The Marcos’ and Corazon Aquino’s Agrarian Reforms: Fitting Squarely in the Neoliberal Mold

By Gil “Jake” I. Espenido

I. Introduction

As in any territory and more importantly, for the country, land remains central to the production and reproduction of our society and economy. Land has proven to be a critical resource on the core of any mode of production (Kumar, 2011).

Land supports all forms of lives and other factors of production (Kiita, 2010). An American economist and philosopher, emphasized the importance of land and remarked “so man not only lives off land, levying on it for its materials and forces, but he also lives on land. His very life depends on land. Land is the habitation of man, the store-house upon which he must draw for all his needs, the material to which his labour must be applied for the supply of all his desires; for even the products of the sea cannot be taken, the light of the sun enjoyed, or any of the forces of nature utilized, without the use of land or its products. On the land we are born, from it we live, to it we return again - children of the soil as truly as is the blade of grass or the flower of the field. Take away from man all that belongs to land and he is but a disembodied spirit” (Henry, 1871).

And yet, the land question is not simply an economic question. According to Nikita Sud, land is a metaphor for power, wealth and status. More importantly, the land question is also a political question. In the Philippines, an archipelagic country with a nature-based economy, land and natural resources are highly politicized. Thus, control over land and resources is always a strategy for maintaining political control; traditional politics are oriented toward maintaining elite control over the nation’s land and other resources (USAID paper).

Agrarian reform is popularly defined as “the distribution of public and private agricultural lands, regardless of produce and tenurial arrangement, to landless farmers and regular farm workers, to include support services” (AFA & AsiaDHRRA, 2005). But in a society like the Philippines where class stratification is highly pronounced, agrarian reform is an attempt to change class relations within the confinement of a system dominated by the ruling class. That is why it is called an agrarian reform program and can never be a revolutionary program.

The current discourse on agrarian reform can further be understood if it is contextualized in the character and operation of the country’s political economy.

As it is now, the Philippine society is a semi-feudal and neo-colonial society. It is a synthesis of the operation of imperialist control of finance to extract superprofits from the whole economy; monopoly of a few on the land, capital and other means of production, production and circulation of commodity and capital; and widespread backwardness and petty commodity production and services of numerous small producers which are the basis for the existence and flow of operation of the commercial capital and usury.
Specifically, the agrarian question highlights the backward condition of the economy. Solving the agrarian problem (issues like monopoly on the land, backward agricultural production and liberating the peasantry, principally the poor peasants and the whole working class (semi-proletariat and the proletariat) from the countryside, is fundamentally significant in the resolution of such synthesis.

While the neo-colonial character is the basic condition for the operation of the system, the agrarian character is essential to the semi-feudal character of the society. The operation of agriculture in the country cannot never be properly situated without defining and establishing the role of the Philippines as a neo-colony under an imperialist power, the United States of America, and with all the unequal trade relations and treaties.

There are three interrelated aspects of the agrarian question. One is the land question. The natural state of the land is limited relative to the use and its accruing benefits to the people.

There is a trend that the average farm size is continually decreasing amidst the increasing number of farms and the limitation on the expansion of land to be cultivated. The average farm size in 1971 was 3.61 hectares, 2.16 in 1991 and 2 hectares in 2002.

### Table I. Distribution of farms and their average sizes, 1971

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Farms</th>
<th>Scope (Hectares)</th>
<th>Average Size (Hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines</td>
<td>2,354,469</td>
<td>8,493,735</td>
<td>3.61</td>
</tr>
<tr>
<td>NCR</td>
<td>2,787</td>
<td>6,243</td>
<td>2.24</td>
</tr>
<tr>
<td>CAR</td>
<td>67,036</td>
<td>161,451</td>
<td>1.44</td>
</tr>
<tr>
<td>Ilocos</td>
<td>175,668</td>
<td>297,200</td>
<td>1.77</td>
</tr>
<tr>
<td>Cagayan Valley</td>
<td>144,827</td>
<td>502,431</td>
<td>3.38</td>
</tr>
<tr>
<td>Central Luzon</td>
<td>168,162</td>
<td>538,946</td>
<td>3.20</td>
</tr>
<tr>
<td>Southern Luzon</td>
<td>268,240</td>
<td>1,068,455</td>
<td>3.98</td>
</tr>
<tr>
<td>Bicol</td>
<td>223,023</td>
<td>921,278</td>
<td>4.13</td>
</tr>
<tr>
<td>Western Visayas</td>
<td>190,704</td>
<td>781,954</td>
<td>4.10</td>
</tr>
<tr>
<td>Central Visayas</td>
<td>221,742</td>
<td>479,135</td>
<td>2.16</td>
</tr>
<tr>
<td>Eastern Visayas</td>
<td>200,147</td>
<td>674,136</td>
<td>3.37</td>
</tr>
<tr>
<td>Western Mindanao</td>
<td>131,546</td>
<td>552,870</td>
<td>4.14</td>
</tr>
<tr>
<td>Northern Mindanao</td>
<td>109,650</td>
<td>475,486</td>
<td>4.34</td>
</tr>
<tr>
<td>Region</td>
<td>Number of Farms</td>
<td>Scope (Hectares)</td>
<td>Average Size (Hectares)</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------------</td>
<td>------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Philippines</td>
<td>4,610,041</td>
<td>9,974,871</td>
<td>2.16</td>
</tr>
<tr>
<td>NCR</td>
<td>15,136</td>
<td>53,646</td>
<td>3.4</td>
</tr>
<tr>
<td>CAR</td>
<td>108,251</td>
<td>155,579</td>
<td>1.14</td>
</tr>
<tr>
<td>Ilocos</td>
<td>311,758</td>
<td>324,502</td>
<td>1.04</td>
</tr>
<tr>
<td>Cagayan Valley</td>
<td>285,721</td>
<td>530,143</td>
<td>1.85</td>
</tr>
<tr>
<td>Central Luzon</td>
<td>335,270</td>
<td>594,266</td>
<td>1.77</td>
</tr>
<tr>
<td>Southern Luzon</td>
<td>544,628</td>
<td>1,311,747</td>
<td>2.41</td>
</tr>
<tr>
<td>Bicol</td>
<td>377,791</td>
<td>936,175</td>
<td>2.48</td>
</tr>
<tr>
<td>Western Visayas</td>
<td>411,572</td>
<td>754,386</td>
<td>1.83</td>
</tr>
<tr>
<td>Central Visayas</td>
<td>424,825</td>
<td>549,895</td>
<td>1.29</td>
</tr>
<tr>
<td>Eastern Visayas</td>
<td>321,455</td>
<td>695,711</td>
<td>2.16</td>
</tr>
<tr>
<td>Western Mindanao</td>
<td>251,811</td>
<td>751,097</td>
<td>2.98</td>
</tr>
<tr>
<td>Northern Mindanao</td>
<td>229,023</td>
<td>619,342</td>
<td>2.70</td>
</tr>
<tr>
<td>Southern Mindanao</td>
<td>366,496</td>
<td>1,081,953</td>
<td>2.95</td>
</tr>
<tr>
<td>Central Mindanao</td>
<td>225,268</td>
<td>609,590</td>
<td>2.71</td>
</tr>
<tr>
<td>CARAGA</td>
<td>189,600</td>
<td>517,446</td>
<td>2.73</td>
</tr>
<tr>
<td>ARMM</td>
<td>207,468</td>
<td>477,927</td>
<td>2.30</td>
</tr>
</tbody>
</table>

Table 3. Distribution of farms and their sizes, 2002

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Farms</th>
<th>Scope (Hectares)</th>
<th>Average Size (Hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines</td>
<td>4,822,739</td>
<td>9,670,793</td>
<td>2.00</td>
</tr>
<tr>
<td>NCR</td>
<td>22,820</td>
<td>71,632</td>
<td>3.14</td>
</tr>
<tr>
<td>CAR</td>
<td>120,104</td>
<td>177,839</td>
<td>1.48</td>
</tr>
<tr>
<td>Ilocos Region</td>
<td>276,766</td>
<td>270,664</td>
<td>0.97</td>
</tr>
<tr>
<td>Cagayan Valley</td>
<td>321,755</td>
<td>540,812</td>
<td>1.68</td>
</tr>
<tr>
<td>Central Luzon</td>
<td>341,466</td>
<td>552,104</td>
<td>1.61</td>
</tr>
<tr>
<td>CALABARZON</td>
<td>282,746</td>
<td>588,516</td>
<td>2.08</td>
</tr>
<tr>
<td>MIMAROPA</td>
<td>220,967</td>
<td>542,218</td>
<td>2.45</td>
</tr>
<tr>
<td>Bicol</td>
<td>384,801</td>
<td>891,955</td>
<td>2.32</td>
</tr>
<tr>
<td>Western Visayas</td>
<td>429,456</td>
<td>666,917</td>
<td>1.55</td>
</tr>
<tr>
<td>Central Visayas</td>
<td>430,043</td>
<td>522,433</td>
<td>1.21</td>
</tr>
<tr>
<td>Eastern Visayas</td>
<td>330,750</td>
<td>723,048</td>
<td>2.18</td>
</tr>
<tr>
<td>Zamboanga Peninsula</td>
<td>252,659</td>
<td>785,294</td>
<td>3.10</td>
</tr>
<tr>
<td>Northern Mindanao</td>
<td>319,157</td>
<td>746,901</td>
<td>2.34</td>
</tr>
<tr>
<td>Davao Region</td>
<td>299,966</td>
<td>758,335</td>
<td>2.52</td>
</tr>
<tr>
<td>SOCCSKSARGEN</td>
<td>330,571</td>
<td>775,309</td>
<td>2.34</td>
</tr>
<tr>
<td>CARAGA</td>
<td>210,184</td>
<td>523,407</td>
<td>2.49</td>
</tr>
<tr>
<td>ARMM</td>
<td>248,528</td>
<td>533,410</td>
<td>2.14</td>
</tr>
</tbody>
</table>

Source: National Statistics Office, 2002 Census of Agriculture; page last updated – March 15, 2005

Table 4.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Farms</th>
<th>Increased since 1971</th>
<th>Percentage of Growth (%) since 1971</th>
<th>Total land area (hectare)</th>
<th>Increased (hectare since 1971)</th>
<th>% of Increase since 1971</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>2,354,469</td>
<td></td>
<td></td>
<td>8,493.735</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
From 1971 until 2002, the number of farms increased to 2,468,270 or 104.84%. While the cultivated land area increased only to 1,177,058 hectares or 13.85%.

The distribution of farms based on their sizes for the years 1980, 1991, and 2002 is shown on the report of the Bureau of Agricultural Statistics (BAS) in 2006.

**Table 5. Distribution by number of farms.**

<table>
<thead>
<tr>
<th>Year</th>
<th>1980</th>
<th>1991</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>3,420</td>
<td>4,610</td>
<td>4,823</td>
</tr>
<tr>
<td><strong>Less than one hectare</strong></td>
<td>776</td>
<td>1,685</td>
<td>1,936</td>
</tr>
<tr>
<td><strong>1-2.99 hectares</strong></td>
<td>1,578</td>
<td>1,968</td>
<td>1,975</td>
</tr>
<tr>
<td><strong>3-4.99 hectares</strong></td>
<td>588</td>
<td>523</td>
<td>508</td>
</tr>
<tr>
<td><strong>5-9.99 hectares</strong></td>
<td>360</td>
<td>325</td>
<td>303</td>
</tr>
<tr>
<td><strong>10-24.99 hectares</strong></td>
<td>104</td>
<td>96</td>
<td>89</td>
</tr>
<tr>
<td><strong>25 hectares or more</strong></td>
<td>15</td>
<td>13</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: BAS-DA, 2006; Numbers are rounded

**Table 6. Distribution of farms by size.**

<table>
<thead>
<tr>
<th>Year</th>
<th>1980</th>
<th>1991</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total area of farms (000)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,725</td>
<td>9,975</td>
<td>9,671</td>
</tr>
<tr>
<td><strong>Less than one hectare</strong></td>
<td>369</td>
<td>728</td>
<td>827</td>
</tr>
<tr>
<td><strong>1-2.99 hectares</strong></td>
<td>2,522</td>
<td>3,038</td>
<td>3,002</td>
</tr>
<tr>
<td><strong>3-4.99 hectares</strong></td>
<td>2,067</td>
<td>1,835</td>
<td>1,778</td>
</tr>
<tr>
<td><strong>5-9.99 hectares</strong></td>
<td>2,243</td>
<td>2,046</td>
<td>1,914</td>
</tr>
</tbody>
</table>
10-24.99 hectares 1,406 1,293 1,192
25 hectares or more 1,118 1,034 957

Source: BAS-DA, 2006; Numbers are rounded

Its limitation is further accentuated by the private control and monopoly of the land by the few. In sugarcane lands, for example, The National Federation of Sugar Workers (NFSW), claimed that there is total of 389 big landowners at the national level.

Table 7. Spread of big land holdings

<table>
<thead>
<tr>
<th>Province/Region/Island</th>
<th>Number of Big Landlords</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Luzon</td>
<td>33</td>
</tr>
<tr>
<td>North Luzon</td>
<td>3</td>
</tr>
<tr>
<td>Southern Luzon</td>
<td>17</td>
</tr>
<tr>
<td>North Negros</td>
<td>140</td>
</tr>
<tr>
<td>South Negros</td>
<td>125</td>
</tr>
<tr>
<td>Leyte</td>
<td>11</td>
</tr>
<tr>
<td>Cebu</td>
<td>12</td>
</tr>
<tr>
<td>Panay</td>
<td>19</td>
</tr>
<tr>
<td>Mindanao</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>389</td>
</tr>
</tbody>
</table>

The second aspect is the agriculture or the agricultural production and the conditions of the Filipinos that are involved in the agricultural production.

The land and its cultivation are both the means and condition of agricultural production. On earlier conditions wherein the production was sufficient or for one’s consumption, the land size cultivated was relative to the needs of the producer and his family. For the commercial agricultural production, it needs large lands for the large-scale production. The commercial agricultural production has already outpaced the small-scale production in small farm sizes. Yet these small farm sizes are being sustained by merchant capital and usury in a widespread scale. In these small farm sizes, we find the ordinary peasant, the tenants, the settlers, and the small producers.
Agricultural production is affected by climate and weather, the type of land as well as its natural fertility, pests, quality of the seeds and age of plants in the case of permanent crops and other requirements like enough irrigation. And since the production is for the market or to earn income and profit, it is affected by the consumption needs of the people and the industries that rely on the consumption of the agricultural products.

Thus, the production should be widespread and numerous. Aside from the large tracks of lands to be cultivated, there is a real need for mechanization, relative advance technology for production, irrigation and post-harvest facilities and more importantly, research and development that hinge on high capitalization. Yet despite the relative mechanization and advanced technology, the commercial agricultural production in general is labor intensive especially on planting and harvesting aspects.

The third aspect is the peasant question and their ownership or control over the land, in the production and part of the product from the land. From independent studies as well as in our own study, from the latter half of 1970s to the early part of 1980s, the appropriation of the average income surfaced. The portion that went to the peasant and farm workers dipped to 16% from 39%, the share of the landlords (land rent) also decreased from 15% to 30% which the merchant-usurer’s share increased from 15% to 45%. The combined share of the landlord and the merchant-usurer is 57% of the average income. The other 16% will be shared among the peasant and the farm worker (Kilusan, 2006).

II. The Place of Non-reform Sector in the Land Reform Within a Neo-liberal Setting

The country’s history and its integrative system have established that the sanctity of private property is in violate. It is even enshrined in the Philippine constitution. Its sacredness should never be challenged nor undermined. Where a significant portion of the ruling class is tied up to the land (especially in the Philippines), any attack on any form of property might cast considerable doubt on the other form. And the other form is ownership of the means of production from which capital derives its own legal standing and legitimacy (Harvey, 2006).

The preservation, and even the enhancement, of private property in land therefore performs an ideological and legitimizing function for all forms of private property; hence, some would argue, the importance of conferring privileges of home ownership (possession of the means of consumption) upon the working class (Harvey, 2006). From this standpoint, we can regard rent as a side-payment allowed to landowners in order to preserve the sanctity and inviolability of private property in general (Harvey, 2006).

The Non-Reform Sector

De Janvry asserted the two sectors of any land reform in a Third world country. The reform sector is composed of lands appropriated (usually expropriated) from the former landlords to the beneficiaries of the reform. The non-reform sector includes the unexpropriated lands
retained or sold privately by their former owners, the lands that are subdivided by their owners to avoid expropriation through a restriction on the maximum size.

Land reforms have been analyzed in terms of creation of a reform sector. But most land reforms have this as being the secondary aspect of land reform, while the non-reform sector is often the principal aspect (de Janvry).

This distinction is necessary since there is a flood of data regarding the success or failure of the land reform program. Some sectors have admitted that there reports are “overly quantitatively oriented at the national level and romanticized or condemned at the local level.” Griffin, et. al have defined land reform as being about redistributing “land ownership from large private landowners to small peasant farmers and landless agricultural workers, , emphasizing that it is concerned with redistribution of wealth. A land reform that confiscates lands without compensation to landlords and distributes such lands to peasants and workers without payment clearly constitutes redistributive reform. Similarly, a land reform that expropriates lands with compensation to landlords at below market price and distributes such lands to peasants and workers at reduced or subsidized cost is also redistributive.

Borras further clarified that a land transfer scheme does not constitute redistributive land reform where the landlord is paid 100 percent spot-cash for 100 percent (or higher) of the “market value” of the land and where the buyer shoulders 100 percent of the land cost including the sale transaction costs. Such is a simple capitalist real-estate transaction, which, of itself, is highly unlikely to favor the landless rural poor (Borras, 2008).

Based on the Department of Agrarian Reform (DAR) 1972-2013 report, only 326,140 hectares or 7% have been distributed through compulsory acquisition mode among the private lands. Most of the lands distributed, were public lands and lands that were paid for or bought (settlement) comprising 2,047,111 hectares or 44% of lands distributed. The voluntary land transfer (VLT) covered 826,937 hectares or 18% of the total land distributed and voluntary offer to sell (VOS) covered 639,252 hectares or 14% of the total land distributed. Indeed, “the implementation of the VLT and VOS modes were designed largely to lessen landowner resistance to CARP by providing incentives to private landowners for voluntary compliance with the program.”

The three categories have a cumulative total of 3,516,300 hectares or equivalent to 78% of the total land distributed. Obviously, these constitute the establishment of security of tenure rights which readily fall into the “willing buyer-willing seller” transaction. The transaction over idle lands is to make these productive through the operation of foreign capital. The bigger portions of public lands and VLT-VOS lands are in upland areas are idle lands and are not readily fit for farming.
The tactic of subdividing the land for family members and declare such as in compliance with the law is most common. According to former DAR undersecretary Conrado Navarro, ‘the majority of VLT-based land transfers, maybe as much as 70 percent, were resorted to by the landlords... to evade coverage’ (Borras, 2005). Another former DAR undersecretary, Gerardo Bulatao, explained that “VLT is often a transaction between family members” (Borras, 2005). Lorenzo Reyes, a member of the national DAR Adjudication Board, puts it, “You will have serious doubts because these VLT schemes are mostly on cash basis. How can a poor tenant afford to pay 100 percent spot-cash for the land? It is most likely that these are just stage-managed, especially where the landowners are politically strong enough to control their tenants (Borras, 2005).

The Limited Coverage of CARP

Even the non-reform sector of RA 6657 has excluded a long list of land types. In the context of this law, the non-reform sector could be divided into categories: the first comprised of areas used for non-profit activities whereas the second included arable and privately-owned agricultural lands that are used for profit-oriented ventures. The first category consisted of
areas which are used for the provision of public goods (e.g., national defense) and services (e.g., education), those engaged in religious as well as research and developmental undertakings (e.g., experimental farms) and those reserved for ecological and environmental considerations (e.g., wildlife parks), (Adriano, 1991). Land types belonging to the second category included corporate/commercial farms which either practice corporate stock sharing or are collectively owned by its workers, non-tenanted rice and com lands whose sizes are seven hectares and below, other croplands whose areas are equal to or less than five hectares and homestead lands. It is estimated that about 16.7 million ha belong to the first category of the non-reform sector (Adriano, 1991).

The definition of ‘agrarian reform’ offered in the law reduced the centrality of land redistribution, defining reform as either the ‘redistribution of lands’ or production or profit sharing, labor administration, and distribution of stock’ (Putzel, 1992). With these different mechanisms, the net effect would be that the non-reform sector would still predominate over the reform sector even if the law had excluded some areas in the non-reform sector as articulated by Adriano.

Indeed, the Philippine society where foreign capital and landlords enjoy the “commanding heights”, the non-reform sector has proven to be the principal aspect of all the land reforms in the country.

III. The Neo-liberal State

The term “neoliberalism” refers to a set of economic policies emphasizing free trade, privatization, deregulation, and the retreat of the state from matters of wealth redistribution and social service provision (Ward and England, 2007). “Neoliberalism” is a theory proposing the advancement of human welfare through the liberation of entrepreneurial freedoms within “an institutional framework characterized by strong property rights, free markets, and free trade” (Harvey, 2005).

There are five main points of neo-liberalism (Martinez & Garcia): these include;

a. The rule of the market. Liberating "free" enterprise or private enterprise from any bonds imposed by the government (the state) no matter how much social damage this causes. Reduce wages by de-unionizing workers and eliminating workers' rights that had been won over many years of struggle. No more price controls. All in all, total freedom of movement for capital, goods and services. To convince us this is good for us, they say "an unregulated market is the best way to increase economic growth, which will ultimately benefit everyone." It's like Reagan's "supply-side" and "trickle-down" economics -- but somehow the wealth didn't trickle down very much.

b. Cutting public expenditure for social services like education and health care. Reducing the safety-net for the poor, and even maintenance of roads, bridges, water supply -- again in the
name of reducing government's role. On the contrary, they don't oppose government subsidies and tax benefits for business.

c. Deregulation. Reduce government regulation of everything that could diminish profits, including protecting the environment (including the land) and safety on the job.

d. Privatization. Sell state-owned enterprises, goods and services to private investors. This includes banks, key industries, railroads, toll highways, electricity, schools, hospitals and even fresh water. Although usually done in the name of greater efficiency, which is often needed, privatization has mainly had the effect of concentrating wealth even more in a few hands and making the public pay even more for its needs.

e. Eliminating the concept of "the public good" or "community" and replacing it with "individual responsibility." Pressuring the poorest people in a society to find solutions to their lack of health care, education and social security all by themselves -- then blaming them, if they fail, as "lazy."

The neoliberal state like in our country “favors strong individual private property rights, the rule of law, and the institutions of freely functioning markets and free trade (Harvey, 2005). The legal framework is that of freely negotiated contractual obligations between juridical individuals in the marketplace. The state gives protection to the sanctity of contracts and the individual right to freedom of action, expression, and choice. The state must therefore use its monopoly of the means of violence to preserve these freedoms at all costs. By extension, the freedom of businesses and corporations (legally regarded as individuals) to operate within this institutional framework of free markets and free trade is regarded as a fundamental good. Private enterprise and entrepreneurial initiative are seen as the keys to innovations and wealth creation (Harvey, 2005).

The state has been and will always be the promoter and guardian of the market. The Philippine state has emerged as the final arbiter in behalf of the forces of neoliberal globalization, enacting and enforcing laws that facilitate their penetration into the domestic economy, and easing their control and domination over the country’s valued resources (Bauzon, 2008).

IV. The Mythical Dichotomy Between State-led Land Reform (SLAR) and Market-led Land Reform (MLAR) and Community-led/managed Land Reform as an Alternative to the Failures of both SLAR and MLAR

The current mainstream discourse on agrarian reform have developed various typologies of land reform. It ranges from state-led land reform, market-led land reform and community-led land reform. Its systematic articulation painstakingly explain why each is essentially different from other. Two are even in contradictory to each other (the SLAR and the MLAR).

In their parlance, Presidential Decree (PD) 27 of the Marcos dictatorship and the Comprehensive Agrarian Reform Program (CARP) are both state-led land reform (SLAR)
program. The only difference was that the former land reform was under an autocratic rule and the latter land reform program (under five presidents) was under a thriving democratic system.

In its 1996 Philippine country report “A Strategy to Fight Poverty”, the World Bank observed, “comprehensive rural land reform, as currently structured, is bound to remain contentious, expensive, and administratively complex” and concluded, “the administrative complexity of land reform probably cannot be resolved in the context of a government-administered program executed in the democratic society.”

Consequently, World Bank representatives first attempted to recruit the Philippine government to the MLAR model, after suggesting that the Philippines ought to halt CARP land distribution implementation because it was ‘distorting’ the land market and financially expensive (World Bank, 1996). This was rejected. In 1999, the World Bank came back again and this time it succeeded in pressuring the a new DAR leadership to agree to a small pilot project to explore a “complementary land reform approach” (Franco, 1999). The study produced an operational manual and renamed the project, Community-Managed Agrarian Reform Program (CMARP). In 2003, it became Community-Managed Agrarian Reform and Poverty Reduction Program (CMARPRP).

CMARPRP aimed to (a) empower [beneficiaries] so that they may actively participate in land market transactions and (b) contribute to poverty reduction in rural areas by introducing land tenure improvement modalities in agrarian reform that are faster (DAR-ARCPD 2, 2006). To achieve these goals, CMARPRP adopted the following MLAR principles: a negotiated willing seller-willing buyer scheme; a demand-driven approach; integrated land transfer and support services delivery; and centrality of income generation goals via farm productivity and credit financing (DAR-ARCPD 2, 2006). By April 2007, CMARPRP had reached 972 hectares of land, 650 beneficiaries, 68 landowners, and 17 villages (Borras, et. al, 2007).

The first stage of these projects was to bring land systems into an increasing global marketplace, which requires formal and written systems, legal instruments, private property and land markets. The second stage involved the development of formalized land markets in which land could easily be leased, purchased, sold, or gifted to achieve more efficient land use. The third stage was the use of land and property as collateral for accessing credit (Quizon, 2014).

As it is, the CARP where the non-reform sector is dominant has rendered the characteristic of CARP as already a market friendly land reform. Not to be contented with this character, the CMARPRP is basically an attempt to fine tune for the CARP to adhere more rigorously to the World Bank model.

Irrespective of any land reform model, the neo-colonial status of the country will always facilitate the inflow of foreign capital into any lucrative sector including the agricultural sector as well as the land reform program. Capital will continue to operate and in fact, the logic of capital is nothing but the expression of the contenting forces within a society (De Janvy). In the Philippines, the contending alignment of forces is between the ruling class embedded in the state arrayed against the broad mass of Filipino people.
There should be no confusion nor judgment that there is polarity between the state-led land reform and the market-led land reform. Both are essentially pursued and implemented where the state and the market are intrinsically linked to each other. A community led/managed land reform is an emerging variance where failures both for the SLAR and the MLAR are established and promoted.

**The State vis-a-vis the Market**

In a critique of the ‘market socialists’, Marx argued that even if society started with an equalization of property, market processes would necessarily give rise to inequality and a polarization of wealth and poverty as money accumulated in the hands of the minority, while the majority lost the means to earn their own living and were forced to labor for others (Clarke). The market is an instrument of ‘natural selection’ that judges not on the basis of an individual’s ability to contribute to society, but on the basis of the individual’s ability to contribute to the production of surplus value and the accumulation of capital. This is the moral law that is expressed in the platitudes of neo-liberalism (Clarke).

The fashionable view that states and markets are somehow intrinsically opposed to each other has been proven to be a myth. The “free market” needs the protection of the states and it needs their powers of enforcement. The 1997 World Development Report’s central call for “an effective state” simply means an effective state for the unhampered operation of capital in a market without a national territory. Indeed, the development thrusts and programs of the Philippine state (its Philippine Medium Term Development Plans and the sectoral plans emanating from these medium term development plans) are the best expressions of its platitudes and adherence to neo-liberalism.

Neo-liberalism treats markets as artefacts which are dependent on constant legal and technical intervention by state agencies. For the neoliberal, state, society and economy are all institutionally and ontologically integrated (Davies, 2010).

The current Philippine state is again, unmistakably creating and protecting the market (including the land reform program) for the unhampered flow of capital and commodities into agriculture.

**The State vis-à-vis the Civil Society**

The confusion on SLAR and MLAR is buttressed by fully accommodating the civil society in the land reform implementation.

The ideological operations and the forces in the agrarian reform movement have been using the civil society-state framework in pursuing its program and in the process, get trapped in the bourgeois theory of the state. They assert that the ruling class do not have hegemony over the whole state apparatus all the time. The people may share with the exploiting classes control over the state machinery depending on the accumulated strength of the contending classes or organized civil society to influence the state internally (CPP Peasant Bureau, 1998). This means that the state, itself being shared or internally structured by contending classes act accordingly
and at certain times may act contrary to the interest of the ruling class. Moreover, at certain “conjunctures” the state may give “decisive concessions” even if contrary to the interest of the ruling class if only to preserve itself (CPP Peasant Bureau, 1998).

They pushed the idea that the state and civil society are “relatively independent” of each other. Aside from the assertion that the state does not have to act at all times as an instrument of the ruling class, they also assert that this relative independence between the state through “popular struggles”, institute quantitative and qualitative changes (relative transformation), put up parallel structures of governance of influence structures of the state machinery (CPP Peasant Bureau, 1998) As one study stated, “civil society organizations are best and often understood as organizations autonomous from the state (Ferrr, 2005).

CARP was seen by some quarters as moderately successful during the years 1992-2000. This relative success was due to the way in which currents of pro-reform in society linked up with pockets of pro-reformists within the agrarian reform bureaucracy (Borras, 2001). One narrative that is worth mentioning is when then the DAR leadership rejected the proposal of the World Bank to halt CARP implementation. Its resistance derived its success from DAR’s joining forces with rural social movements to launch protests to defend CARP and discredit the Bank’s initiative (Borras, 2001).

Sikor and Muller (2009) even calls for a state that is more reactive to political demands originating “from below” and more responsive to variation in local institutions and practices. With the limits and failure of SLAR and MLAR, they are pushing for a community-led/managed land reform. This concept of community forwards the significance of actual land tenure arrangements and authority relations as well as “bottom-up” political initiatives.

This position denies the essential nature of the state as a coercive instrument of the class rule – special body of men standing above society by which one class violently suppresses another. It also denies that the state is a product, and an admission of the irreconcilability of classes; that this state is necessary to contain the class antagonism so that society will not consume itself in intermittent and endless struggles (CPP Peasant Bureau, 1998).

Civil society adherents also toy with the proposition that “the traditional left’s struggle for state power is corrupting and leads to authoritarian regimes which then subordinate civil society to its control. Local struggles over local issues by local organizations are the only democratic means of change, along with petition/pressure on national and international authorities (Petras).

These kinds of initiatives below are touted as the celebration of civil society. Yet, fundamentally it has offered a comfortable space for the neoliberal experiments across the capitalist world. These are seen as processes where the masses are empowered and where peoples are the centre. Here, the transformation of the state is to be achieved through the transformation of civil society (Seethi).
V. The Interplay of Land Reform into the Neo-liberal Mold

The hegemony of neo-liberalism as the dominant ideology since the 1970s is complete. It has remained unchallenged and has pervaded practically all facets of Philippine society. In the Philippines, neoliberalism first came in the form of the structural adjustment program imposed by the World Bank in the early 1980’s, in the latter’s effort to strengthen the economy’s capacity to service its massive external debt (Bello, 2009).

Land Reform Under Marcos

Presidential Decree (PD) 27 was pursued in the period where Structural Adjustment Program (SAPs) were vigorously implemented. The SAP was essentially instituting the guidelines for investment flows and nature of the resulting trade pattern. Economist Robin Handel asserted that one of its features is financial liberalization even in agriculture. Essentially, it was for market expansion.

PD 27 was directed only against the tenancy relations, principally sharecropping, which American agricultural consultants as early as the 1930s considered as a drag to agricultural modernization. For this reason, there was a preoccupation to liquidate sharecropping relations. Hence, even if the results in land transfer were meager, the land reform program was nonetheless successful in transforming thousands of tenants into "independent" lessees and in inducing many landowners to shift to the wage system in order to be exempted from the coverage of land reform (Ofreneo, 1981).

To make sure that a shift to new agricultural practices would indeed occur, the government even made the adoption of the Green Revolution as one of the requirements for tenants to qualify for the land reform program (Ofreneo, 1981). As to the few landlords whose lands were expropriated, the government came out with an elaborate system of compensation aimed at transforming them into full-pledged capitalists (Ofreneo, 1981).

In May 27, 1974, Marcos issued Corporate Farming Program (CFP) through General Order No. 47, which gave local and foreign corporations the right to purchase or lease agricultural land to be planted with rice and corn. The order resulted to the accumulation of vast tracts of land by agribusiness firms and the displacement of many farmers from the lands. By 1980, corporations controlled 4,978 farms covering 1,673 hectares nationwide. Of this area, over 90% or 1,511 hectares were concentrated in 372 corporate-run farms (1980 Census of Agriculture of the NSO).

Overall, the combined effects of land reform, Green Revolution, infrastructure development and corporate farming are: the commercialization of rice and corn production, the transformation of small landowners and lessees into petty capitalists, the dominance of big corporations in rice production, the greater dependence of rice farming on the agribusiness transnationals, and the fuller integration of the rice and corn areas into international trade (Ofreneo, 1981).
One of the effects of structural adjustment is that countries like the Philippines must increase their exports. Usually commodities and raw materials are exported. The poor country lose out when they export commodities which are cheaper than finished products, are denied or effectively blocked from industrial capital and real technology transfer, and import finished products which are more expensive due to the added labor to make the product.

Agriculture was historically a net foreign exchange earner, contributing nearly two-thirds of total exports and accounting for only about 20% of total imports (including imports of manufactures agricultural inputs such as fertilizers) in the 1960s (Balisacan and Hill, 2003).

**Table 8. Agriculture’s Share in Total Imports and Exports, Ratio of Agricultural Imports to Exports, and Measures of Trade Openness, 1960-2000 (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Share in Total Imports</th>
<th>Ratio of Imports to Exports</th>
<th>Agricultural Imports/GVA</th>
<th>Agricultural Exports/GVA</th>
<th>Agricultural Imports plus Exports/GVA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>19</td>
<td>64</td>
<td>31</td>
<td>9 (9)</td>
<td>33 (9)</td>
</tr>
<tr>
<td>1965</td>
<td>21</td>
<td>63</td>
<td>36</td>
<td>16 (16)</td>
<td>37 (14)</td>
</tr>
<tr>
<td>1970</td>
<td>14</td>
<td>44</td>
<td>34</td>
<td>12 (19)</td>
<td>44 (17)</td>
</tr>
<tr>
<td>1975</td>
<td>10</td>
<td>54</td>
<td>26</td>
<td>14 (25)</td>
<td>28 (15)</td>
</tr>
<tr>
<td>1980</td>
<td>8</td>
<td>35</td>
<td>31</td>
<td>12 (26)</td>
<td>26 (18)</td>
</tr>
<tr>
<td>1985</td>
<td>9</td>
<td>26</td>
<td>46</td>
<td>12 (18)</td>
<td>18 (15)</td>
</tr>
<tr>
<td>1990</td>
<td>10</td>
<td>15</td>
<td>96</td>
<td>15 (29)</td>
<td>14 (18)</td>
</tr>
<tr>
<td>1995</td>
<td>9</td>
<td>11</td>
<td>126</td>
<td>19 (38)</td>
<td>15 (23)</td>
</tr>
<tr>
<td>1996</td>
<td>9</td>
<td>9</td>
<td>159</td>
<td>20 (42)</td>
<td>12 (25)</td>
</tr>
<tr>
<td>1997</td>
<td>8</td>
<td>8</td>
<td>161</td>
<td>24 (47)</td>
<td>15 (31)</td>
</tr>
<tr>
<td>1998</td>
<td>10</td>
<td>7</td>
<td>151</td>
<td>29 (48)</td>
<td>20 (45)</td>
</tr>
</tbody>
</table>
a Agricultural imports include inputs such as agricultural chemical, machinery, and fertilizer. Figures in parentheses refer to the trade openness of the whole economy.

Sources: Food and Agriculture Organization (various issues), FAO Trade Yearbook; National Statistical Coordination Board

The agricultural sector’s share in total exports decreased much more rapidly than its share in total imports, and by the early 1990s it had ceased to be a net earner of foreign exchange. Agricultural imports rose from about 30% of agricultural exports in the 1960s to more than 150% by the late 1990s (Balisacan and Hill, 2003).

**The Comprehensive Agrarian Reform Program (CARP)**

The CARP was compromised from the start. In its enactment, the neoliberal design already was in full swing. Its implementation coincided with the full liberalization of the economy, trade and financial system, of culture and education. One year before it passed CARP, Congress enacted the Omnibus Investment Act, followed by the Foreign Investment Act of 1991. The fundamentals of the neoliberal design were set under the Fidel Ramos regime just five years since the enactment of CARP. These primarily include the liberalization of the financial system that immediately brought about the further liberalization of the export-import trading.

“Co-existence of Two Modes of Productive Organizations”

RA 6657 thus seems to promote the coexistence of two extreme modes of agrarian structures, i.e., small farms producing food and other cash crops, on one hand, and large-sized agribusiness-operated farms cultivating essentially export crops, on the other (Adriano, 1991). Small-sized farms, especially in the grains crop subsector, will be developed partly because their existence is especially important during the initial stages of growth in ensuring cheap labor and low-priced wage goods for both the plantations and industry, and partly due to the fact that their presence serves as a political concession for resolving the problem of rural unrest (Adriano, 1991). While staple crop production may be suited to small-sized farm units, the design of CARL presumes that export crop production, a major source of foreign exchange earnings of the country, is best produced in large-sized farms which enjoy economies of scale arising from the employment of capital-intensive methods of production. It is on the basis of this premise that large-sized agribusiness-run farms are preferred to the hacienidas and tenanted farms.

The plantation owners would benefit from the existence of small farms since the latter ensures for the large farms a reserve army of cheap labor, or what Harris (1982) called "disguised proletarians" (Adriano, 1991). Thus, the small farms provide the household owners a portion of their subsistence and production requirements while their wage earnings from the plantations
fill the financial gap. (hacienda owners use their profits largely for consumption and not for production expenditures), then it would be economically advantageous for the countryside to minimize the redistributive effects of the reform on these agribusiness plantations (Adriano, 1991).

RA 6657 thus promoted a selective redistributive scheme wherein it would expropriate and redistribute large lands cultivating staple crops as well as feudalistic agrarian structures but will not touch capitalist farm enterprises. It was not designed to bring about inter-rural equalization by homogenizing the land ownership structure in this sector, but rather, was aimed at inducing the establishment of profit-motivated agribusiness plantations supported at the periphery by small-sized farms which supply the former enterprises with cheap labor (Adriano, 1991).

Promoting a bi-modal agrarian structure has implications on equity and efficiency (Adriano, 1991).

First, the co-existence of large and small-sized farms would severely limit the impact of agrarian reforms in achieving equity. With skewed landownership distribution being a major source of inequality in the country, an agrarian reform that does not ensure a more homogenous landownership structure would only aggravate the problem of inequality (Adriano, 1991).

Second, a bi-modal agrarian structure is an inefficient organizational arrangement for a country characterized by a highly inelastic land supply. Large-sized farms tend to exploit this scarce resource extensively and employ more capital - another scarce factor of production in the country - intensively. In contrast, small-sized farms cultivate land more intensively and employ more labor, an abundant resource in the country (Adriano, 1991).

Lastly, a bi-modal agrarian structure has implications on the nature and pace of country’s development Like in the Marcos regime, this mode of productive organization presumes that agribusiness plantations can serve as the engines for rural growth. But, as the country has experienced, such a growth-bias is not based on the efficient allocation and use of the country’s resources and is not accompanied by a more equitable income structure. The growth prospect employing this strategy is limited because it does not develop a broad domestic base for the plantation’s produce and is not sustainable because resources are mismanaged (Adriano, 1991).

**Tailoring ARCs into the Key Production Approach Under Ramos’ Medium-Term Agricultural Development Plan (MTADP)**

With the government’s continued promotion of high-value crops for export, the Agrarian Reform Communities (ARCs) were fitted into the operation of agri-business. Majority of the ARCs especially in Mindanao were part of the implementing mechanism for the Key Production Approach (KPA) that the Ramos government designed under its Medium-Term Agricultural Development Plan (MTADP).
Through the KPA, around 5 million hectares of rice and corn lands would be reduced to 1.9 million hectares while the remaining 3.1 million hectares would be converted to the so-called “export winners”, the livestock and poultry industry and commercial crops (Ibon, 1996). From 1996 to 2002, the DAR reported that there are about 1,059 marketing tie-ups set up between the ARC and around 394 agribusiness firms (Ibon, 2003). These arrangements fall into the leaseback and contract growing schemes pursued by the agribusiness.

**Agribusiness Taking the Lead in Agricultural Production**

In terms of landholdings, Republic Act No. 7900, otherwise known as “An Act to Promote the Production, Processing, Marketing and Distribution of High-Value Crops, Providing Funds Therefore, and for other Purposes”, allows farmer-cooperatives to lease out up to 1,000 hectares of their land for a period of 25 years. This gives much leeway to agribusiness ventures to deal with cooperatives rather than individual farmers (Manahan, 2011).

This Act is further supported by the DAR Administrative Order No. 9 series of 2006, which guides the investments on agricultural lands covered by the CARP. The DAR AO identifies a number of agribusiness venture agreements from which the agrarian reform beneficiaries can choose, such as; (a) joint venture agreements, (b) production/contract growing/growership, (c) marketing contracts, (d) lease agreements, (e) management contracts, (f) service contract, and (g) build-operate transfer.

To streamline their efforts for expansion, five government corporations are tasked to increase their involvement in the agribusiness sector. The Philippine Agricultural Development and Commercial Corporation (PADCC) is responsible for agribusiness investment, promotion, facilitation, and project development (Pulhin and Ramirez). It is the lead agency in agribusiness to both local and foreign clients by way of investment matching through land identification and consolidation of idle/underutilized land (Pulhin and Ramirez).

The Philforest Corporation, is a government-controlled corporation and wholly-owned subsidiary of the Department of Environment and Natural Resources (DENR), is responsible for forging investments in public lands particularly those categorized as “untenured” and idle lands. Untenured lands are lands that are not covered by any tenure instruments but are nevertheless occupied by people (Pulhin and Ramirez).

The Philippine National Oil Company-Alternative Fuel Corporation (PNOC-AFC) also initiates biofuels feedstock production while the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP) serve as the financial arms for these projects.

According to government statistics, around 1.83 million hectares were developed into agribusiness and agroforestry areas during the period 2005-2010. The last two years alone (2009-2010) account for 22% of the total areas developed by the government for these ventures (NEDA, 2011).

In Mindanao, the Department of Agriculture registered at least 310,00 hectares of lands developed for agro-fuel cultivation under eight companies in 2009 (AFRIM 2010). This
constituted around 82% of land developed for agribusiness in that year for the entire country. Still in Mindanao, around 54,748 hectares of land were cleared for oil palm plantations in 2011 and it is projected that an additional one million will be needed for oil palm from 2011-2022 at the country level of which half will be located in Mindanao (Villanueva, 2012).

The Commodification of Water

In the middle of CARP implementation the government started privatizing its assets including service corporations such as potable water service that source water from dams that are also designed for both hydro-electric generation and irrigation. Soon the dams for both power generation and irrigation were also sold to private electric power generating corporations.

While privatization of infrastructure development in the water sector is a relatively recent policy, private control of water resources in the form of water rights is an age-old practice in the Philippines. Section I Article XIII of the 1935 Constitution mentioned “water rights for irrigation, water supply, fisheries, or industrial uses other than the development of water power.” The exact phrase was retained in Section 8 Article XIV of the 1973 Constitution and Section I Article XII of the 1987 Constitution. Water right is fundamentally different from the right to water. The former allows private and profit-oriented monopoly control of water resources while the latter essentially means human right to access and use water (WPNA, 2004).

Angat dam’s privatization plan will threaten water access to of 28,000 farmers of Pampanga and Bulacan. Angat Dam currently serves the irrigation needs of more than 31,000 hectares of farmlands in the two provinces (GMANews.TV, 2010).

Two of the subprojects of the ADB-funded Southern Philippines Irrigation Sector Project (SPISP) showed privatization wasn’t benefiting farmers (Wakefield, 2010). The two subprojects of the $60-million loan are the Gibong National Irrigation System (NIS) in Prosperidad and San Francisco towns of Agusan del Sur, and the Calayagon Community Irrigation System (CIS) in Buenavista, Agusan del Norte.

The subprojects also caused decreasing productivity and lesser income among the farmers. Instead of increasing their yield, these incomplete and malfunctioning subprojects have decreased the farmers’ yield to 30-40 sacks per hectare from 80-90 sacks per hectare (Wakefield, 2010). For five cropping seasons now, farmers have consistently losing income (Wakefield, 2010).

For a long time until presently, the number of irrigated farms under the National Irrigation Administration did not increase and the irrigation systems are left in disrepair. In such condition of the public irrigation system, privately owned irrigation systems increased adding further cost to farming.
Land Use Conversion

With the concept of Agrarian Reform Communities (ARCs) and Strategic Agriculture and Fisheries Development Zones (SAFDzs), the 1990s was characterized by massive conversion of agricultural lands for other purposes. Ramos issued Executive Order (EO) 124 on September 8, 1993 which identified priority areas for land use conversion (LUC) including regional and agri-industrial centers (RAICs)/regional industrial centers (RICs); tourism development areas; and socialized housing.

In 1995, Congress passed Republic Act (RA) No. 7881 that amended CARL. The said amendment did not only exempt fishpond and prawn farms from CARP coverage but also allowed the conversion of agricultural lands into commercial/large-scale fishpond and prawn farms as long as such conversion is “more economically feasible and sound.” Furthermore, the amendment classified that crop conversion (or the change of crops to commercial or high-value crops) should not be considered as a conversion in the use or nature of the land (Halim, 2006).

Specifically, the Ramos government adopted land-use conversion, among the most controversial policies, to attract investments in real estate and commercial tourism businesses. The result is a reworking of the social and economic, as well as the physical, landscape of formerly “rural” areas, such that even within the same household the urban-industrial economy might co-exist with agricultural production (Kelly, 1998).

At the national level, specific policy frameworks exist that regulate the land conversion process but they are frequently circumvented and undermined by developmental strategies geared towards industrialization rather than agricultural modernization. At the level of local municipal governments, legislation allows considerable flexibility in interpreting zoning by-laws and therefore determining land uses (Kelly, 1998). More importantly, this flexibility is applied in a context where the boundaries between public and private roles, and between regulatory responsibilities and vested interests, are frequently blurred (Kelly, 1998).

Finally, the “everyday politics” of relations between landlords, tenant and other local power brokers creates a context in which tenant farmers find it difficult even to assert their legal rights to adequate compensation or land redistribution through agrarian reform (Kelly, 1998).

In a neo-colony, land as a resource must be efficiently exploited for relentless profit making for the ruling class. Land in this case, is an economic resource, a commodity to be used in the service of capital accumulation (Kumar, 2011).

Land use conversion has reasserted with vengeance. Land, which has long been the most important reservoir of money and power in Philippine society, has reemerged as the cornerstone of Philippine capital’s strategy for the 21st century. But instead of tobacco, sugarcane and coconuts, the new cash crops are condominiums, office towers and malls. (Cardenas, 2014). The new Philippine economy is seeing billions of dollars churned into the land by overseas Filipinos buying new homes, services outsourcing firms renting office space and mall operators cashing in on the newfound consuming power of the globalized middle classes (Cardenas, 2014).
Over the past decade, real estate has consistently been one of the best-performing subsectors of the economy. Data from the National Statistical Coordination Board (NSCB) show that, if considered separately from ownership of dwellings, the gross value added of real estate expanded at a clip of 141 percent from 2000 to 2010. This was more than double the pace of gross domestic product growth in this period and was second only to mining among the subsectors tracked by the NSCB (Cardenas, 2014).

Included also in the land use conversion is the establishment of special economic zones (SEZs). According to data from the Philippine Economic Zone Authority, the number of Philippine SEZs alone rose by 80.7 percent from June 2008 (166 official SEZs) to December 2013 (300 SEZs).

The government has become a “land broker state” (Levien, 2012). The state has become a mere land broker for increasingly real-estate driven private capital in order to achieve the expropriation of land from small farmers and transferring them to large, and sometimes, foreign corporations for increasingly real estate-driven projects (Levien, 2012).

**Liberalization of Rural Banks**

From 1953 to 1979, the government encouraged the growth of rural banking to service the credit needs of small rural businessmen and small farmers. From 1971 to 1981, many rural bankers have emerged as the new usurers, the new middlemen, the farm input and appliance dealers, the rice millers and trades, and given these varied roles, the new land buyers and speculators. (Ofreneo, 1981).

To further promote the market orientation of government’s land reform, The Arroyo administration sought to enact the Farmland As Collateral Bill and later the Agricultural Credit Bill which provides that agricultural lands shall be accepted as collateral by any lending institutions, bank or non-bank, including savings and credit cooperatives for loans secured by the registered owners as appearing in the Certificates of Land Ownership Award (CLOA), the Emancipation Patent (EP), Homestead Patent, Free Patent, Original Certificate of Title or Transfer Certificate of Titles (House of Representatives, 2005).

Now that it has numbered to more than a thousand, the government is arranging the transformation of these banks into giant monopolies or adjunct of big commercial banks.

President Noynoy Aquino recently signed Republic Act No. 10574, allowing foreigners to own up 60 percent of rural banks. The ramification of this law is detrimental to the farmers. Foreclosed agricultural lands can now be controlled by foreigners. They can landgrab on the pretext of technicality on defaults on loan payments. They can acquire continuous lands on a large scale, to covert farmlands that give subsistence to marginal rural folks into tax-exempt industrial zones that give minimum labor wages (Lopez, 2014). RA 10574 had the gall to include CARP lands for foreclosure, contradicting the CARP law and the national patrimony provision of the 1987 Constitution, which was affirmed by the Supreme Court in 1997 (Lopez, 2014).
RA No. 10574 finds its roots from the Foreign Investments Act of 1991 (amended by RA 8179 in 1996) which liberalized the entry of foreign investments into the country by relaxing restrictions on the participation of foreigners as equity in local firms. As a result of this law, the country has opened up its doors to joint ventures between Philippine-owned corporations and foreign entities.

**Modernizing the Agriculture and Fisheries Sectors**

On December 22, 1997, the tenth Congress passed the Agriculture and Fisheries Modernization Act (AFMA) or Republic Act No. 8435. AFMA mandates the government to use the “market approach” in assisting the agriculture and fisheries sectors and promote “market-oriented” policies in agricultural production to encourage farmers to shift to more profitable crops (Halim, 2006).

In reality, AFMA is not about agriculture modernization to improve the plight of Filipino farmers but more about the systematization and acceleration of land use and crop conversion and corporate takeover of farms through the establishment of so-called Network of Protected Areas for Agricultural and Agro-Industrial Development (NPAAAD) and Strategic Agriculture and Fisheries Development Zones (SAFDZ) (Halim, 2006).

SAFDZs are actually built in on the concept of ARCs. According to AFMA, one of the criteria to establish a SAFDZ is the dominant presence of ARCs and/or small-owner cultivators and amortizing owners/agrarian reform beneficiaries and other small fisherfolk in the area (Section 6 of AFMA). These ARCS within SAFDZs will serve as “model farms’ which the government would encourage to sign a management agreement with corporations for the production of high value crops for exports (Section 7 of AFMA).

Arroyo’s first Medium-Term Philippine Development Plan (MTPDP 2001-2004) reported that a total of 1.07 hectares of key and emerging SAFDZ areas have already been identified by the Department of Agriculture (DA) and local government units (LGUs).

**Table 9. SAFDZ Convergence Areas cum Investment Programs, By Region, as of April 2000**

<table>
<thead>
<tr>
<th>Region</th>
<th>SAFDZ Area/Investment Program</th>
</tr>
</thead>
</table>
| CAR    | Temperate Vegetable, Rootcrop & Fruit Development Zone  
Reservoir Agro-Fisheries Development & Management Zone  |
| I      | Ilocos Garlic-Onion-Ginger Convergence Zone  
Beef-Chevron-Corn Convergence Zone  
Metro San Fernando Agro-Industrial & Tourism Convergence Zone  
Brackish Water Aquaculture Irrigation Systems  |
| II     | Isabela Integrated Corn, Livestock, Poultry & Fishery Investment Program  |
| III    | Nueva Ecija Rice-Onion Based Development Area  
Pampanga-Bataan-Bulacan Wetland Development Convergence Zone  |
<p>| IV     | Seaweeds Production &amp; Processing  |</p>
<table>
<thead>
<tr>
<th></th>
<th>Project Name</th>
</tr>
</thead>
</table>
| V | Phil Regional Development Program  
Operation of Mariculture Projects on Milkfish & Seaweed |
| VI | Bucari Agricultural Development Project  
Western Visayas Strategic Agriculture Development Program  
Antique Fisheries & Aquaculture Center  
Capiz Wetlands-Rice Development Convergence Zone  
Bonate Bay Resource Management Project  
Toboso Food Security: The Coastal Resource Modernization Plan |
| VII | Rice-Based Development Zone  
Celebosole Growth Zone Fisheries Development Program  
Dairy Program Expansion & Development in Cebu Convergence Zone  
Mango Industry Development in Central Visayas |
| VIII | San Juancito Fisheries Economic Zone  
Leyte 2 Rice Commercialization Project  
Seaweeds Industrialization Project |
| IX | Sibugay Valley & Adjacent Municipalities Convergence Zone  
Titay & Adjacent Municipalities Convergence Zone  
Salug Valley Convergence Zone  
SAFDZ Integrated Agro-Fisheries Investment Projects  
DDKRIM Industrial Corridor & Adjacent Municipalities Convergence Project  
Zamboanga City Convergence Zone Integrated Fisheries Investment Program  
Basilan SAFDZ Fishery Investment Areas  
5-Year SAFDZ Fisheries Investment & Development Program |
| X | Highland Plateau Development Project |
| XI | Seaweeds Production  
Durian Development Program under the Convergence Development of South Mindanao |
| XII | Model Farm for Aquaculture Systems  
Multi-Story/Multiple Cropping of HVCC in Coconut Farms  
Bai Serapinang Multipurpose Cooperative Model Farm Development  
(Corn-Based Integrated Farming System)  
Federation of Small Farmers Association of M’land (Integrated Rice Production Model Farm)  
Midpapan I & II Farmers Association Model Farm Development (Rice-Based Farming Systems) |
| CARAGA | Seaweeds Farming (Surigao del Norte)  
CARAGA Development Zone  
Cattle Fattening |
| ARMM | Livestock Development (Sulu)  
Livestock Development (Tawi-tawi)  
Crabmeat Processing |
Land Grabs

The term land grab refers to the purchase or lease of vast tracts of land by wealthier, food-insecure nations and private investors from mostly poor, developing countries in order to produce crops for exports (Daniel and Mittal, 2009).

The land grab phenomenon is the result of a complex combination of factors motivated by price volatility in global markets, the global food crisis, and high levels of speculative activity. (Daniel and Mittal, 2009).

Skyrocketing food prices in 2008 that increase import bills and inflation rates, harsh climatic conditions, and poor soils and scarce land and water combined with economic and demographic growth had led many nations (inside the European Union, the Middle East countries and Asia) to reexamine domestic food security policies. Many are looking to stabilize supplies by acquiring foreign lands food production in the hopes of averting domestic social unrest and political stability over food price and supply (Daniel and Mittal, 2009).

A surging demand for agrofuels (biofuel produced from ethanol and sugarcane, as well as biodiesel) and access to new sources of raw materials for manufacturing goods is also driving land purchases. On top of the two reasons is the hunger of investors, who view farmland as an investment poised to produce significant returns. This include Wall Street banks, investment funds, finance companies, and wealthy individuals, who have turned their attention to agricultural acquisitions during the last two years (Daniel and Mittal, 2009).

International financial institutions, such as the World Bank, are also drivers of the “resources restructuring” in many countries. The International Financial Corporation (IFC) and the Foreign Investment Advisory Services (FIAS), both part of the World Bank group, provide advisory services and technical assistance on investments in land (Manahan, 2011).

FIAS helps shape the generation of investment in land through one of its products, the “Investment and Policy Promotion.” In the Philippines, from 2008 to 2009, FIAS with the Philippine Bureau of Investment (BOI) identified a pipeline of potential investments in land that amounted to USD one billion, with two hundred new expansion opportunities (Manahan, 2011).
Some land targeted had previously been earmarked for agrarian reform. The new commercial interests asserted over these lands have undermined the redistribution process of CARP. Insiders in the DAR and DA admit that the lands they have identified are up for redistribution under CARP. Specifically, these lease agreements involve agrofuel production arrangements. There are also reports from the ground that some lease agreements are already negotiated prior to the issuance of land ownership awards or land titles awarded by the DAR under the government’s agrarian reform program or are even sometimes used as a condition for the issuance of titles (Manahan, 2011).

In July 2008, a memorandum of understanding between the United Arab Emirates and the Philippine government was signed. The deal involved a USD 50 million project to develop 3,000 hectares of banana plantation in Mindanao, fish and cereal farms in Luzon, and pineapple cannery in Camarines Norte. The Saudi Arabia government has an investment agreement with our government involving food for export production of bananas, pineapple, mango, and papaya to Riyadh (Manahan, 2011).

The Korean International Cooperation Agency (KOICA) has established a USD 4 million job training center to teach farmers how to plant and harvest larger volumes of crops, but in return the Philippine government has to identify and make available some 100,000 hectares of prime agricultural land where investors from Korea will be invited to operate (Pulhin and Ramirez). This is included in the memorandum of understanding for the Multiple Industry Cluster (MIC) signed by the Philippine and Korean governments (Pulhin and Ramirez).

VI. The Commodification of Land and the Ever Increasing Penetration of Foreign capital into the Countryside

The land question is always beyond the agrarian question. It is a sovereignty question of the people anchored on the principles of national patrimony.

With the neoliberal paradigm, the sovereignty question is undermined by the phenomenon of commodification. Commodification presumes the existence of property rights over processes, things, and social relations, that a price can be put on them, and that they can be traded subject to legal contract (Harvey, 2005).

With the commodification of land comes the rising role of capital. The long standing landlord-tenant dichotomy began to be seriously undermined by; (a) the increased role of traders as source of credit and marketing outlet for produce, and (b) farmers assuming more voice in production as many farmers became leaseholders (Reyes, 1998). A national survey of rural household done by the Philippine in 1998 showed that farming inputs (mostly transacted with traders) as a cost of production in rice and corn were bigger than the land rent that was paid to the landlord (Reyes, 2005)
<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Rice</th>
<th>Corn</th>
<th>Coconut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Rent</td>
<td>18.83</td>
<td>16.32</td>
<td>31.98</td>
</tr>
<tr>
<td>Labor</td>
<td>30.00</td>
<td>41.48</td>
<td>48.13</td>
</tr>
<tr>
<td>Material Inputs</td>
<td>35.11</td>
<td>32.32</td>
<td>1.70</td>
</tr>
<tr>
<td>Seeds</td>
<td>13.62</td>
<td>18.24</td>
<td>0.90</td>
</tr>
<tr>
<td>Fertilizers</td>
<td>13.90</td>
<td>12.81</td>
<td>0.82</td>
</tr>
<tr>
<td>Pesticides</td>
<td>7.59</td>
<td>1.17</td>
<td>0.08</td>
</tr>
<tr>
<td>Machine Rental/Irrigation</td>
<td>13.28</td>
<td>4.25</td>
<td>2.17</td>
</tr>
<tr>
<td>Tax</td>
<td>0.51</td>
<td>0.45</td>
<td>1.30</td>
</tr>
<tr>
<td>Other Costs</td>
<td>2.26</td>
<td>4.81</td>
<td>14.62</td>
</tr>
</tbody>
</table>

Source: PPI 1998 survey of 4.483 farmer respondents nationwide

The preceding data constitute a break from the traditional landlord-tenant nexus that defined small farming and most of agriculture in the past. Farming production and incomes are now determined more by access to input and credit and pricing rather than the economic and extra-economic hold of landownership (Reyes, 2005).

The role of merchant-usurers (most of whom come from the landlord class) is institutionalizing feudal and semi-feudal exploitation has significantly increased in the past three decades. Their operations spanned a vast network (cut across provinces, cities, and towns) that efficiently squeeze profit from the peasantry and other producers in the rural areas through control over the supply of loans, farm implements, farm inputs, consumption commodities, and purchase and distribution of the farmers’ produce.

The operation of imperialist control of finance to extract superprofits is facilitated through integration of different operations. In the case of rice, milling, trading of palay and farm inputs, credit and renting out of machineries are interlinked (Pascual, 1994). Grant of credit to farmers is conditioned on sale of farm products at predetermined prices, or use of machineries, or any combination of the above.

The situation is not much different in other croplines such as coconut and vegetables. In land planted with coconut, merchant profit is extracted on top of the land rent. In vegetables and other crops such as peanuts, credit for purchase of seeds and for land preparation gives the merchant-usurer the right to share in the net product, together with the right to buy the produce at predetermined prices. (Pascual, 1994).
Many independent farmers or the so-called amortizing owners end up in bankruptcy under the weight of usury, merchant monopolies and monopsony. There is now a movement towards reconcentration of land in the hands of the landlords-merchants-usurers and rich peasants. Due to heavy indebtedness, the farmer ends up again as a tenant or a laborer after mortgaging his land to the former. (Pascual, 1994). According to a DAR official, 80% of the CARP awardees within the Hacienda Luisita have mortgaged their lands to sugar millers at P 5,000 per hectare per year.

For most part of the twentieth century, the real money in the agricultural system was not to be found on the land and in farming, but rather in the non-farming agricultural industries. And the last three or four decades has been a time of heightened concentration and control of these industries – the input (including the seeds, fertilizers, pesticides, and machinery), output (purchasing and trading of agricultural products), and final processing sectors of the world agricultural system (Magdoff, 2013).

Finally, the greater profit is extracted from land speculation and real estate. Based on Philippine Statistical Authority data, while the country’s gross domestic product expanded by 21.9 percent between the second quarters of 2011 and 2014, those of real estate, construction, and financial intermediation grew even further by 27.4 percent, 33.5 percent and by 24.9 percent respectively. By contrast, the agriculture sector only grew by a measly 4.9 percent.
References:


Cardenas, Kenneth, Cash-crop Condominiums, Philippine Daily Inquirer, March 16, 2014


Daniel, Shepard with Anuradha Mittal, the Great Land Grab: Rush for World’s Farmland Threatens Food Security for the Poor, Oakland Institute, 2009.

de Janvry, Alain, The Agrarian Question and Reformism in Latin America, The Johns Hopkins Studies in Development


Ibon Facts and Figures, Realities of Agrarian Reform Communities by Rose-B Guzman, Vol. 19, No. 19, October 15, 1996.


Kumar, Ashok, Land in the Neoliberal Times: A Commodity or a Social Good?, Institute of Town Planners, India, Journal 8-2,08-23, April – June 2011


National Economic Development Authority (NEDA) 2011 Philippine Development Plan 2011-2016 Chapter 4: Competitive and Sustainable Agriculture and Fisheries Sector.

National Statistics Office, 1980 Census of Agriculture

Ofreneo, Rene E., Monopoly Expansion in Philippine Agriculture, Asian Labor Education Center, University of the Philippines, 1981.


Petras, James, Intellectuals: A Marxist Critique of Post-Marxists

Pulhin, Juan M., and Mark Anthony M. Ramirez, National Updates on Agribusiness Large Scale Land Acquisitions in Southeast Asia, Brief #4 of 8: Republic of the Philippines


Quizon, Antonio B., World Bank Concept of Market-led Land Reform Prevalent in Many Asian Countries Fails to Address Small Farmers’ Flight, October 10, 2014.


Seethi, K. M., Civil Society-State Discourses. From Liberalism and Marxism to Neo-Marxism and Neo-liberalism
Sikor, Thomas and Daniel Muller, The Limits of State-led Land Reform: An Introduction, World Development, Vol.37, No. 8, 2009


Wakefield, Francis, T., Farmers Oppose Privatization of Irrigation, October 12, 2010.


What is Neoliberalism? A Brief Definition for Activists by Elizabeth Martinez and Arnoldo Garcia, National Network for Immigrant and Refugee Rights
