

# Agrarian Reform A Struggle for Social Justice. An Imperative for Development.

## HISTORY OF THE AGRARIAN REFORM STRUGGLE

### Historical Roots of Landlessness and Rural Poverty

Land is essential to the Filipino. This was understood fully by our Filipino ancestors who treated land as communal property. Land was the means to provide food for the family and the community. The concept of private landownership was alien to our ancestors.

The concept of private land ownership was introduced by the Spanish colonial government. Vast tracts of land were granted to Spanish soldiers as reward for their loyal service to the Spanish Crown. The encomienda and hacienda systems were also introduced during this period. These systematically led to the accumulation of land in the hands of the elite and the dispossession of a mass of peasants of the land that they and their ancestors had been tilling for generations. The feudal system established by the Spanish colonizers led to the utter enslavement of the peasant class by the Spanish landowners. It was peasant unrest – brought about by the suffering of Filipino peasants under this system – that fueled the 1898 Philippine revolution against Spain.

The introduction of the Torrens system of land titling during the American colonial period made matters worse for the Filipino peasants. This led mainly to the transfer of ownership of hundreds of thousands of hectares from the Spanish friars into the hands of the Filipino elite. This system of land titling only paved the way for massive land-grabbing. Members of the local elite who had government positions or who knew people in government acquired titles for large areas of land that were then being cultivated by poor peasants. The Spanish masters were thus replaced by a Filipino land-owning elite. Subsequently, the introduction of capitalism and the initiation of the Philippines into the export trade raised the premium for vast landholdings for production of export crops like tobacco and sugar.

The Public Lands Act of 1903 adopted the Regalian doctrine introduced earlier by the Spaniards. This act stipulated that all lands belonged to the State unless these were deemed by the State as alienable and disposable. It also promoted homesteads for farmers. The Friar Lands Act of 1904, meanwhile, dispossessed the friars of their vast landholdings. These lands were supposed to be distributed to tenants but because they (tenants) could not afford to purchase land, these lands eventually fell into the hands of the local ruling elite who had exclusive access to financial resources.

The Spanish and American colonial governments both favored the development of a local Filipino elite class. The system and structure of landownership provided the resource base of this elite class. When the Philippines started self-rule, it was this elite class that took over the reins of government.

This same structure and system of land ownership thus prevailed in the post-colonial period. The local elite's hold on both political and economic power made structural and radical change impossible. The elite, in fact, expanded and not simply maintained their landholdings.

### Feeble Attempts To Resolve The Problem Of Landlessness and Rural Poverty

In the 1930's, the prevalence of inequitable land distribution, massive poverty among the peasantry, and the abuses of landlords renewed peasant unrest. This situation forced then-President Manuel L. Quezon to pass the Rice Tenancy Act, which provided for a 50-50 land sharing scheme between landlords and tenants. After World War II, the armed peasant risings waged by the communist-led Hukbong Mapagpalaya ng Bayan (HMB) became a cause for concern.

To quell peasant unrest in Luzon, the succeeding President, Ramon Magsaysay, offered 24-hectare homesteads located in Mindanao to former rebels and landless farmers of Luzon. Although this move provided land to Luzon peasants who resettled in Mindanao, the program systematically grabbed the ancestral lands of the Moro and indigenous peoples of Mindanao.

In the 1960's, President Diosdado Macapagal, also in an attempt to quell unrest in the countryside, enacted RA 3844 (Land Reform Act of 1963) which sought to abolish share tenancy in favor of a leasehold system and a system of transfer of ownership (which included payment of just compensation through amortization).

In 1972, President Ferdinand Marcos issued PD 72 declaring the country a land reform area. The coverage of this land reform program was only limited to tenanted rice and corn lands. This decree later became inutile when the martial law regime used it more for counter-insurgency drives than effecting tenurial reform.

After the overthrow of Marcos in February 1986, Corazon Aquino came into power. One of her major campaign promises was to make agrarian reform the center-piece program of her administration and, to set an example, she promised to subject her family's Hacienda Luisita to agrarian reform. On July 22, 1987 she issued Executive Orders 131 and 229 calling for the implementation of the Comprehensive Agrarian Reform Program. Despite popular pressure for her to use her transitory legislative powers to implement a genuine agrarian reform program, she succumbed to the pressure of the landed class (to which she belonged) and left the crucial issues of coverage and exemptions, retention limits, and just compensation to Congress. This made her twin executive orders inoperable and rendered her declaration of the implementation of agrarian reform mere lip service.

Among the organized peasant class, the clamor for a genuine agrarian reform law was so intense that it went beyond ideological and political boundaries. Peasant groups organized the Congress for a People's Agrarian Reform (CPAR) to bring together twelve (12) national peasant organizations to campaign for the passage of a genuine agrarian reform law. CPAR crafted its own version of the law, the People's Agrarian Reform Code (PARCode) which it subsequently submitted to the Philippine Congress.

On June 10, 1988, after intense debate within the legislature, and amidst widespread popular pressure, the Comprehensive Agrarian Reform Law (RA 6657) was enacted. RA 6657, the law President Aquino called the "compromise" law, is precisely that. RA 6657 can be considered a victory of the united peasant class for it adopted various progressive provisions collectively demanded by the peasant groups. Relative to earlier agrarian reform laws, RA 6657 is the most comprehensive law because it covers all public and private agricultural lands and other lands suitable for agriculture regardless of tenurial arrangements. The law, however, also contained several provisions on exemptions, retention limits, non-land transfer options which were highly favorable to the landowning class. To this day, the loopholes and flaws of RA 6657 continue to be a source of agony and difficulty for many prospective agrarian reform farmers and the source of defense and escape for many landlords. While RA 6657 was instrumental in distributing lands to numerous farmers, it also deprived other poor peasants of the same dream and aspiration. While partially successful in land redistribution, the law is a failure in terms of solving the centuries-old problem of landlessness and rural poverty.

## LESSONS FROM HISTORY

Akbayan believes that past and current agrarian reform laws and programs have failed to address the problems of landlessness, rural poverty and underdevelopment because of the following reasons:

1. **Agrarian Reform has been used primarily as an instrument to crush insurgency particularly in the countryside, rather than as an instrument to make life better for all peasants.**

Throughout Philippine history, agrarian reform laws and programs have been instituted in the context of escalating peasant unrest and insurgency in the countryside. Prior to RA 6657, AR laws and programs only included rice and corn lands found in regions and provinces where the insurgency had been most intense. AR programs, in fact, have been used as part of government's divide-and-rule tactics. In many instances, AR has been viewed as a necessary palliative to quell peasant unrest. This view does not seek to break the power of the landed elite in a more comprehensive and lasting manner.

2. **Agrarian Reform laws have been crafted as "compromise" rather than as "reform".**

Agrarian reform programs and laws were always conceived with the end goal of pouring cold water on the clamor of the peasants without meaningfully transgressing into the interests of the landed elite. The result, therefore, is a program or law, which is laden with loopholes and flaws that the landed elite use as an escape hatch. RA 6657, for instance, provided a lot of leeway to landowners to retain as much land as they wanted. It also provided for non-redistributive options like the voluntary land transfer mode, stock distribution option and allows lease-back agreements.

3. **Agrarian Reform implementation is dependent on the political will and behest of the ruling elite.**

Even the most comprehensive of the agrarian reform laws, RA 6657, has suffered from the lack of political will of the sitting administration to implement its provisions in earnest. Provisions in the law are negated because they are subject to the whims of the elites in power. For instance, despite the original 10-year coverage of RA 6657, and despite the extension of another 10 years, the implementation of the program target is still far from over. Annual distribution targets are dependent on the political will of the executive and are limited by the budget provided by the landlord-ridden Congress. A number of existing laws also undermined agrarian reform implementation. Many court rulings have also become the refuge of landowners as they resist and violate the agrarian reform law.

## AGRARIAN REFORM AND SOCIAL JUSTICE

Rural poverty and landlessness are products of centuries of oppression of the peasant class. Agrarian reform is a means to redress historical injustices committed by generations of landed elites and a succession of governments against the peasantry. These include the massive land grabbing in many parts of the archipelago, decades of brutalization of farm labor in the haciendas in Negros and other sugar areas, gaining control over large tracts of public lands through bureaucratic deceit, fake land titling and anomalous grants of lease of huge public lands as well ancestral domains of Moros and indigenous peoples. They also include the countless violence inflicted on the lives, property, family, dignity and rights of women, care for children, and dreams of a better life of thousands upon

Agrarian reform is a means to dismantle the unjust structures of oppression and exploitation. It is therefore a means to dismantle the monopoly of the elite in the rural economy which includes their monopoly of land ownership, monopoly of other assets, resources and opportunities. Agrarian reform is also a means to dismantle the vestiges of the feudal social relationships and structures in the countryside that keep the poor peasants under the shackles of their landlords. Agrarian reform may also be a means to provide reparation for the past injustices inflicted on the peasants.

One of the main goals of agrarian reform for Akbayan, therefore, is to establish a more equitable structure of ownership of assets and opportunities. This implies not only radically reforming the system of landownership but, equally important, the transformation of social relationships. In this sense, agrarian reform is a means for democratization.

### **AGRARIAN REFORM AND RURAL DEVELOPMENT**

Agrarian reform is fundamental to the overall economic progress of the country. Liberating millions of share tenants and leaseholders from the shackles of ground rent, debt servitude and other coercive and non-economic impositions will free a tremendous force for agricultural productivity and innovation. In a landownership structure where vast tracts of land are owned and controlled by a few while the tillers of the land are mere workers, tenants or leaseholders, there is no stimulation for increased agricultural productivity. Peasants are not encouraged to initiate improvements in the lands primarily because the fruits of their exertions will always be shared by the landowners. On the other hand, landlords tend to spend their income on conspicuous consumption. When they invest, they seldom invest for improved productivity of their lands.

Major and outstanding surveys, case and comparative studies, as well as demonstrations of best practices, have shown that small family-owned farms, especially if assisted with support services and if cooperativized to pool capital and skills on technology, inputs, machinery, marketing and management, fare much better in terms of productivity, innovation and sustainable agriculture on rice, corn and other food crops in comparison to large landed estates.

However, land redistribution alone, and the increase in productivity, does not necessarily lead to increases in farm incomes. Monopolies dictate the farm gate prices of many agricultural products. The inadequacy in post-harvest facilities, rural infrastructure and transportation push the cost of production up and consequently pull farm incomes down. The entry of heavily-subsidized cheap imported agricultural products into the domestic market has affected the agricultural sector by bringing down prices in the domestic market. The government's commitments to the GATT-WTO also affect its ability to provide necessary agricultural subsidies to pump prime the development of the agricultural sector.

### **AGRARIAN REFORM AND PEACE**

Agrarian reform is fundamental to the search for peace in our country. A basic issue of the armed struggles in our history is land inequality and injustice. A majority of the compatriots taking up arms are peasants. No comprehensive settlement of the armed conflicts in the Philippines is possible without agrarian reform and the just resolution and restitution of the Moro and indigenous people's claims to their ancestral domains.

## RURAL DEVELOPMENT AND INDUSTRIALIZATION

The goals of agrarian reform and rural development and the thrust towards industrialization have always been treated by government as mutually exclusive and, worse, as incompatible goals. In the industrialization thrust of the government, prime agricultural lands are converted to industrial lands causing the dislocation of communities of farmers. Agrarian reform is seen as a stumbling block to industrialization. In the current development paradigm, agriculture and industry are viewed as mutually exclusive. Based on the government's thrusts, agriculture is directed at the production of high value crops and crops for the export market. In the same way, the production of the industrial sector is directed at the export market. There is minimal integration of the two sectors.

Viewed from a different development perspective, however, agriculture and industry are not only compatible sectors but can be inter-related. The produce of the agricultural sector can be processed by the industrial sector, thus creating a local market for agriculture and consequently improving rural incomes. On the other hand, the processing of agricultural products will create demand for more industries increasing in turn demand for labor. The increase in the rural incomes will create a market for consumer products created by the industrial sector. In short, agriculture and industry complement each other, in the process creating a dynamism that will invigorate the domestic economy.

## PRINCIPLES OF GENUINE AGRARIAN REFORM

### 1. Land to the Tiller Principle

Land is a limited resource and the utilization and ownership of land is endowed with a social function – that of ensuring a safe and sufficient supply of food for the population. To make the land more agriculturally productive and more economically viable, land ownership must be limited to those who directly toil on the land. Absentee landownership only creates an environment for rent-seeking behavior of the landowners who will only employ the services of tenants or farm-workers to make the land productive. Absentee land owners extract their share from the fruits of the land by virtue of mere ownership even without directly contributing to agricultural production

### 2. Preferential treatment for the marginalized and the oppressed

Agrarian reform will not happen in a neutral and sterile environment. The essence of agrarian reform is to redress social injustices and dismantle structures of inequity and subjugation. The landlord class will employ all the means at their disposal to oppose agrarian reform. More often than not, it is the peasant who fall prey to the harassments and violence of the landlords. It is, therefore, imperative that the State must give preferential treatment to the peasants. It is the responsibility of the State to protect the peasants' lives, properties and peaceful possession and cultivation of the land. The landlords have all the means to protect and advance their interests.

### 3. Comprehensive Coverage

History shows that agrarian reform will never be effective in making a dent on rural poverty and underdevelopment if the coverage of the program or law is limited to certain types of land under certain type of tenurial arrangements and certain crops. The coverage of the agrarian reform program must truly include all public and private agricultural lands and all lands suitable for agriculture regardless of crops planted and tenurial arrangements.

#### 4. **Just Compensation: Progressive and Selective**

Traditionally, just compensation is determined by a mix of factors including the land valuation in the tax declaration of the landowner, the fair market value of the land and other factors. However, if agrarian reform is to be a process that will lead to a more equitable distribution of wealth and resources, progressive compensation must be a key element in determining just compensation. Progressive compensation means that just compensation per hectare will depend on the total size of the landholding. The larger the landholding, the cheaper per hectare.

Since the history of landownership in the Philippines is full of stories of land-grabbing, injustices and fraud, these too have to be factors in selecting which landholdings deserve just compensation. Landholdings found to be acquired through fraud and other unjust means should not qualify for just compensation. Compensating for the land acquired through fraud and unjust mean is in itself unjust.

#### 5. **Affordable Amortization**

Agrarian reform is a means to lift the peasants from poverty. Therefore, a major consideration in determining the payment of the farmers for the land is that they are poor in first place and may not be able to afford the price of the land at market value. It is therefore imperative to treat the valuation of the land for determining just compensation for landlords as separate from the value of the land in determining the payment of beneficiaries. Affordability and the ability of the farmers to pay the amortizations should be a major factor in determining the amount to be paid. In order for this to be possible, government subsidy in land acquisition and distribution is essential.

#### 6. **Popular Participation**

Agrarian reform farmers should not be treated as mere beneficiaries who will only wait for the land to be granted to them. Peasant participation is an essential and necessary component of agrarian reform implementation.

#### 7. **Collective Farming and Cooperative-building**

Because of the lack of adequate capital and for purposes of efficiency, collective farming and cooperative-building are to be encouraged. This serves a dual purpose. Through collective farming, cooperative agricultural capital may be pooled. Individual farmers can collectively own farm machinery and other farm implements and post harvest facilities. They can also have access to agricultural inputs which may be cheaper if purchased by bulk. Access to markets may also be more cost-effective if agricultural produce is collectively marketed.

The organization that a collective or a cooperative builds is an essential component in the development of individual farmers. Through these organizations, education and training for skills development and political awareness may be more accessible. Likewise, the organization will provide venues and opportunities for the individual farmer to be an active participant in the decision-making process. The development of a culture of participation is essential in breaking the culture of passivity and dependence that is intrinsic in feudal relations.

## 8. Support Services

Land distribution will not be enough to lift the peasants from poverty. Given the present rural underdevelopment and unfair trade promoted by neoliberal globalization, support services from the government are essential in ensuring that the farmers can develop the land and make their farms viable. Support services include the provision of access to adequate credit facilities, farm implements and inputs, post-harvest facilities, farm-to-market roads, marketing assistance, appropriate technology, and technical and training support. It is only through the provision of appropriate support services that the productivity and income from the land can be maximized. Ensuring the viability of the farms will prevent land reconsolidation in the hands of the elite.

## CONCLUSION

Rural development and the alleviation of poverty is a key task that the State has to address. The implementation of genuine agrarian reform is the first and the most critical step that has to be undertaken towards that direction. However, the task of implementing genuine agrarian reform is not an easy one. The landholding class will not willingly give up the “goose that lay the golden egg”. They have already shown their recalcitrant and, at times, violent opposition to agrarian reform.

The following are essential factors for making genuine agrarian reform a reality:

### 1. An activist State that:

- \*a clear appreciation and grasp of the strategic importance of agrarian reform in pushing for rural development and fighting rural poverty
- \*has enough political will to clash with the strong opposition of the landlord class which has a sizeable control and hold over traditional political forces
- \*has a bureaucracy that will efficiently and swiftly implement the program and who will give preferential treatment to the agrarian reform farmers

### 2. A strong and united agrarian reform movement which can pressure the State from the outside, neutralize the forces of the opposition, and at the same time work for the implementation of agrarian reform in the various rural communities.

Social equity with regard to land is basic to democratization. By improving the economic status and the overall social well-being of farmers, they are placed in a better position to exercise their rights and obligations as citizens and to participate more effectively in governance. Genuine Agrarian Reform will break the powerful semi-feudal enclaves – the bastions of warlordism, and of trapo and macho politics – still existing in large chunks of rural Philippines today.

