



Republic of the Philippines  
Department of Agrarian Reform

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# **PHILIPPINE AGRARIAN REFORM: PARTNERSHIPS FOR SOCIAL JUSTICE, RURAL GROWTH, AND SUSTAINABLE DEVELOPMENT**

**(Country Paper on Agrarian Reform and Rural Development in the Philippines)**

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## I. INTRODUCTION

The Philippines is an archipelago consisting of 7,107 islands in the heart of Southeast Asia. To the north, the Philippines is bounded by three progressive countries: Taiwan, Hong Kong and China; Malaysia and Thailand to the west; and the islands of Borneo and Indonesia to the south-west. Eleven islands make up 95 percent of the land area. The majority of the Filipino people inhabit three large islands groups: Luzon, Visayas and Mindanao. These three island groups are further subdivided into 14 regions, 79 provinces, 60 cities, 1542 municipalities and 41,825 barangays.

Filipinos are of Indo-Malay, Chinese and Spanish ancestry. The national language is Filipino or *Tagalog*, which is a derivative of Malay. There are over 70 other local languages and dialects in the Philippines today. English is understood in many areas but generally only widely spoken among the dominant classes. Small minorities of the people speak Spanish and Chinese languages. The poor and indigenous communities speak in their native languages and are less comfortable with the Western culture and power structures that have been adopted by the rich (Philippines, National Economic and Development, 1975).

Eighty-six percent of the Filipinos are Catholic, and the remaining 14% are Muslim and Protestant. While the Philippines boasts a high literacy rate, 93.1 percent in urban areas; 76.9 percent in rural areas, communication is still difficult given its historical, cultural, religious and language and economic diversity in each region.

At the end of the 20<sup>th</sup> century, the population of the Philippines was recorded at 76.5 million or about 15.3 million families with an average of five persons each. Around 36.75 million persons (48.05%) reside in the urban areas while 39.75 million (51.95%) are living in the rural areas. The Philippines is the world's fourteenth populated country. It is third to Indonesia and Vietnam among the Southeast Asian countries, with a total population of 214.4 million and 79.2 million people, respectively (UNDP, Human Development Report, 2003). It is also one of Asia's smallest country in terms of land mass. Thus, it has the highest population density rate in Asia, an average of 237 people per square kilometer (Garcia 1994). With a population growth rate of 2.02 percent per year, the Philippine population was estimated to be 77.2 million in 2001, 81.1 million in 2003 and projected to rise to 98.8 million by 2020 and 114.3 million by 2040 (NSBC, 1997)<sup>1</sup>.

The intense population pressure on a fragile land base is exacerbated by the manner in how the land is controlled and used (Meyer 1993). As the population exponentially increases, the number of non-land-owning agricultural workers continues to expand. Over half of the Filipino population is currently dependent on agriculture, working in rice paddies, cornfields, and cutting sugarcanes to provide a living to their families. Agricultural workers or peasants are engaged in mono cropping agricultural system, thus are unable to make a meaningful contribution to the country's economic development. In addition, the landless rural poor are using the forestlands to make a living. Poor fisher folks often resort to dynamiting and other illegal means, which permanently damage the ecosystem (Pineda-Ofreneo 1991). The natural resource depletion, poverty and the pressure it exerts on the environment have already done too much damage like illegal logging has resulted to deforestation and flash flooding devastating the country (Meyer 1993).

The Philippines in its quest to become a modern and prosperous country, has undergone various critical transformation over the last 50 years. It continues, however, to face several development

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<sup>1</sup> Country paper presented by Secretary Nasser Pangandaman, Department of Agrarian Reform, Philippines, in the International Conference for Agrarian Reform and Rural Development (ICARRD), Porto Alegre, Brazil on March 7-10 2006.

<sup>2</sup> NCSB is the National Statistical Coordinating Board, the highest policy-making and coordinating body on statistical matters in the country. It is the agency that releases the official poverty statistics in the Philippines



challenges in the 21<sup>st</sup> century. The most formidable is the need to reduce the number and proportion of poor families.

Against a backdrop of modest economic growth, poverty incidence in the Philippines remains relatively high at 33%, with 3 out of 4 poor Filipinos (about 73%) residing in rural areas. Poverty level in rural areas is much higher at 48% against 18% in urban areas. The task of combating poverty and inequity thus draws immediate attention to the rural population, which depends on agriculture for income and livelihood. The poorest of the rural population are the landless rural workers, small farmers, fisher folk, and indigenous group in rice, corn, coconut and sugarcane crop production

The Philippine Government has recognized that one of the root causes of poverty and underdevelopment is the inequitable land ownership and a comprehensive redistribution of land ownership in a poor agrarian society is key to local economic development (regional, national and global economy). The Comprehensive Agrarian Reform Program (CARP), implemented in June 1988, aims to address the inequitable access to land and other productive resources, and ultimately to promote the welfare of agrarian reform beneficiaries (ARBs).

## II. HISTORICAL PERSPECTIVE: STRUGGLE FOR LAND AND RESOURCES

The current poverty problem may be understood in the context of the historical struggle for equitable distribution of land and, thus, for social justice. Thus, agrarian reform in the Philippine has evolved, and continues to evolve, from this struggle.

This struggle has undergone the ever-recurring political dynamics of unrest/rebellion, suppression, and legislation. The historical injustices have been committed to the peasant present since Spanish colonization. The Philippine Revolution of 1896 exemplifies the dynamic of rebellion against the concentration of lands in the hands of the Spanish friars, among other issues. This led to the establishment of the Philippine Republic, the first in Asia. The republic, however, was short-lived, as the Americans occupied the Philippines in 1898. After two years of Filipino-American War, the Americans set up a colonial government, although armed resistance continued for another seven years. The American occupation, thus, represented an act of suppression of the struggle for social justice.

Peasants' injustices intensified when American colonizers brought in capitalism following the export trade patterns. They expanded agricultural production and perpetuated the hacienda system. But while hacienda meant increasing export crop production, it also meant increasing landless farmers. The Americans introduced the Torrens system of land ownership in 1902, which nullified all traditional ownership practices; set the ceilings for lands to be acquired at 16 hectares for individuals and 1024 hectares for private corporations. They passed the Public Lands Act in 1903, which promoted settlements by issuing titles for 16-hectare homesteads to settlers. That same year, the administration of Governor Howard Taft bought some 165,000 hectares of 23 friar lands at US\$6.9 million for redistribution to tenants. Under the Friar Lands Act of 1904, some 60,000 tenants were given preference to buy the lands at cost, but since the tenants could not afford the price, most of the lands went to new property owners, American firms, and businesspersons. This aggravated the peasant's poverty and insecurity. Usury forced people into debt dependency. Indebtedness went beyond the purely economic and financial transactions; it included mutual social obligations and expectations where the tenants ended up as virtual slaves and the landlords as masters not only of the land but also of the lives and happiness of their tenants. Thus, peasants suffered as much during the American colonization as they did during the Spanish *encomienda* regime.

Agrarian unrest broke out again in the 1930s, during the Commonwealth period, highlighted by the uprising of farmers called *Sakdalistas*. In response, the administration of President Manuel Quezon passed the Rice Tenancy Act to set a 50-50 sharing arrangement. However, the law achieved very little as it practically did not take effect since it could only be implemented if the local governments enacted an enabling law. Quezon also established the National Land Settlement Administration (NLSA), which opened three major settlements—the Koronadal and Allah valleys in Cotabato (Mindanao) and the Mallig valley in Isabela (Northern Luzon). By the time the Pacific War broke out in 1941, at least 8,300 families were resettled.



After the Pacific War, many newly independent countries like the Philippines have implemented land reform program to reduce widespread poverty among landless peasants brought about by extreme disparities between landed and landless in the rural sector. The basic direction was to attain political stability and sustained economic growth. The provision of secured tenure rights to farmers is an essential step in promoting the dual objectives of food production and promoting wider distribution of benefits of agrarian progress. President Ramon Magsaysay pursued a more vigorous resettlement program to break the backbone of the peasant-based, communist-led Huk rebellion. He opened up vast areas to distribute 24-hectare homesteads to former rebels and landless farmers.

The resettlement programs may have helped ease social unrest, but in turn they created another serious problem: they intensified competition for land space utilization. Since the homesteads and resettlement areas intruded into the ancestral lands, they became a source of resentment for the indigenous peoples, especially the Muslim communities. This problem soon erupted into violent conflicts that continue to this day.

Moves to improve the tenancy system from the Commonwealth period to the immediate post-war years did not deal concretely with the problem of landlessness. Attempts to really address the problem started with the administration of President Diosdado Macapagal, which enacted Republic Act 3844, or the Land Reform Code of 1963. The law officially abolished share tenancy and instituted a leasehold system in which tenants would eventually own the land they tilled through amortization. However, the program did not gain momentum as Macapagal was defeated in the 1965 elections.

President Ferdinand Marcos was the first to implement a redistributive type of land reform. In 1972 he issued Presidential Decree (PD) No. 2, declaring the whole country a land reform area and PD No. 27 instituting the distribution of rice and corn lands to actual tillers through operation land transfer (OLT). Beneficiaries of land transfer were issued titles called emancipation patents (EPs).

Marcos' land reform achieved limited gains primarily because of the lack of support services and the burdensome process of obtaining land. Other factors that may have contributed to reduced performance were the limited coverage (only rice and corn lands) and the high retention limit (7 hectares).

#### **1986: People Power and Call for Genuine Agrarian Reform**

When Corazon Aquino became president after Marcos was ousted by the People Power revolt in 1986, the immediate demand raised by farmers and civil society was the implementation of a "genuine" agrarian reform program. The present Constitution, ratified in 1987, provides under Section 21 of Article II, that "The state shall promote comprehensive rural development and Agrarian reform." President Aquino issued a series of Executive Orders that laid the ground work for the crafting of the comprehensive agrarian reform program (CARP). One of them was Executive Order No. 229, which left to the Philippine Congress the determination of the priorities and retention limits to be adopted under CARP. **At that point in our history, government had laid the policy that agrarian reform was to be a comprehensive, radical, and massive restructuring of the agrarian landscape in the country, aimed at promoting social justice and improving farmers' incomes and productivity.**

It took the Congress nearly a year to come up with a legislation that would govern the implementation of CARP. This period was marked by passionate speeches and debates in numerous public consultations and forums within and outside the halls of Congress.

At that time, the landowning class contended that a comprehensive agrarian reform program would be communistic, unconstitutional, and anti-developmental. They insisted that agrarian reform should be limited to the distribution of public lands and delivery of support services, and that private lands should be left untouched.

On the other hand, the farmers saw the proposed agrarian reform measure as a means toward attaining their age-old aspiration of owning the lands they tilled. They vigorously clamored for a radical agrarian reform program. To press the demand, militant farmers staged a rally near Malacañang Palace, seat of the office of the President, in January 1987. The 15,000-peasant strong rally ended in what is known as the Mendiola Massacre, which left 17 farmers dead and a hundred others wounded.