



## Focus: Land reform

**EFFORTS** to institute land reform before the declaration of martial law had been mainly ineffective or merely palliative. Technical difficulties, stiff opposition from landlords and an indifferent Congress conspired to make land reform a convenient political slogan rather than a reality.

Despite the passage of the Agrarian Reform Code, no qualitative change took place in the landlord-tenant relationship. Rental was credited as amortization only in cases where the land was expropriated or redeemed by the lessee. Full implementation of land reform was further hindered by lack of financial backing and by legal obstruction from big landowners who controlled political and economic power.

At one fell swoop, these obstacles were removed by the declaration of martial law on September 21, 1972. In proclaiming it, the President pointed out that for "martial law to be of any real benefit to the people and the nation, to justify the national discipline, [it] should inaugurate a movement for great, perhaps even drastic reforms in all spheres of national life."

President Marcos made land reform the "cornerstone of the New Society." The first decrees he issued were amendments to the Agrarian Reform Code.

Presidential Decree No. 2, issued five days after martial law, proclaimed the entire country a land-reform area and committed the entire government machinery to its speedy implementation. (In the past, land reform was applied only to selected areas, depending on the urgency of the needs of each locality.) The decree stressed the importance of accelerating the Agrarian Reform Program and the need to achieve "dignified existence for the small farmers free from pernicious institutional restraints and practices which have not only retarded the agricultural development of the country but have also produced widespread discontent and unrest among our farmers."

The Tenant Emancipation Decree (Presidential Decree No. 27) was signed on October 21, 1972. Written in the President's own hand, it liberated the tenants from bondage to the soil by transferring to them the ownership of the land they till and it provided for the instruments and mechanics for their acquisition.

The tenant suddenly became landowner. The decree allows him to acquire five hectares of agricultural (rice and corn) land if the area is not irrigated and three hectares if irrigated. The farmer pays the cost of the land with a predetermined portion of his farm yield. The amortization extends up to 15 years in 15 equal installments, including a

yearly interest of six percent. The right to buy is extended to all sharecroppers in privately owned farmland devoted primarily to rice and corn, whether classified as landed estate or not.

The value of the land (the amount the tenant would pay) is equivalent to two-and-a-half times the average harvest of three normal crop years immediately before the promulgation of the decree.

To get his land title, the tenant must first become a full-fledged member of a recognized farmers' cooperative. Unless he meets this requirement, no title will be issued. This is important because if the tenant fails to pay the amortizations, these shall be assumed by his cooperative, which shall have a right of recourse against him.

The tenant may not sell the land he acquires. He cannot transfer the title of ownership except by hereditary succession or to the government. In short, the only persons who can gain or inherit ownership of the land are the tenant's heirs.

### Benefits extended to landowners

Although land reform is basically for the benefit of the landless farmer, the landowner has also been given full consideration. The emancipation decree allows the landowner to retain an area of not more than seven hectares if he has been cultivating such an area or will cultivate it. Government financing is also extended to landowners who wish to go into other lines of business. To insure that the landlord gets paid for the land he has sold to his tenant, the government guarantees the tenant's amortizations with shares of stock in government-owned or controlled corporations.

### "OPERATION LAND TRANSFER"

Land reform is directed to the transfer of landownership to tenant-tillers as envisaged by Presidential Decree No. 27. This aspect of the program covers tenanted areas, landed estates, old settlements and proposed settlements.

To realize the objective of the decree, an implementation program has been launched by the Department of Agrarian Reform. Called "Operation Land Transfer," it transfers ownership of land from the landlord to the tenant-tiller. It is programmed in such a way that Certificates of Land Transfer, showing the change of status of the farmer from tenant-leasholder to that of an amortizing landowner, shall have been issued to all tenant-tillers—some one million of them covering 1,767 million hectares of palya and corn lands—by the end of Fiscal Year 1977.

In November 1972 a pilot "Opera-

tion Land Transfer" was launched in Nueva Ecija, and thereafter in selected towns in Isabela, Bulacan, Laguna, Camarines Sur and Iloilo. The operation was first directed at landed estates of 100 hectares and above, then at estates of 50 hectares. On October 3, 1973, estates of 24 hectares and above were also covered. And on November 16, 1974, the President authorized the breaking up of landholdings of more than seven hectares up to 24 hectares.

The President's decision to begin with the big landholdings gave time to small landowners to make economic adjustments before their lands are transferred to their tenants. This strategy humanizes the impact of the Land Transfer Program on those who may be adversely affected and thus prevents another social tension like the one that provoked the agrarian unrest. Seventy-nine percent of the landowners own seven hectares or less, and they account for 32 percent of the total farm area.

### MAJOR REFORM PROGRAMS

The objectives of agrarian reform are embodied in major programs that provide the tenant-farmer beneficiaries with support facilities, institutions and services.

These programs are: land-tenure development, institutional development, physical development, farm management, and training.

**Land-tenure development.** This legal process converts the farmer's land-tenure status from tenant to owner. The process includes legal service, farmer identification, sketching of farmholdings, land allocation and titling.

In addition, the Bureau of Farm Management of the Department of Agrarian Reform is involved in the establishment of farm organizations to facilitate increased productivity and modernize agriculture. This shall be undertaken in four stages:

□ **Family farm.** Under the leasehold relationship, the farmer is assisted within the scope of individual holdings, enabling him to pay the lease rental due to the landowner.

□ **Compact farming.** This is the stage where the spirit of *bayanihan*, or working together and know-how in production are ingrained among the farmers. The farmers are encouraged to pool their lands with adjoining farmers and treat the resultant merger as a single unit. A single farm plan is drawn up and the farmers continue to work on their holdings individually, although when feasible, farm work is done collectively. By 1975 some 4,000 compact farms, each covering an area of two-and-a-half hectares, are scheduled to be set up in Central Luzon.

□ **Cooperative farm.** After the farmer has become full owner, it may be effective to consolidate his farm into a cooperative, thus expanding the scope of the farming operation and making the enterprise viable. The cooperative becomes a plantation-type of agriculture under a single management, although the farmers continue to retain ownership of their landholdings. Farm mechanization and crop specialization are the major features of a cooperative farm.

□ **Agro-industrial estate.** As the cooperative farmers acquire technological skill and managerial capabilities, processing facilities for farm products are introduced. This transforms the cooperative farm into an integrated agro-industrial estate, with the tenant-tiller retaining full control of the enterprise. If necessary, professional management is engaged.

**Institutional development.** To enable the farmer (now owner) to increase his income, rural-based institutions are established and developed to serve and protect his interest as producer, businessman and consumer.

### These institutions are:

□ **Cooperatives,** which serve as conduits for services needed by the farmers, foremost of which are farm credit, marketing service and extension services. These services even guarantee the farmer's amortizations on the land should it suffer crop damage by *force majeure*. The Department of Local Government and Community Development (DLGCD) implements the cooperatives development program.

The base of the cooperatives system is the *barrio* association (*samahang nayon*), organized at the *barrio* level. The *barrio* association is a nonstock organization registered with the DLGCD's Bureau of Cooperatives.

□ **Farm credit** enables the farmers to procure inputs needed in agricultural production. Loans are made available to them both by the private sector through the rural banks and by the government through the Agricultural Credit Administration. The Philippine National Bank and the Development Bank of the Philippines provide supplementary credit for other agricultural purposes.

**Physical development.** The program provides for the infrastructures to improve the farmer's productivity. These include building of farm-to-market roads, irrigation systems, water supply, housing, electrification, school buildings, bridges and other farm facilities. The Department of Agrarian Reform coordinates with the Department of Public Works, Transportation and Communication and the armed forces through its engineering battalions.