fifth reason that is often singled out by NGOs and government officials: the government's inadequate provision of support services to ARBs (production capital, farm equipment, management skills, and the like). A recent government-led *Kampanya Kontra-arriendo* in Negros Occidental focused on this issue: the Department of Agrarian Reform (DAR) claimed that earlier inadequacies have been resolved and that there is no more reason for ARBs to lease out their land (DAR, 2017). Support services for ARBs have indeed improved since the CARP Extension with Reforms law of 2009 (CARPER). Nonetheless, the conditions that motivate ARBs to lease out their land are more complex than this DAR statement suggests.

The discussion below starts with a brief sketch of the practice of *arriendo* among beneficiaries, before turning to the reasons highlighted. The insights are from this writer's own research in Negros Occidental and from secondary sources.<sup>10</sup>

## Beneficiaries and the Practice of *Arriendo*

An unintended outcome of CARP is the creation of a vast informal land market for lease, mortgage, and sale, well-known from critical debates on CARP. In Negros Occidental, where relatively few haciendas have been turned into successful collective farms under collective ARB ownership, the fragmentation of land control over more than a hundred thousand ARBs who are cash-strapped and income-insecure has laid the basis for a massive land-lease market with large and small financiers offering ARBs cash rental for their land and often also wage employment. Mortgage and sale are also increasingly prevalent. Even where collective CLOAs are not yet formally subdivided into individual CLOAs, once a survey of individual lots has been made, ARBs may take informal control of their share and decide about its disposition. The result is a commodification of the land and land rights of ARBs, and a re-concentration of a large part of the land in the hands of lessees. Though the renewable lease contracts span relatively short periods (three to five years)<sup>11</sup> and allow ARBs to regain control after the short contract ends, indebtedness to the lessee often extends the lease period.

Though province-wide figures are lacking, several local NGO and DAR officials mentioned to me that “at least 50 percent” of the ARBs in the area they are familiar with are leasing out their land.<sup>12</sup> The percentage may be higher in lowland communities close to urban centers where financiers/lessees abound. A family survey the writer conducted in 2016 in former Hacienda M., a CARP-covered hacienda of 130 hectares in a peri-urban lowland community in central Negros Occidental, showed that in this former hacienda some 75 percent of the total of 94 ARBs leased out all their land, 11 percent leased out part of their land and cultivated the rest, and only 14 percent were cultivating their whole awarded lot (none had sold or mortgaged their land so far). The lease rate for these well-positioned farmlands was PhP 15,000 per hectare in 2016 (but only PhP 12,000 per hectare in case of lease extensions due to indebtedness).



The *arriendador* (lessees) in Negros Occidental include established large sugarcane planters who lease in bulk, as well as an increasing number of small-town traders, (retired) government employees, and overseas migrant workers (OFW) with some capital to spare to lease one or a few hectares to try out this venture. Some successful ARBs are also leasing land from fellow-ARBs. Almost all lessees continue to cultivate sugarcane. Most lease contracts are informal; only few contracts pass through the DAR as Agribusiness Venture Agreements or AVAs. Many ARBs appreciate that they can successfully demand from their lessees an advance payment of two or three years' rent in the form of a single cash lump sum. However, when ARBs work for their lessees, their labor conditions are often worse than under their former *hacendero* because of irregular work, predominance of piecework, little or no mandated benefit payments nor SSS and PhilHealth coverage, and few cash advances to tide the lessor-workers and their families over the three to five months' "dead season" (*tiempo muerto*) in between cultivation and harvesting work.

ARB lessors are a category in limbo. Though formally still the owners, they have relinquished the "effective control over the nature, pace, extent and direction of surplus production, distribution and disposition" of the land to others<sup>13</sup>. They do have the option to retake control after their lease contracts lapse. But they can also lose effective long-term control through chronic indebtedness to lessees and dependence on the wage work they provide, reflected in continuous lease-contract renewals. For ARBs, moreover, leasing out is a form of alienation from the land that may lower their (emotional) barriers to mortgage or sale. The opportunities for ARB lessors to become independent cultivators are extremely limited. Many ARBs who lease out their land without DAR clearance are officially "delinquent" according to the Comprehensive Agrarian Reform Law<sup>14</sup>; they could be disqualified as beneficiaries (though the DAR is lenient as yet), and; ARB lessors who have relinquished control over their lands are generally looked down upon and ignored in support programs of the government, NGOs, and farmer organizations. They lack the support of an advocacy organization focused on their interests.

## Why ARBs are Leasing Out Their Land

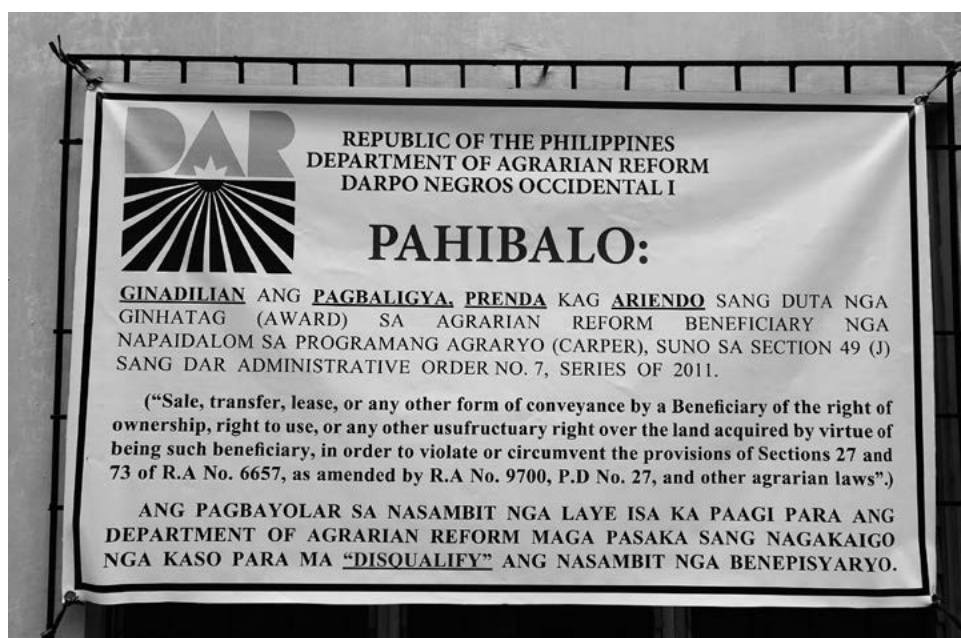
The following discussion deals with factors that severely constrain the opportunities for ARBs to develop into independent farmers or members of production cooperatives and which drive ARBs towards the practice of *arriendo*. It also considers the immediate of ARBs, grounded in their family economies.



### *a) Weak ARB cooperatives*

Cooperatives can help guarantee the income and tenure security of ARBs once the beneficiaries become owners of a redistributed hacienda. It is primarily through cooperatives that ARBs can avail of government-subsidized production credit (provided by the Land Bank of the Philippines) as well as support from NGOs and local government units, in particular for livelihood projects, infrastructure projects, extra credit, and trainings. Moreover, cooperatives can provide ARBs with an essential safety net. After all, the distribution of hacienda land under CARP in Negros Occidental has left worker beneficiaries in an extremely vulnerable economic position. CARP coverage would involve dismantling cases of a hacienda enterprise that offered employment, housing, and some consumer and emergency credit to its permanent workers (*dumaan*) and their families, providing them some security of livelihood, however inadequate. Once the worker families become owners of the land and their employer pulls out, the workers quickly need a new source of regular cash income and livelihood security, which cooperatives could provide.

In reality, many ARB-organized cooperatives in Negros Occidental have been short-lived, and a majority of ARBs appear to be without effective support from co-ops. This has prompted many beneficiaries to seek income security by leasing out their land and working as regular farm laborers



*Tarpaulin at a DAR office in Negros Occidental, 2016. It warns beneficiaries that any form of lease, sale, or other type of transfer of their awarded land within a period of ten years may lead to their disqualification as beneficiary.*  
| PHOTO BY ROSANNE RUTTEN

for the lessee. There was a “boom and bust” of ARB cooperatives in the province in the 1990s, as co-ops were quickly organized in distributed haciendas so that the ARBs could avail of production loans through the Land Bank (some 300 ARB cooperatives received these loans in this period). But almost all of these co-ops eventually collapsed when the members failed to repay their loans and the co-ops were unable to borrow again. More stringent requirements subsequently led to a sharp drop in cooperatives that could access Land Bank loan disbursements, reaching zero new disbursements in 2008.<sup>15</sup> After 2009, many new ARBs were formed in response to the Agrarian Production Credit Program (APCP) established through the CARP Extension with Reforms law. As of February 2016, some 108 ARB cooperatives and associations in Negros Occidental successfully accessed APCP loans, primarily for sugarcane cultivation, benefiting some 8,000 ARBs, which is just five percent of all ARBs in the province.<sup>16</sup>

What type of cooperatives could offer ARBs the needed support? The most popular type of co-op may actually be the least effective for ARBs: *the service cooperative with individual farming* by its members, in which the co-op relends its Land Bank loan to its individual members. Lack of control over individual loan use and production, as well as poor cane yields from small individual farms, are partly responsible for the poor loan repayments and co-op collapse. Therefore, many NGOs, unions, and government officials are propagating *the production cooperative with collective farming* as a more promising model to ensure the income and tenure security of ARBs. Production cooperatives pool the land and labor of ARBs (usually of one CARP-covered hacienda, or part of it) in the form of a collective farm under a central co-op management; they usually plant this land to sugarcane. Members often farm individual lots besides, primarily for rice and vegetables. The potential advantages for ARBs compared to a service cooperative are: (1) stable cash income through wage employment in the collective farm and other co-op projects; (2) priority access to subsidized production loans from the Land Bank, which considers ARB production co-ops more dependable in loan amortization; (3) decent treatment at sugar mills because the co-op can supply in bulk; and (4) more tenure security.

Despite these advantages, however, successful production cooperatives are rare in the province. Many early initiatives have quickly dissipated. A major reason, besides loan defaults, is that ARB co-op members may pull their individual land shares out of the collective farm when they disagree with the co-op management or when they need a large cash amount and feel pressured to lease out their share. This leaves the co-op severely weakened or undermined. Disagreements with co-op management often result from financial setbacks of the co-op due to adverse conditions, low productivity, and problematic management.

For production co-ops to succeed and to safeguard ARBs against land loss, several cases reviewed for this study suggest at least the following conducive factors: long-term NGO support in production and marketing, a combination of collective and individual farming, capable local leadership, and income diversification. The MIARBA cooperative in La Castellana may serve as an example (Box 2).

## The MIARBA Cooperative

The Minoro-Isabel Agrarian Reform Beneficiaries Association (MIARBA) is a successful production cooperative. Established in the former Hacienda Isabel in La Castellana with the support of the National Federation of Sugar Workers (NFSW), it originally counted 132 ARB members but only some 80 members opted to pool part of their land for collective farming. The 80 members collectively farm 58 hectares of sugar land (in return for wages) and individually farm some 48 hectares of rice land.

Once their collective CLOA was awarded in 2000, they sought assistance for their collective sugarcane farm from the Negros-based NGO Alter Trade Foundation, Inc. Through ATFI, they secured, among other things, a soft loan, training in agricultural technology and cooperative management, a favorable market outlet for their produce through fair-trade market channels (a *muscovado* sugar mill and market outlets of the Negros Organic and Fair Trade Association), and support by foreign NGOs for community projects (a health clinic and an electrification project, for instance). Moreover, as it prospered, the co-op could access an APCP production loan from the Land Bank as well as financial assistance from DAR for a livelihood and water supply project.

By 2017, the co-op has diversified sources of income including a swine dispersal project and two farm tractors that it can rent out to other farmers. It also runs a community credit program for emergency loans. The general assembly of the co-op in 2016 showed that members could cover their basic needs and some could send their children to college or build a new house.<sup>17</sup> In contrast, many of the ARBs who did not participate in the collective farm eventually leased out their individual lots and now work for low wages for their lessee.

A major instrument against land loss is a collective CLOA in the name of the ARB production cooperative and not in the name of individual beneficiaries. This arrangement may prevent ARBs from pulling their individual lots out of the communal farm for individual cultivation or for lease, mortgage, or sale.<sup>18</sup> It also enables the co-op to pay in bulk, for all its members, the yearly land amortization to the Land Bank and land tax to the municipal government, protecting ARBs against defaults and possible confiscation of the land. In practice, however, this arrangement may also invite internal conflict. It places considerable control over the land in the hands of the co-op leadership which may frustrate individual members who want to manage a share of their own. It can also facilitate the co-op's decision to lease a vast chunk of its land to investors. This is what happened, for instance, with the KASUCO Workers Agricultural Cooperative (KWACI) in Kabankalan (see Box 3). However, a collective CLOA in the name of a co-op is actually rare in Negros Occidental. Instead, it is common

among local DAR personnel to award the initial collective CLOA with the names of the individual beneficiaries already included. This is a first step toward the subdivision of the collective CLOA into individual CLOAs once the DAR has made a “final survey” of the land delineating the individual lots. Though years may pass between the final survey and the actual awarding of individual CLOAs, ARBs may already claim individual control. While such control is highly valued by beneficiaries, it may threaten, as we have seen, the survival of production cooperatives and the tenure security of individual ARBs.<sup>19</sup>

## The KASUCO Workers Agricultural Cooperative (KWACI)

Initially a showcase of land reform in the province with generous support from DAR and NGOs, the exceptionally large production cooperative KWACI in Kabankalan (spanning some 789 hectares of a former plantation with 825 ARB members) has leased out its entire collective sugarcane farm of 450 hectares to a major local sugarcane investor for more than a decade. Some 300 hectares remain under individual control by the members. Loan defaults due to low productivity had pressured the co-op, according to one of its officials, to “lease out the land to save the land.”<sup>20</sup> The co-op uses the lease income for its loan and land amortization payments. The lessee, in turn, after acquiring control of the land, guarantees the employment and benefits of co-op members. The co-op plans to retake control once it is on firmer ground regarding its finances and land amortization.

KWACI has a collective CLOA in the name of the co-op, with mixed results for its members. This type of CLOA has protected ARBs against individual land loss (as individual ARBs could not pull out their land shares from the collective farm) but it did not protect them against the collective farm being leased out. Moreover, this set-up has also created tensions between ARBs and the co-op leadership. Before the co-op leaders’ decision to lease out the land, a minority of co-op members accused the leadership of mismanagement and unsuccessfully struggled to break up the collective CLOA and obtain control over their individual shares (for which they did not obtain majority support among the members). Tensions further ensued over the co-op’s decision to lease out a vast chunk of the land. The tension between individual and collective control over the land is a potential source of conflict inherent to this type of CLOA.

## ***b) Challenges faced by individual ARB farmers***

Agrarian reform beneficiaries who try to succeed as individual (sugarcane) farmers without participation in a cooperative are facing challenges owing to their fragile financial position. Many continue with sugarcane production on all or part of their awarded land as this is less risky and less labor intensive than the cultivation of *palay* and other crops, and it has a sure market through the established infrastructure of sugar mills, traders, and planters' associations. ARBs can, moreover, skip the costs of planting material in the first years since they can start with the available *ratoon* crop on the land, considering that sugarcane requires replanting only after three years or so.

The challenges they have to deal with can be summed up as follows. First, as individual ARBs, they lack access to affordable production credit and regular cash income that a production cooperative could provide, which in turn could support their families over the year-long production cycle of sugarcane. As individual sugarcane farmers, they need income sources to shoulder the yearly production costs of roughly P40,000 to P55,000 per hectare (e.g. fertilizer, labor for plowing and harvesting if the rest is done by family labor, and costs of trucking), to cushion setbacks, and to afford the high interest payments of private moneylenders (some 40 to 50 percent per crop year). They risk a downward spiral of lower inputs, lower production, and higher debts. Only families with a favorable combination of resources and income sources can meet this challenge, as specified further below.

Second, the average size of awarded land in Negros Occidental is only 1.15 hectare per ARB (DAR, 2016a and 2016b). In the research area for this study in the lowlands, actual awarded land ranges from 0.70 to 1.40 hectares per ARB, depending on length and regularity of employment in the hacienda. This is often the size allotted to a whole family (household). The small size is related to the high worker-to-land ratio in many haciendas due to the labor-intensive nature of sugarcane production in the province. It is also related to the successful struggles of non-regular workers for inclusion as beneficiaries. One hectare of non-irrigated sugarcane land is a precarious economic basis for ARB families.

A third challenge concerns the exploitation of individual ARB farmers in the sugar industry. As small-scale sugarcane farmers, they usually get the worst deal compared to large sugarcane planters and ARB cooperatives. This concerns, for instance, the cost of credit (dependency on private moneylenders), the cost of inputs (bought on credit against usurious terms), the cost of harvesting labor (cane cutters prefer longer contracts with large planters, so small farmers need to offer higher wages), the conditions of cane-truck hire (truck owners give priority to larger planters with longer contracts, letting small farmers wait), and the conditions of cane delivery at the mill (mills give priority to the trucks of large planters, leaving small farmers' trucks last in line; sugar content dwindles as canes dry up during the long wait). Moreover, ARB sugarcane farmers are easily shortchanged by mills and planters' associations in the computation and payment of proceeds and benefits as they

often lack sufficient information. Lastly, if financially pressed to sell their standing cane to a buyer well before the harvest, much of their profit is lost. In short, the current exploitation of hacienda-workers-turned-ARBs is no longer through the wage nexus but through the terms of exchange with private moneylenders, traders, and sugar mills.

ARB families that do manage to survive as individual farmers are, in my research areas, those that have a mix of strategic resources at their disposal. For instance, some families with sufficient labor available and with extra non-farm income from a child or spouse, are able to divide up their land into a part for sugarcane (for yearly cash income), a part for rice (family consumption), and a small part for commercial vegetable production (weekly cash income, provided there is a market nearby). Others, with relatively large lots, can lease out part of their land while cultivating the rest, using the rental income as production capital or to cover educational or medical costs. Others can use the OFW remittances from a spouse or child as investment capital for cane cultivation and as subsistence income between harvests. Some are able to pool their land and resources with close family members, making small kin-based collective farms which they cultivate jointly (also noted among ARBs elsewhere in the province).<sup>21</sup>

Such enabling conditions, however, are not widely available to the ARB families in this study. Specific backgrounds make a difference.

Families of former hacienda employees who used to have a fixed monthly wage (tractor and truck drivers, foremen, and overseers) usually have a larger resource pool thanks to better educated children with better non-farm jobs (and income) than former hacienda-worker families. Families that live near urban centers can access more non-farm income opportunities, which can help finance the beneficiary's family farm. Many former hacienda workers in the upland community included in the research have access to some non-hacienda land (as tenants and as settlers or "squatters" on public land). This access allows them to diversify their crops and/or to lease out only part of the land while cultivating the rest. Such enabling conditions are unstable, however, as family crises (death, medical emergencies, loss of income sources), crop failure, and price swings can upset the delicate balance



*Widowed beneficiary who leased out her land and now works as a wage laborer for the lessee; Negros Occidental. | PHOTO BY ROSANNE RUTTEN*

and still force these farmer families to lease out their land.

The few who can grow and expand into successful small to middle farmers are primarily ARBs with some capital at hand which provides a basis for land accumulation through lease or mortgage from fellow ARBs. These are ARBs with, for example, a trade or moneylending business on the side, access to some extra non-hacienda land, an OFW in the family, or strategic connections. This “accumulation from below”<sup>22</sup> is often piecemeal, but becomes more secure as the scope of land control increases. In the upland research site, four women from beneficiary families are currently the largest sugarcane farmers in the village. Starting out as small-scale money-lenders, they now control 10 to 30 hectares each by means of lease, mortgage, or purchase from fellow ARBs. Each also owns one or more trucks for hauling cane and employs fellow ARBs as casual farm laborers.

### *c) Weak collective voice*

Beneficiaries are not organized in a large, strong, province-wide organization that could pressure the government and sugar mills for solutions to their vulnerable socio-economic position. This is quite striking, considering the long history of unionization and farmers’ mobilization in the province. Only a small minority of ARBs is organized at present, primarily through cooperatives and associations with links to NGOs. The labor unions of hacienda workers (including NFSW, DALO, and NACUSIP)<sup>23</sup> have lost considerable membership in the course of CARP implementation as workers turned into landowners, and their influence weakened as a result. ARB farmers who do not belong to a cooperative tend to be quite isolated from organizational contacts. ARB lessors have no representation at all. Moreover, farmers’ organizations and NGOs concerned with the interests of ARBs are part of a fragmented political field. Organizations like Task Force Mapalad, KMP-Negros, the Social Action Center of the Diocese of Bacolod, Paghida-et sa Kauswagan Development Group, Inc. (PDG), and many more, primarily operate within their own networks.

ARB sugarcane farmers have shared interests and problems, and they would profit from an organization of their own. In 2007, former PARCCOM<sup>24</sup> chairperson Xenia Paleses-Tupas noted that there was still “no attempt to bring them together to become a formidable force in the sugar industry. Their membership is spread in the various planters’ associations, sometimes in rival associations in the same milling district thus, they have no collective voice”.<sup>25</sup> Since then, however, the Occidental Negros Agrarian Reform Beneficiaries Planters Association (ONARBPA) has been formed in the southern part of the province, and it is expanding (more information is included below). It might develop into a vehicle for ARB advocacy.

Opportunities for a broad ARB lobby organization in the province may be expanding. The established lobby of large sugarcane planters (*hacenderos*) currently needs ARB representative organizations as coalition partners to press for favorable laws and policies in the national legislature. This was apparent in



the successful lobby to push for the passage of the Sugarcane Industry Development Bill in 2015, which now mandates an annual appropriation of P2 billion for the support of the industry. Similar coalitions are taking place in the current sugar industry lobby against the fast-rising importation of high fructose corn syrup (HFCS) from China by soft drink companies which is driving down the price of domestic sugar. Large-scale planters and planter-politicians united with (representatives of) ARBs and farm workers to press for their cause in the Senate in Manila, in protest rallies in Bacolod City, and in a province-wide boycott of Coca Cola in 2017. Since way back, Negros *hacenderos* had been perceived in Manila as feudal “sugar barons” who did not deserve government pampering. Just recently, Agriculture Secretary Emmanuel Piñol called them “spoiled brats” in reaction to their protests against HFSC.<sup>26</sup> So, to be convincing, *hacendero* representatives make sure to speak equally on behalf of the growing population of small-scale sugarcane farmers to elicit more favorable response. ARB representatives, in turn, are claiming their own voice in these lobbies. As an ARB and union organizer stated in an anti-HFSC appeal to President Duterte, the ARBs/small farmers are “the new face of the sugar industry,” and he asserted that “the days of the sugar barons and hacenderos are long gone” after three decades of CARP implementation in Negros Occidental.<sup>27</sup>

The nascent importance of ARBs as coalition partners of hacenderos in the latter’s lobby work in Manila reflects changes in the provincial class structure. On the one hand, an estimated “90 percent” of sugarcane farmers in Negros Occidental are now small farmers, including ARBs,<sup>28</sup> though small farmers still cover a minor part of the land under sugarcane cultivation. On the other hand, the position of the local hacendero elite has weakened, not just because of CARP but also because this elite has lost ownership of most of the province’s sugar mills to non-local Chinese-Filipino corporations. As hacenderos look for new allies in their lobby work, ARB sugarcane farmers may capitalize on this opportunity to increase their bargaining power.

Concerning one specific issue, ARBs do have power in numbers without the benefit of a strong advocacy organization of their own. Most ARBs in Negros Occidental do not pay their land amortization to the Land Bank nor their municipal land taxes, or they pay very little. This has not led, as yet, to widespread land confiscations by the bank nor land auctions by municipal mayors. The sheer numbers of the ARBs involved may make punitive measures politically unattractive.

#### *d) Leasing out land as a livelihood strategy*

To understand why ARBs are leasing out their land and what they hope to achieve with it, we need to consider their family livelihood strategies and the specific mix of resources their families have access to. The broader context that constrains their choices, in particular the difficult environment for ARB (sugarcane) farmers in the province, has already been sketched above.



This section focuses on the ARB lessors of former Hacienda M., one of the research sites, where 70 out of the 94 ARB families are leasing out their land.<sup>29</sup> The beneficiaries in this former hacienda, it should be noted, have not organized themselves into a cooperative and therefore cannot access cheap government credit. The ARB lessors practice *arriendo* for one or more of the following reasons: (1) family emergencies like hospitalization, medication, and funerals, as well as urgent house repairs and house construction, which involve large costs that can be met quickly by an advance land-rental payment; (2) the need to connect to a lessee to ensure regular wage employment as farm laborers; (3) lack of crop production capital; (4) lack of family labor to cultivate the land and lack of cash to hire farm labor; and (5) preference for investment in productive non-farm ventures, including education of the children.

Placed in the context of family economies and livelihood strategies, the following categories stand out:

- ***Families that lease out all their land and depend on the lessee for wage employment***  
 Many of these families wish to cultivate the awarded land themselves and they have the necessary family labor to do so but they lack the necessary capital, the resources to pay private moneylenders, and sufficient income sources to support their family until the harvest. Highly dependent on their lessee for regular wage income and emergency loans, they risk perpetual lease renewals. Their current labor conditions are worse than when they worked for Hacienda M., and during the ‘dead season’ in cane cultivation they need to scramble for any available off-farm work in the absence of dependable cash advances from their lessee. This is the most vulnerable category.
- ***Families that lease out part of their land in order to farm the other part***  
 With this method, these families raise production capital to farm the remaining part, and at the same time secure some employment as farm laborers for the lessee. They may be able to expand their family-cultivated land with the partial lease arrangement as fallback. This option of ‘part lease, part owner-cultivation’ is primarily feasible for ARBs with relatively large lots, sufficient family labor, and a source of cash income on the side.
- ***Families that lease out all their land and depend on stable or casual off-farm income***  
 These families do not plan to become farmers in the future nor do their members work as farm laborers for the lessee. Instead, they already accessed non-farm occupations to feed their families (e.g. employment in construction or in restaurants in a nearby urban center). They prefer to use their land-rental income to further invest in non-farm ventures such as the overseas employment of a spouse or child, the purchase of a tricycle for paid passenger use, and/or the higher education of their children who eye non-farm jobs. This type of ARB family economy is more common in peri-urban areas where more non-farm employment is available, as is the case in this studied community.
- ***Families of pensioned former hacienda laborers*** who lack capital and labor for the cultivation of their land, and who lease out all their land to supplement their meager pensions with rental income. Some are widows and widowers. Some still need to work in the cane fields for the lessee, as their pensions are used up to pay lending agencies for emergency debts incurred.

These ARB families experience varying combinations of resources, opportunities, and constraints which motivate their decision to lease out their land. As lessors they are using their land as an asset, by necessity or by choice, to secure their family's subsistence considering their precarious position as beneficiaries, and/or to diversify their sources of family income. Some can improve their livelihood in the process, as the latter two categories suggest.

If we broaden our view of land reform as a program that awards land as a resource asset to beneficiary families—an asset that does ***not necessarily*** need to be used to create an owner-cultivated farm—then these ARB lessors should not be considered “failures” in the way they are using their land. As suggested above, the (lump-sum) land rental income and regular wage work for the lessee may contribute to the livelihood of these ARB families in essential ways, even though they are not cultivating the awarded land themselves. We can better appreciate the economic rationality of their decisions by considering the role of land in their livelihood strategies, within the broader context of the constraints they face and the resources they control.

## Initiatives to Counter the Practice of *Arriendo*

What do beneficiaries, NGOs, and government officials in Negros Occidental do to counter the practice of *arriendo*? The following illustrates some initiatives:

***Keeping the model of cooperative farming alive.*** In the face of struggling cooperatives and vast numbers of ARB lessors, NGOs like Alter Trade Foundation, Inc. try to maintain a presence with successful production cooperatives as examples to emulate. “We want to show ARBs that it ***can*** be done,” that they can farm their own land with adequate support, as one of ATFI’s representatives said. The NGO strives to sustain a cooperative core of at least 20 hectares in each of the CARP-covered haciendas where it has a presence.<sup>30</sup> These co-ops hope to attract back their lost members, many of whom are lessors by now.

***Block farming.*** Pooling the land and labor of ARBs into centrally managed, technically supervised, and financially supported “blocks” of land is a method that is also propagated and facilitated by the Sugar Regulatory Administration (SRA), a government agency. Organized into blocks of 30 hectares at least, ARB sugarcane farmers would profit from economies of scale, easier access to government support, and increased productivity and income, and therefore experience less risk of farm crises and land loss.<sup>31</sup> The interests of the sugar industry are the main driver, however, as block farming aims “to counter the negative effects of land fragmentation [read: CARP] on sugarcane production”.<sup>32</sup> Individual ARBs are encouraged to join ARB cooperatives or associations that form the coordinating instruments of the block farms. The SRA prefers collective farms, plantation-style, with a central manager from the ranks of the ARB cooperative or association, for greater efficiency and better



*Memorial for worker Diony Gaylan killed in the struggle for installment of rightful beneficiaries in Hacienda Esperanza, La Carlota, Negros Occidental, 2002. The memorial is located in a canefield on the spot where he was killed by security guards. | PHOTO BY ROSANNE RUTTEN*

results. But many ARB organizations in the pilot block farms prefer “synchronization of individually managed farms” which has riskier performance, according to an SRA official.<sup>33</sup> The program, which started in 2012 with pilot farms, was boosted by the Sugarcane Industry Development Act (SIDA) of 2015 which allocated P300 million yearly for sugarcane block farms nationwide (provided through DAR and other government agencies).<sup>34</sup>

***Strengthening the position of ARB farmers.*** The Occidental Negros Agrarian Reform Beneficiaries Planters Association was put up in 2008 in Kabankalan City as a province-wide association of ARB sugarcane farmers. Its purpose is to bolster the position of ARBs in their dealings with sugar mills and traders; to facilitate their access to the benefits of regular sugarcane planters’ associations (loans, capital build-up, dividends); and to facilitate access to loans from the Land Bank/DAR and local government units (LGUs) for its member cooperatives. Established in southern Negros Occidental with assistance from the provincial DAR Beneficiaries Development Coordinating Division, it currently has more than 2,500 members (primarily in the south) and more than 66 cooperatives are connected to it.<sup>35</sup>

***Providing credit to individual ARB farmers.*** Some microfinance institutions are addressing the problem of the exclusion of **individual** ARBs from subsidized government credit by providing micro-crop loans to ARBs who are not organized into a cooperative. The Negros Women for Tomorrow Foundation does so through a group-liability lending scheme. The loan repayment rate is low, however, and such programs are quite unstable.<sup>36</sup>

**Improving the position of ARBs in the value chain.** Examples include the following: Task Force Mapalad is organizing forward and backward linkages for ARBs whom it supported in their agrarian reform struggles. This assistance includes a cooperative for production credit and a cooperatively-owned *muscovado* sugar mill, the Negros Muscovado Sugar Producers Inc. in La Castellana with a network of local buyers. The NGO Alter Trade Foundation put up a muscovado sugar mill already in the late 1980s to service ARBs and other small-scale sugarcane farmers and successfully engaged the fair trade and organic markets in Japan and Europe until now.<sup>37</sup> Organic sugarcane production, promoted by Alter Trade Foundation for its muscovado sugar is also supported by the provincial government's thrust to make Negros Occidental "the organic capital of Asia." New networks such as the Negros Organic and Fair Trade Association and the Negros Island Fair Trade Federation are primarily geared to ARB producers.

**Redeeming leased-out land.** ARB lessors who want to regain control over their land before their lease contract expires may be able, in exceptional cases, to redeem their land with outside help. For example, ONARBPA has paid the lessees of 35 ARBs the outstanding amount of their lease contracts, after which each of these ARBs repays the co-op with 30 percent of his or her farm proceeds per year. ONARBPA currently has a service cooperative that allows it to extend these loans. Several ARB cooperatives supported by Alter Trade Foundation and with the necessary capital at hand are now doing the same. The government's block farming program provides them an incentive to do so: cooperatives need to cover at least 30 hectares in order to access the program's government support. In addition, some ARBs who had leased out only part of their land are now using their share of an APCP loan to redeem this land.<sup>38</sup>

**Preventing lease contract renewals.** The government's APCP credit program offers an opportunity for ARB lessors to retake control over their land once their lease contract expires. As one DAR official said, "we see that ARBs who leased out their land are now returning, reviving their co-op in order to avail of APCP funds."<sup>39</sup> Officials of the Northern Negros Occidental DAR office are now advocating collective farming coupled with an APCP loan for cooperatively-organized ARBs "to ensure that the ARBs will have no more reason for selling and leasing their acquired land."<sup>40</sup> Nevertheless, the chronic indebtedness of many ARBs to their lessees remains a tough reality and a major challenge to these plans, as one DAR official said, adding: "in Negros, it is almost permanent lease."<sup>41</sup>

## Conclusion

The vast extent of informal *arriendo* in Negros Occidental among former hacienda workers who became beneficiaries of redistributed sugarcane haciendas, is a reality that calls for a policy response. Rather than view ARB lessors as "delinquent" according to CARP regulations or as "failed" beneficiaries

according to NGO standards, policymakers should consider the beneficiaries' own point of view, their own interests, aspirations, and livelihood strategies, and acknowledge the broader structural context that has limited their options. ARB lessors are rational economic actors who try to address the livelihood needs of their families under deeply challenging conditions. As CARP beneficiaries, they lost their hacienda-worker jobs but then faced major constraints in becoming viable owner-cultivators on their awarded land. Striving to secure their families' livelihood, they are using their land as an income-generating asset nonetheless, as the leased-out land generates land rent as well as a basically secure wage income (in case they also work for the lessee).

If policymakers, DAR personnel, and NGOs would listen to the needs and livelihood plans of ARB lessors in Negros Occidental, then more grounded policies could be made to assist them. These policies would do well to consider the variations in the lessors' family economies and livelihood aspirations. ARB lessors who want (and can) become owner-cultivators may benefit from measures to help them redeem their land, avoid lease contract renewals, join production cooperatives, and survive as owner-cultivators—some of which were discussed in this paper. ARB lessors who want (or need) to focus on non-farm occupations would benefit from an enhanced bargaining power in lease-contract and wage-labor negotiations with lessees. ARB lessors in both categories would gain from having advocates of their own.

## ENDNOTES

- 1 Provincial Government of Negros Occidental, 2007.
- 2 Following well-known processes of differentiation among small-scale farmers in the face of commodity production (cf. Bernstein, 2010). Similar processes of stratification among ARBs are noted elsewhere in the Philippines; see, for example, Adam, 2013.
- 3 Media reported, however, a LAD balance of some 91,000 hectares in Negros Occidental as of August 2016, quoting DAR Negros Island regional director Stephen Leonidas (Gomez, 2016).
- 4 See, for example, NDB (2014) for a statement by Task Force Mapalad.
- 5 See Gomez, 2015.
- 6 It should be noted that owners of sugarcane haciendas could not avail of the 10-year deferment period that CARP granted to "commercial farms" (i.e., agri-business plantations such as banana plantations) as sugarcane haciendas were not included in this category. See Republic Act No. 6657, Section 11, "Commercial Farming." 10 June 1988.
- 7 This figure for January 2016 is lower than the figure for August 2015 mentioned on the website of DAR Region VI (DAR, 2015a). The January 2016 figure may be more accurate, however, as it is based on data specified by municipality.
- 8 The combination of the sugar crisis and worker militancy in the 1980s also led many planters to implement forms of private land transfer or land sharing with their workers that predate the introduction of CARP.
- 9 See, for instance, De los Reyes and Jopillo (1991), Feranil (2005), Lopez-Gonzaga et al. (1993) and Palses-Tupas (2007).
- 10 I have done intermittent ethnographic research in two communities in Negros Occidental since the late 1970s until the present (a lowland hacienda in the central part of the province which I call "Hacienda M.," and an upland village in the southern part) tracing histories of activism and key changes in access to land, labor, and livelihood sources. I began to focus on post-CARP developments in the province during regular revisits in the period 2006-2017. See e.g. Rutten, 2010. Recent revisits were supported by the Netherlands Organisation for Scientific Research (NWO), WOTRO Science for Global Development Programme.
- 11 The annual crop of sugarcane allows for shorter lease periods (3–5 year renewable lease contracts in Negros Occidental) than the perennial crop of banana (10–30 year contracts on former banana plantations in Mindanao) which affects the options for ARBs (cf. Quitoriano et al., 2008).
- 12 By comparison: according to a CARP impact study in 2007 that covers two municipalities in Negros Occidental (Cauayan and Cadiz), landowners and local government officials interviewed estimated that 50 to 90 percent of ARBs leased out their land, whereas the Municipal Agrarian Reform Officers had a much lower estimate of 20 to 30 percent of ARBs (APPC, 2007: 87).
- 13 Borras, 2007: 22; emphasis in the original.

- 14 Section 27 of the Comprehensive Agrarian Reform Law states that the land awarded to the beneficiaries “may not be sold, transferred or conveyed (...) for a period of ten (10) years,” with some exceptions.
- 15 Interview at the Development Assistance Center, Land Bank of the Philippines, Bacolod City, 30 Jan. 2009.
- 16 DAR, 2015b and 2016c
- 17 Source: Visit to Minoro-Isabel on 16 Feb. 2009 with representatives of Alter Trade Foundation, Inc. and interviews with Edwin Lopez, ATFI, Bacolod City, in various later years. See also Toldo, 2017.
- 18 For example, Palses-Tupas Xenia. 2007. *The Unfinished Business: Land Reform in the Sugarlands*. Bacolod City: Negros Rural Development Institute, Inc., pp. 301-302.
- 19 Cf. Quitoriano et al. (2008) on splits in ARB cooperatives in banana-growing regions of Mindanao for some similarities.
- 20 Interview with Hernani Onofre, Kabankalan City, 28 April 2009.
- 21 Luna, Emmanuel M., et al. 2015. *Land Reform Implementation in Selected Sugarcane Farms and Its Implications to Child Labor*. Volume II – Cases. ABK3 LEAP (Livelihoods, Education, Advocacy and Protection to Reduce Child Labor in Sugarcane Areas). UP Social Action and Research for Development Foundation, Inc., p. 47.
- 22 Scoones, I. et al. 2012. “Livelihoods after Land Reform in Zimbabwe: Understanding Processes of Rural Differentiation.” *Journal of Agrarian Change* 12(4):503-527.
- 23 The National Federation of Sugar Workers, the Democratic Alliance of Labor Organizations, and the National Congress of Unions in the Sugar Industry of the Philippines.
- 24 The Provincial Agrarian Reform Coordinating Committee, in this case of Negros Occidental.
- 25 Palses-Tupas, Xenia. 2007. *The Unfinished Business: Land Reform in the Sugarlands*. Bacolod City: Negros Rural Development Institute, Inc., 201.
- 26 Simeon, Louise Maureen. 2017. “Piñol Hits ‘Spoiled Brat’ Sugar Planters over Bacolod Protest,” *The Philippine Star*, 21 March 2017.
- 27 VDS. 2017a. “Help Us, ARBs Ask Duterte on Piñol’s HFCS Proposal,” *The Visayan Daily Star*, 27 March 2017. <http://www.visayandailystar.com/2017/March/27/topstory1.htm>
- 28 According to the national president of the Confederation of Sugar Producers Associations in 2013 (VDS, 2013).
- 29 Data are based on interviews and household surveys.
- 30 Interview with Edwin Lopez, Alter Trade Foundation, Inc., Bacolod City, 19 May 2014.
- 31 See also DAR. 2016d. *End of Term Report of Secretary Virgilio de los Reyes, for the Term from July 2010 – June 2016*. Department of Agrarian Reform, June 29, 2016. N.p.: DAR, pp. 76-77.
- 32 SRA. n.d. “Improving Productivity Through Block Farming.” Brochure. Bacolod City: Sugar Regulatory Administration, Extension and Technical Services Division, Bacolod City office.
- 33 Interview with Helen Lobotan, Sugar Regulatory Administration, Bacolod City, 22 March 2016.
- 34 The expansion of block farms just started in 2016-17 as funding was delayed. DAR Regional Director Stephen Leonidas mentioned in June 2017 that “4,103 ARB and non-ARB farmers” are involved in block farms in Negros Occidental and Oriental, with 41 ARB organizations (VDS, 2017b).
- 35 Interview with ONARBPA Vice Chairman Zosimo Mambalos, Kabankalan City, 15 March 2017, and with Ronald M. Gareza, DAR Chief Agrarian Reform Program Officer, Beneficiaries Development Coordination Division, Bacolod City, 18 May 2009.
- 36 IPA. 2009. *Improving Agricultural Microfinance: Barriers to the Supply of Agricultural Lending in the Philippines*. Final Draft. April 2009. New Haven, CT: Innovations for Poverty Action, in Partnership with PinoyME Foundation, Benigno S. Aquino, Jr. Foundation and Hanns Seidel Foundation/Germany.
- 37 Two other ARB-focused sugar mill projects established by cooperative leaders in the late 1990s both folded because of fraud by mill officials and business partners. These were the leased (fore)closed sugar mills of AIDSISA in Silay and Mabuhay Central in Ma-ao, Bago (Palses-Tupas, 2007: 183-193).
- 38 Interviews with ONARBPA Vice Chairman Zosimo Mambalos, Kabankalan City, 15 March 2017; Ted Lopez, Alter Trade Foundation, Inc., Kabankalan City, 31 March 2017; Atty. Johana Jadoc, Sugar Regulatory Administration, Research Development & Extension Dept., Bacolod City, 21 May 2014; Emma Varron, Rural Development Facilitator, Program Beneficiaries Development (PBD) section, DAR North, Bacolod City, 21 March 2016; Lenette Rojo, Beneficiaries Development and Coordination Division, DAR South, Bacolod City, 21 March 2016.
- 39 Interview with Gloria Cañonero, DAR South, Bacolod City, 20 May 2014.
- 40 VDS. 2017d. “DAR Installs New Silay ARBs,” *The Visayan Daily Star*, 7 September 2017. <http://www.visayandailystar.com/2017/September/07/businessnews3.htm>
- 41 Interview at the Beneficiaries Development and Coordination Division, DAR North, Bacolod City, 19 May 2014.

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# BANANA NEGOTIATIONS CONTRACTING IN THE DAVAO DEL NORTE EXPORT BANANA SECTOR AFTER CARP

BY ROBIN THIERS

*The case study illustrates the impacts of CARP on Davao del Norte's Cavendish banana sector to highlight the transformations in the everyday lives of former farmworkers-turned-small landowners, and how these are linked to the changes in the politics of the land and markets.*

The Davao Region, in particular the province of Davao del Norte, is known as the heartland of the Philippine banana industry. Among all fresh agricultural products, Cavendish bananas, which come from this region, consistently rank as the top in the most valuable export. This has also made the commercial banana plantations an important sector in the implementation of the Comprehensive Agrarian Reform Program. The financial weight of the sector has added to the general economic and political controversies that have accompanied land redistribution throughout the country. Despite the high sensitivity of land reform in the banana sector, the Department of Agrarian Reform (DAR) reports a near completion (97 percent) of land redistribution in Davao del Norte. More than 86,000 agrarian reform beneficiaries are said to have acquired titles to the province's lands (see table 1). Much of the lands planted with Cavendish bananas have been redistributed under so-called Agribusiness Venture Agreements (AVAs). Under these AVAs, ARBs would typically rent out their land to banana sector investors or agree to become a contract grower producing bananas for a single buyer. Often the buyer or investor would be the company that formerly ran the plantation before redistribution. These AVAs have been the cause of much controversy in the sector. At the center of the tensions is not the ownership of the land but the contracts under which bananas are produced and marketed. More than ownership of the land, today it is those banana contracts that have become the main battling ground. To understand why this is the case, we need to look at how markets have developed in the post-CARP era. This includes a push to broaden the scope of this piece to both ARB and non-ARB small-scale banana producers.



**TABLE 1**  
**Cumulative Land Redistribution Accomplishment**  
**in Davao del Norte Province (1972-December 2014)**

Scope	Land distribution accomplishment (in hectares)	Number of ARBs (in hectares)
112,948	109,907	86,535

*Source: Department of Agrarian Reform, 2015*

## Changes in the Banana Industry

Cavendish banana production started in the Philippines in the late 1960s. US and Japan-based companies were attracted by Davao’s fertile grounds to produce for the Japanese market. Regional elites were looking for new options in the context of falling terms of trade in the abaca sector. Plantations were organized according to established production models in Latin America, where the focus was economies of scale in large monoculture-based plantations. In order to access and control the vast swaths of land necessary for this business model, the multinational companies



*Bananas entering a cooperatively owned packing plant, Santo Tomas | PHOTO BY ROBIN THIERS*

forged an alliance with Davao's businessmen-politicians. The economic-political elites provided the lands in the wider Davao region, resulting in the conversion of former large abaca plantations into Cavendish banana. Access to new areas was obtained through government concessions or through small settler-landowners who were convinced to commit their land to banana production. Politically, the situation in the plantations was tense. In the Martial Law context, independent organizing for labor or land rights was vehemently discouraged. Plantations, in the words of a pro-reform activist, were protected 'like a military fortress'<sup>1</sup> while some plantation owners were known to have strong ties with then President Ferdinand Marcos. Then there were the multinational banana companies that provided technical know how and through their control over the Japanese export market largely controlled marketing in the sector. Within this overall picture, each individual plantation had its own history of how it was established, how the workforce was managed, and how it connected to markets and politics, both locally and beyond. In the 1990s, these politics of land and market underwent important changes. Different plantations would be affected differently, but across the sector there would be a general trend of rising pressure on both sides of the Davao elite—foreign company alliance. These were the start of important transformations in the sector.

### *Politics of the land*

Decades of contestation, including armed struggle, over unequal landholding patterns in the Philippines led to the adoption of CARP in 1988. Under the program, large landholdings would be redistributed to workers and tenants. Commercial plantations, such as the ones in Davao del Norte, were included under the program, even if most plantation owners obtained a 10-year coverage exemption<sup>2</sup>. Starting from 1995, contested implementation began. For many workers (or at least those that managed to qualify as ARB), CARP meant an opportunity to own a piece of agricultural land, but for large landowners and corporate interests, the program risked undermining decades-old arrangements in land ownership and land use that were central to their businesses. Whereas pro-reform groups strived for meaningful ownership of the land, elites in the banana sector searched for ways to limit the impact of the program, if not to evade it altogether through land use conversions or by subdividing it to family members and dummies. In almost all of the areas covered, ARBs (through their cooperatives) and the companies managing the plantation eventually signed an AVA. Under such agreement, the relationship between companies and their former workers-turned-ARBs has continued. The ARBs obtained their title to the land but agreed to either lease back the land to the company or become contracted growers producing exclusively for the former company. AVA schemes were promoted by the Land Bank and the Department of Agrarian Reform.

**TABLE 2****Use of Agribusiness Venture Agreements in the Davao del Norte Cavendish Banana Sector, Situation in 2016**

	Area used for Cavendish production (in hectares) (1)	Coverage of AVAs in the Cavendish banana sector (in hectares) (2)
Region XI	49,140	8,718
Davao del Norte	29,854	6,636

*Sources: (1) CountrySTAT Philippines, 2016; (2) Figures drawn from Rosete, Alfredo, "Property, Possession, Incorporation: Another Look at Agribusiness Venture Agreements in the Philippines" (2016). Economics Department Working Paper Series. Paper 208. While these numbers refer to data compiled by the regional DAR office, they are likely to underestimate the actual figure. Contrary to legal provisions, it is likely that not all 'AVA-like' agreements between investors and ARBs are/were reported to/recorded by the DAR. In terms of a more general picture of the banana industry, one must take note that not all banana production takes place on 'CARPed' lands. Also on these 'non-CARPed' lands, contracts of lease and growership are important.*

Since their inception, AVAs have been the object of severe criticisms because of low lease fees or product prices, high land and debt amortization payments, non-transparency over pricing and payment systems, and the long-term duration of the contracts (in some cases up to 30 years). Groups of ARBs with little legal education and precarious financial means have found themselves at the negotiation table with skilled lawyers of big companies with political backing. An official 'right of first refusal'-policy that gave the former company the exclusive right to negotiate with ARBs have further weakened the latter's bargaining position. In response to persistent (although debated) critiques that these AVAs did little to improve the income or livelihood of the ARBs, the DAR of Region XI in 2013 commissioned a task force to do a general review of the AVAs in its jurisdiction. Certain groups of ARBs have themselves also demanded the revocation of specific contracts. Such demands have always been contentious but not necessarily unsuccessful. In 2015 and 2016, the case of the Marsman plantation made national media as its longstanding AVA was revoked by the PARC (even if the consequences of that decision continue to be contested in principle and in terms of implementation).

Whether one sees AVAs as onerous by nature or as a necessary means to combine land redistribution with business necessity, one would agree that CARP has had a significant impact on the organization of the banana sector. First, even if the outcomes have been highly diverse, the government program has given pro-reform groups a legal tool to advance its agenda and mobilize media, public, and political support on a case-by-case basis. Second, land redistribution has resulted in widespread banana growing contracts. Under such arrangements (collectives of) small landowners are responsible for production and engage themselves to sell their produce to a contracted buyer.<sup>3</sup> For companies, this system is not only a way to maintain access to plantation lands after reform. It also has merits in its own right. As opposed to the situation under lease, these contracts allow companies to outsource production risks and problems of labor control to the grower. Moreover, when done well, small-scale



*Bananas sold on the spot market awaiting pick-up by the buyer in a cooperatively owned packing plant, Kapalong*  
 | PHOTO BY ROBIN THIERS

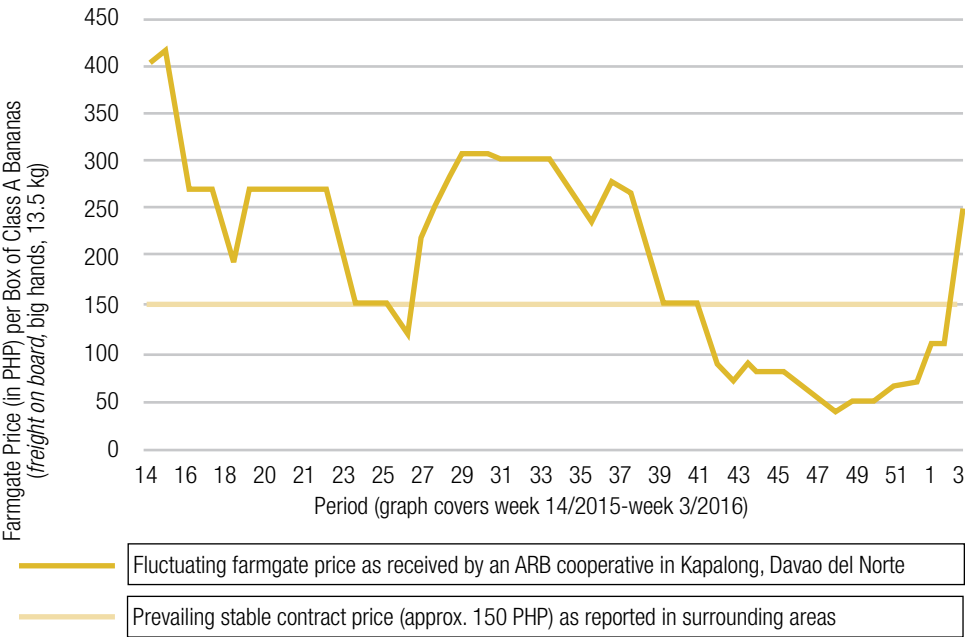
producers may reach a higher output (in boxes/hectare) than large-scale corporate plantations. And finally, the provision of inputs and services (such as aerial spraying) to growers may be a new source of income for the company. This growing arrangement, which came to be known as “growership,” boded particularly well for a company when it was the only buyer in a certain geographic area. The ‘right-of-first-refusal’ policy ensured that this was to be the case at the time of CARP implementation that began in the mid-1990s. It was strengthened by a common understanding among the banana elites not to buy the produce of each other’s ARB groups. This largely changed however as the politics of the land combined with changing politics of the market.

### *(Everyday) Politics of the market<sup>4</sup>*

The Philippine banana sector traditionally served Japan as its main export destination. The trade was controlled by a few multinational companies who were in charge of overseas shipping. Servicing long-established trading partners in Japan with large refrigerated vessels (capacity of around 300,000 boxes of 13.5 kg), entry barriers to the trade were massive. This changed with rising consumer demand from China and the Middle East, as well as the increased use of refrigerated containers for the transport of bananas throughout the 1990s. Importers in these rising export destinations made

contacts with entrepreneurial individuals in the Davao banana sector. The Chinese and Middle East customers started buying bananas per container (around 1,400 boxes) and Filipino middlemen ‘consolidated’ the produce by buying from different small growers. Starting in the ‘90s, these traders bought rejected bananas from Dole Stanfilco growers. During yearly periods of peak demand in China, prices rose above the Stanfilco contract price. Many growers, discontented with the Stanfilco price and happy to earn more, then started selling their contracted ‘class A’-bananas to the new buyers—a practice known as ‘pole-vaulting’—or stopped their growership contract altogether. The trade grew strongly in the 2000s when also several larger companies started sourcing bananas from consolidators who bought bananas at weekly fluctuating prices at the farm-gate. The result was a vibrant spot market with ever-changing networks of traders and packing houses. A small grower may receive weekly or even daily fluctuating price offers from over a dozen buyers, allowing him/her to sell to whomever paid best. On a yearly basis, prices on the spot market averaged above prices most companies offer under contract (see figure 1). This situation has obliged companies to respond to the competition at farm-gate level. They now offer higher prices in their growership contracts as they compete with spot market buyers and each other. In many cases, they are now also paying an informal premium to their growers during the high season as an incentive for the latter not to pole-vault.

**FIGURE 1**  
**Fluctuation of Farmgate Prices**



Source: Thiers, R. (2017). Flying bananas: small producer tactics and the (un)making of Philippine banana export chains. *The Journal of Peasant Studies*. 1-21. 10.1080/03066150.2017.1376659.

## Contracting Bananas

The above changes in the Davao banana sector post-CARP have created a large group of small landowners, often organized as cooperatives. They also resulted in additional room for maneuvering for the small landowners (ARB and non-ARB) as they negotiate their engagement in the banana sector along three broad models.

### *Lease contracts*

Under lease, a small landowner agrees to rent his/her land to an investor for the establishment (or continuation) of a banana plantation. In the case of AVA, this is usually a leaseback to the company that used to manage the plantation, which often hires the ARBs again as employees. Proponents of leasing see this as the safest option, providing for a stable income from lease rental and salary. The alternative option to take over the management of the land is then portrayed as high risk, which should be unnecessary, for the inexperienced average employee. A critical view on leasing, however, stresses that the low fees or salaries in most lease contracts (possibly combined with high land amortization payments) may result in continued poverty or debt cycles. Moreover, the argument is that when ARBs face heavy pressure, economic or other, to sign (often long-term) lease contracts, they do not obtain any control over the land, which is the objective of CARP. The changes in banana marketing described above have little impact on the lessor-lessee relation, apart from possibly at the moment of contract renewal, when the small landowner might consider the options below.

### *Growership contracts*

Under a growership or contract farming arrangement, the small landowner agrees to produce Cavendish bananas on his/her land, while the company agrees to buy the produce at a (usually) fixed price on the condition that certain quality provisions are met. While this appears straightforward at first sight, growership arrangements may vary enormously in terms of price, longevity, services provided, product and quality demands, and transfer of ownership. Each of these dimensions is usually laid down in elaborate detail in the formal contract between grower and company. Both on paper and in practice, the influence (or control) of a company on everyday grower practices may vary considerably. Two types of contract stand out in the sector. One is the *ex-patio contract*. In this case the grower delivers banana ‘bunches’ or ‘hands’ at the ‘patio’ of a packing plant managed by the company. The buying company then takes care of quality selection and the packing process, with only a monitoring role for the grower. Under the FOB (‘freight on board’) contract on the other hand, the grower runs this process him/herself. Quality inspectors of the company monitor packing and buy the boxes as they leave the grower-owned packing house. The latter system is usually considered more advantageous to the grower as he/she (1) conducts an

extra value-adding activity and (2) holds much closer control over the packing and selection process. The company may be happy to outsource packing—and the related management and control of the packing house workforce—to the grower. Most contracts concern all produce on the entire Cavendish-planted land. However, some contract out only their ‘Class A’ bananas or only in a certain area. This allows them to benefit from a stable price for contracted produce on the one hand and seasonally high prices on the spot market on the other. It also opens possibilities to ‘pole-vault’ in ways that are hard to trace, for example by purposely downgrading class A bananas or diverting produce from contracted to non-contracted areas. This allows the grower to sell otherwise contracted produce at higher spot market prices. As profit margins are small in the capital-intensive cultivation of Cavendish bananas, these small differences in contractual provisions and everyday practice can make highly significant differences in a grower’s income.

## Bobby<sup>5</sup>; Santo Tomas

“We sure have done well since acquiring the land. Negotiating a good contract has been vital to this!”

I was a member of the group who refused to sign the lease agreement some 15 years ago. There was a lot of pressure on us back then. Supervisors and fellow workers would scold us. Even family members wanted me to sign for fear I’d lose my job. But we stood strong and in 2003, we all obtained a small hectare of land through CARP. We did not lease it back to the company but started working the land ourselves under a growership agreement. This was still with the old company and we still had a difficult relationship with them. Late 2007, a competing company helped us to settle our outstanding debt to the old company. Ever since, we have a contract to sell our class A fruit to this new buyer. Our class B fruit we sell to outside buyers at fluctuating prices. Sometimes they rise above our contracted class A. Because of this, the new company has been increasing our contract price as well. In peak seasons, we get an extra premium. We sure have done well since acquiring the land. Negotiating a good contract was vital to this. Our ten-year contract will now expire soon. The coop needs to think now on what we’ll do next. Sell all our bananas on the spot market, or enter a contract again? The spot market probably pays better. But if the price is OK, I still prefer a contract. At least I’m assured of some stable income. Also, once we start selling on the spot market, I fear the coop might fall apart. Buyers offer a cut to the one negotiating. And people are easily tempted to accept some extra money, or to start pole-vaulting. That is what happens once you engage with the spot market. No, we need to keep the coop together. We fought this struggle for the land together. And now we stand stronger together in contract negotiations. But we’ll have to see what the negotiations bring. And what the members want. The options are open.



## *Opting for no contract—the independent grower*

'Independent growers' are those who have no formal contract with a buyer. They are responsible for both production—including supervising the labor force, often informally hired family, kin or other relatives—and marketing of the produce on a daily basis. This arrangement has the advantage to the grower that he/she can try out different production practices, source the cheapest inputs, and monitor the spot market for the best buyer. While there are strong chances that he/she makes a higher income than the contract grower when production and market are good, the independent grower also shoulders all production and marketing risks. These risks are serious, as the banana market is highly volatile and plantations are relatively often hit by minor and major weather and pest-related threats. As coping strategy, independent growers, therefore, often engage in more informal ties with spot market buyers. A non-contracted ARB cooperative in the Municipality of Kapalong, for example sells every week at least part of the produce to the same buyer, even if the buyer pays a substantially lower price than the others. In return, they know that this buyer will still source their bananas, even at times when demand on the spot market is low. They may also turn to this buyer when in need of a cash advance for certain cooperative expenses. As such, as is the case with contract growing, also marketing relations on the spot market depend on more than mere exchange of products for cash.

### **Dodong, Kapalong**

“As we were fighting a tough struggle for our land, one of the class B buyers here provided help”

I arrived here in 1984 and started working in one of the big company-run banana plantations. In 1987, I moved to work for the biggest landowner here, who ran his own plantation. When CARP was implemented, the struggle for land was tough. There were arrests, legal cases were filed, etc. We obtained our land after we did a land occupation in 2002. The situation was tense, but we got 18 hectares for 39 members. Throughout our struggle, we were helped by one of the class B buyers here. He had a big conflict with our landowner. After we obtained the land, we were loyal and sold our bananas to him. Since 2004, the coop negotiated with different buyers. At times we had a contract with a fixed price, sometimes we would sell at a fluctuating price. A few years ago—I was chairman then—our buyer complained about low quality. It resulted in a conflict between the coop and the buyer. Internally in the coop, those members who had their bananas refused got mad as well. A few others and I then went our own way. We now sell to the spot market but on the basis of goodwill and loyalty. That is better, because if ever there is a problem, the buyer may help us. It's been a tough process. But now most of the ARBs are doing well. You see those pictures on that wall? They are my children. Having them all finish their education has been the biggest achievement.



## Negotiating a Good Deal

Market or political forces may make a good crop worthless. Also, a banana plantation is vulnerable to unpredictable rains, storms, and diseases. When a small landowner engages in export banana production, he/she knows he/she will never be in full control. And yet, he/she carefully considers different options by looking for the best contract, the best price, or for whatever he/she considers best to raise her income or living standard. As the politics of the land and the market have changed over the past two decades, the space for such tactical maneuvering has widened.

What is it then that makes a contract ‘a good deal’? There is no clear-cut answer to this question. No two small landowners are the same. A good deal may mean very different things to different people. Likewise, no two Cavendish plantations are the same. Each has its own historical context of land tenure, labor relations, agro-ecology, calamities, market access, and politics. It often remains a matter of perspective and context whether one perceives a certain type of contract as a better or worse deal. With this in mind, four key aspects may be of help when analyzing or negotiating a contract.

- 1. Going beyond price.** A good price is of course key to a good deal. Yet, it may be worthless if outbalanced by high (or non-transparent) deductions for inputs, aerial spraying or debt service, by overly strict quality provisions or because of heavy labor costs.
- 2. Have the necessary skills/capacities.** Taking control of production demands technical skills (that can be learned for sure). Selling under contract demands consistent quality. Selling to the spot market requires one to respond quickly to changing market conditions and with creativity to bridge periods of low income. What kind of contract one prefers, depends largely on how one wishes and is able to respond to these needs. Technical, physical, and financial capacity matter. So do a person’s character, dedication, and willingness to take risks. An additional dimension in the case of ARB cooperatives is the need to take account of both collective and individual interests. Cases of corruption among cooperative leaders or free-riding behavior of individual members (for example through side-selling on an individual basis) may endanger both cooperative cohesion and the relation with the buyer.
- 3. Knowing the buyer.** The formal contract and the way it is being implemented often diverge quite strongly. Think for example of the seasonal price incentives received by Bobby’s cooperative. It is, therefore, of paramount importance for a small landowner to know how the company he/she is dealing with feels about supporting its growers outside of strict contractual obligations.
- 4. Negotiations never end!** Once a contract is concluded, negotiations do not stop. Growers (both independent and contracted) must continuously be vigilant over product and input prices, deductions, quality selection, and other challenges and opportunities. Everyday practice more often than not diverges strongly from the formal contract. As a result, what appears to be a good contract on paper, may work out much worse in practice. Just as well, the reverse is possible.

## More Than Just the Land

It has been more than 20 years after the first distribution of banana plantation lands in Davao del Norte. Meaningful change in the sector has been triggered only where and when the politics of the land is combined with those of the market. ARBs share stories of contesting and negotiating the terms of banana contracts and farm-gate buying as much as those of land ownership. Importantly, the emergence of a so-called 'spot market' and rising competition at the farm gate over time strengthened the bargaining position of the sector's small landowners and CARP beneficiaries, along with introducing new market- and production-related risks. ARBs that are doing well do so not just on the basis of a strong dedication to rural justice or the land-to-the-tiller principle. At least as important are their daily tactics, entrepreneurial skills, and opportunities to navigate in an increasingly dynamic –yet still power-laden– sector. Is this the type of change desired by proponents of land redistribution? Are there aspects that can –and should– be strengthened? How and why did things turn out differently than hoped for? Combining issues of vision with these practical experiences of agrarian reform, such questions emerge as crucial ones for the future of agrarian reform advocacy in the Philippines.



*Harvest in a banana cooperative, Santo Tomas | PHOTO BY ROBIN THIERS*

**TABLE 3**

**Typology of Cavendish Banana Landowner-producers in Davao del Norte**

Type	Production and marketing	Workforce
<b><i>Agrarian Reform Beneficiaries</i></b> From less than .5 to 2-3 hectares per ARB (often organized in cooperatives that range from 10+ to several 100 members)	Different possibilities: <ul style="list-style-type: none"> <li>• Lease to large-scale company</li> <li>• Collective production and marketing (contract farming or spot market) through cooperative</li> <li>• Individual production with collective marketing (contract farming or spot market) through cooperative</li> <li>• Individual production and marketing (usually spot market)</li> </ul>	In case of lease, ARBs (and family and kin) are often mobilized as workforce through the cooperative. In other cases, workforce can consist of both ARB and non-ARB (including family members and extended kin) workers hired on regular, contractual, and informal 'help-out' basis, both through the cooperative and on an individual basis.
<b><i>Non-ARB small landowners</i></b> Less than .5 to several hectares (in only few cases organized in small cooperatives)	Different possibilities: <ul style="list-style-type: none"> <li>• Lease to other banana producer (medium and large)</li> <li>• Individual production and marketing (contract farming or spot market)</li> </ul>	Can be the landowner him/herself, family members as well as salaried workers, often on an informal 'help-out' basis—often mobilized through (extended) kin networks.
<b><i>Medium-sized landowners</i></b> 10+ hectares, includes older local landed elites as well as upcoming entrepreneurs	Different possibilities: <ul style="list-style-type: none"> <li>• Lease to other banana producer (medium and large)</li> <li>• Own production and marketing (contract farming or spot market)</li> </ul>	Salaried workers (regular, contractual, and informal)
<b><i>Large landowners</i></b> 50+ hectares to several 100 hectares, includes older regional elites as well as some upcoming entrepreneurs	Different possibilities: <ul style="list-style-type: none"> <li>• Lease to large-scale company (Philippine and subsidiaries of foreign banana companies)</li> <li>• Own production and marketing (contract farming or spot market, possibly with direct export to overseas market)</li> </ul>	Salaried workers (regular, contractual, and informal)

**TABLE 4**

**Marketing Options for Small Cavendish Banana Producers in Davao del Norte**

<b>Lease rental</b>	A landowner (lessor) agrees to rent his/her land to an investor (lessee) for the establishment (or continuation) of a banana plantation. The lessee then takes responsibility for both production on the land and marketing of the produce.
<b>Growership</b>	<p>A landowner agrees to produce Cavendish bananas, while a banana trading company agrees to buy the produce at a (usually) fixed price on the condition that certain quality provisions are met. Growership contracts usually stipulate price, longevity, services provided, product and quality demands, transfer of ownership, etc. The terms of contract may vary strongly. A common distinction is made between:</p> <ul style="list-style-type: none"> <li>• <b>Ex-patio.</b> Ownership of the produce transfers when the grower delivers unpacked bananas at a packing plant managed by the buyer. The buying company then takes care of quality selection and the packing process, with only a monitoring role for the grower.</li> <li>• <b>FOB ("freight on board") contract.</b> The grower runs the packing process him/herself. Quality inspectors of the buyer monitor packing and buy the boxes as they leave the packing house.</li> </ul>
<b>Independent</b>	Growers that have no formal contract with a buyer. They are responsible for both production and marketing. Trading is based on informal arrangements with one or several buyers that may be rather stable or (re-)negotiated on a daily basis.

**ENDNOTES**

- 1 Quote from de la Rosa, R. J. (2005). Agrarian Reform Movement in Commercial Plantations in Mindanao: The Experience in the Banana Sector of Davao del Norte. In J. C. Franco & S. M. Borras (Eds.), *On Just Grounds* (pp. 45–114). Quezon City, Manila: Institute for Popular Democracy.
- 2 Landowners could apply for a ten-year exemption, effectively postponing CARP coverage from 1988 to 1998. The exemption supposedly intended to allow owners to recuperate investments and to prepare farmworkers for eventual takeover. Critical voices claim landowners also used this period to evade meaningful implementation, e.g. by retrenching vocal farmworkers-land claimants. See Franco, J. C., & Borras, S. M. J. (2005). *On Just Grounds: Struggling for Agrarian Justice and Citizenship Rights in the Rural Philippines*. Quezon City, Manila: Institute for Popular Democracy.
- 3 This growership system was first introduced in the Philippines as early as 1968 by Stanfilco (the subsidiary of Standard Fruits, later to become Dole). It came much more in use after CARP implementation.
- 4 For a more elaborate account, see Thiers, R. (2017). Flying bananas: small producer tactics and the (un)making of Philippine banana export chains. *The Journal of Peasant Studies*, 6150(October), 1–21.
- 5 Names in this piece are pseudonyms. Text in the boxes are condensed versions of stories told by the ARB during (a) longer interview (s).

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