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## CARP Institutional Assessment in a Post-2008 Transition Scenario: Toward a New Rural Development Architecture

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Philippine Institute for Development Studies  
*Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas*

## CARP Institutional Assessment in a Post-2008 Transition Scenario: Toward a New Rural Development Architecture

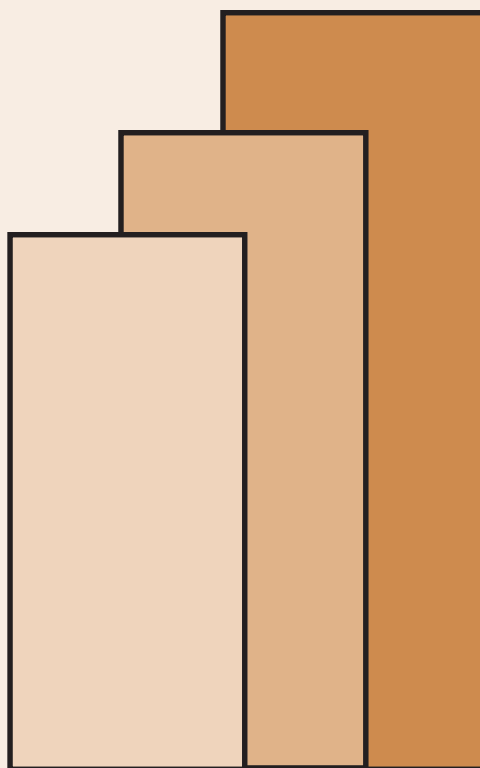
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# **CARP Institutional Assessment in a Post-2008 Transition Scenario: Towards a new Rural Development Architecture<sup>\*</sup>**

## **ABSTRACT**

The main objective of the paper is to explore possible institutional arrangements among the Comprehensive Agrarian Reform Program (CARP) implementing agencies in a post-2008 transition scenario for CARP. There were three reasons cited for the implementation of the agrarian reform program, namely: (i) to increase productivity, (ii) to reduce inequality particularly in the countryside, and (iii) to address one of the main causes of the persistent Communist insurgency in the country. After reviewing previous studies on new institutional arrangements, the paper recommended based on two scenarios. For scenario 1: (extension of CARP for another 7 to 10 years), the following are proffered: a) shifting manpower and resources toward units in DAR that are engaged in LAD and AJD; b) identification and publication of privately agricultural lands that will be covered by the LAD component; c) re-tooling of DAR personnel to assist in establishing agricultural enterprises out of a partnership between ARBs and agribusiness firms; d) providing capacity-building training for LGUs in preparation for the closure of the program; and e) exerting efforts to collect amortization payments from the ARBs. For Scenario 2 (closure of CARP is envisioned in the next 3 to 5 years), the following are recommended: a) an attractive retirement package should be given to DAR personnel; b) creation of a Land Tenure Administration; c) conversion of PARC into a Joint Commission on Rural Development (JCRD); d) re-naming of the Department of Agriculture (DA) to the Department of Agriculture and Rural Development (DARD); e) capacitating LGUs to provide support services to the ARBs; f) passage of a “Progressive Agricultural Land Tax” for private agricultural lands and “Progressive Rents” for public lands; and g) deregulation of land tenure contracts and land markets.

JEL classifications: Q15, Q24

Keywords: land reform; land; rural development

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<sup>\*</sup> This research is a collaborative effort between the Institute and the Rural Development, Natural Resources and Environment Sector of the World Bank in the Philippines which initiated the Project and made possible its funding through the Food and Agriculture Organization (FAO).

## SUMMARY

The main objective of the paper is to explore possible institutional arrangements among the primary Comprehensive Agrarian Reform Program (CARP) - implementing agencies, namely the Department of Agrarian Reform (DAR), Department of Agriculture (DA), and the Department of Environment and Natural Resources (DENR) in a post-2008 transition scenario for CARP. Up to the writing of the report, it is still unsure whether the CARP will be extended beyond 2008 though bills are now pending in Congress for this purpose. It is within this context that the paper argues that a review of the justifications why CARP (or redistributive measure) has been implemented is in order before outlining the proposed institutional arrangements.

There were three reasons cited for the implementation of the agrarian reform program, namely: (i) to increase productivity, (ii) to reduce inequality particularly in the countryside, and (iii) to address one of the main causes of the persistent Communist insurgency in the country. The paper argues (a) that while agrarian reform incrementally raised productivity among agrarian reform beneficiaries (ARBs), the gains were not significant enough to extirpate them from poverty and more so, make them globally competitive; (b) that while there was improvement in the socio-economic well-being of most ARBs, they remained poor and that the poverty situation in the rural areas hardly improved; and (c) that despite implementation of agrarian reform for several decades now, the Communist insurgency persists in the Philippines despite its demise in most countries in the region.

The paper also discussed the accomplishments of CARP in its three functional areas, namely: (i) land acquisition and distribution (LAD), including land tenure improvement; (ii) agrarian justice delivery (AJD); and (iii) program beneficiaries development (PBD). The report concluded that despite resource constraint, manpower shortage, the lack of firm commitment by successive political administrations on its implementation, the many obstacles imposed by landlords against the program, etc., it can be adjudged that overall the implementation of CARP is successful.

After reviewing previous studies on new institutional arrangements for DAR and CARP implementing agencies, the paper posits a set of recommendations based on two scenarios:

For Scenario/Option 1 (the likely scenario) - Extension of CARP for another 7 to 10 years, the following recommendations are proffered:

- a) Shifting manpower and resources toward units in DAR that are engaged in LAD and AJD, and toward provinces where the LAD balance is high;
- b) Identification and publication of privately agricultural lands (PAL) in high LAD balance provinces that will be covered by the LAD component during the extension period, categorized into land size where priority for distribution should be accorded to large-sized PAL lands;
- c) Re-tooling of DAR personnel to enable them to more effectively carry out the task of establishing agricultural enterprises out of a partnership between ARBs and agribusiness firms;

- d) Providing capacity-building training for LGUs in providing support services to the ARBs in preparation for the closure of the program; and
- e) Exerting efforts to collect amortization payments from the ARBs as accountability should be imposed on both sides.

For Scenario/Option 2 wherein a closure of CARP is envisioned in the next 3 to 5 years, the recommendations are as follows:

- a) An attractive retirement package should be given to DAR personnel. Funding for this purpose should be sourced from the Agrarian Reform Fund;
- b) Creation of a Land Tenure Administration that will cover not only existing AJD and LAD cases but also land-related cases covered by ancestral domain claims (under the IPRA law) and forest lands;
- c) Conversion of PARC into a Joint Commission on Rural Development (JCRD) which will provide policy direction and oversight functions to agencies involved in rural development. Among others, the Commission will draw up master plans for the provision of various support services to the agricultural sector, with particular emphasis on the ARBs, which can serve as the basis for budgetary request by various rural development agencies for such support services;
- d) Re-naming of the Department of Agriculture(DA) to the Department of Agriculture and Rural Development (DARD) to emphasize its expanded role in countryside development, particularly in supporting small farmers and ARBs, and to facilitate the absorption of some DAR personnel to the re-named organization;
- e) Capacitating, with the assistance of DARD, LGUs to provide support services to the ARBs. In tandem with the capacity-building training program, a pool of fund from the ARF should be established to fund proposals coming from LGUs to undertake projects intended to assist ARBs. LGUs can contract the services of CSOs or private business organizations in the provision or implementation of the projects for the ARBs.
- f) Passage of a “Progressive Agricultural Land Tax” for private agricultural lands and “Progressive Rents” for public lands under lease (Hayami, et.al. 1990). Both are market-oriented measures which will discourage ownership of large tracts of land, particularly those which are idle and abandoned. They also meet the government’s thrust of generating higher tax revenues and will enable LGUs to generate additional revenues for local development projects, especially if a substantial portion of the proceeds are assigned to them by the enabling laws.
- g) The deregulation of land tenure contracts and land markets, but both must be pursued ideally contingent upon the passage of the “Progressive Agricultural Land Tax” and the “Progressive Rents” for public lands under lease.

**CARP Institutional Assessment in a Post-2008 Transition Scenario:  
Towards a New Rural Development Architecture**

**by Fermin D. Adriano, Ph.D.<sup>1</sup>**

**I. Introduction**

1. The main objective of this paper is to explore possible institutional arrangements among the primary Comprehensive Agrarian Reform Program (CARP) implementing agencies, namely, the Department Agrarian Reform (DAR), Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR), in a post-2008 transition scenario for CARP. Up to the writing of this report, it is uncertain whether CARL (Comprehensive Agrarian Reform Law)<sup>2</sup> will be granted an extension<sup>3</sup> by Congress beyond June 2008 though there are bills currently pending in the Lower House seeking to extend the life of the program for another 5 to 10 years. But whether it is extended or not, it is imperative that a study on possible institutional arrangements<sup>4</sup> among these CARP-implementing agencies is undertaken as the redistributive program is a vital component of the rural development strategy of the country. It is seen as part of the government's effort to address the needs of the poor farmers and hence, a key ingredient in its poverty reduction program.<sup>5</sup>

2. But even before outlining possible institutional arrangements for CARP implementing agencies is undertaken, one has to be mindful of why the program has been pursued in the first place. Institutions are there for a purpose, and CARP is not an exception to this rule. Thus, it is indispensable to revisit the reasons why CARP was implemented even before we lay down the menu of institutional possibilities in a post-2008 transition scenario. Section 2 of the paper will discuss the objectives behind the

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<sup>1</sup>The author wishes to acknowledge the invaluable assistance of Noemi B. Adriano and Ronna Mercado in the gathering and processing of the data and information contained in this report. Opinions contained herein report are that of the author and do not represent in any way the position of the agencies involved in funding this work.

<sup>2</sup>The enabling law for CARL is Republic Act No. 6657 which came into effect in June 1988. Implementation of the program was originally set for 10 years (till 1998) but extended for another 10 years up to 2008 by Republic Act No. 8532.

<sup>3</sup>It is being argued by advocates of agrarian reform that what is being extended is the budget for the program because they believe, consistent with a previous DOJ opinion on the matter, that the reform measure will continue for as long as there are lands that are scheduled for distribution. However, without funding, it is obvious that the CARP, particularly the LAD component, cannot be implemented.

<sup>4</sup>For instance, there are more than 15,000 DAR employees who will theoretically be unemployed without an extension to the law.

<sup>5</sup>Balisacan (2003) noted that poverty in the Philippines is primarily a rural phenomenon as two-thirds of the poor are found in the countryside.

pursuit of the reform measure<sup>6</sup> and briefly give a general assessment on whether these goals were attained as far as the Philippine experience on the reform measure is concerned. In a way, this will lay down whether there are sufficient reasons to justify the program's extension, and if there are, what the thrusts should be to ensure relative success in the attainment of its objectives.

3. Section 3 will briefly discuss CARP's accomplishments in its three major functional areas, namely: (a) land acquisition and distribution (LAD), including land tenure improvement (LTI), (b) agrarian justice delivery (AJD), and program beneficiaries development (PBD). The discussion will provide the appropriate background for the subsequent discussions.

4. Section 4 will discuss the features of the various bills currently pending in Congress extending CARL, providing the necessary budget for its implementation in the next 5 to 10 years, and/or revising certain provisions of the law. This will give insights on how these bills intend to address problems encountered in the implementation of the reform measure and the second-generation problems<sup>7</sup> brought about by the program.

5. Section 5 will summarize highlights of previous studies on possible institutional arrangements for DAR paying particular attention on how best to carry out the three main CARP tasks of LAD, AJD and PBD. The studies to be reviewed will be the "Institutional and Organizational Assessment of the Comprehensive Agrarian Reform Program" under the CARP Impact Assessment Studies;<sup>8</sup> the "Institutional Set-up and Framework for CARP Implementation"<sup>9</sup> chapter in the DAR-GTZ study; and DAR's "Agrarian Reform for Broad-Based Rural Growth: Sustaining and Enhancing CARP Gains Beyond 2008."<sup>10</sup>

6. Section 6 will render a brief political economy analysis of the positions of the various stakeholders vis-à-vis CARP. It will also discuss the likely scenario that will transpire for CARP and DAR given the realities of the current political economy and how it will impact on CARP implementation. The section will argue that such a development

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<sup>6</sup>The terms "reform measure," "redistributive program or measure" and "agrarian reform" will be interchangeably used in this paper.

<sup>7</sup>An example is the loss of collateral value of farm lands. Banks do not accept agricultural lands as collateral because of uncertainty over who the real or final owners of the land. Because of the loss of its collateral value, landowners are therefore unable to access credit to improve farm operations and hence, farm productivity. Corollary, potential investors are discouraged to invest in agricultural ventures because of uncertainty over land ownership.

<sup>8</sup>The study was undertaken by De la Cruz, J., et.al. (2003 and is referred to in the report as the "CARP Impact Study".

<sup>9</sup>DAR-GTZ. (2006). **The Comprehensive Agrarian Reform Program: Scenarios and Options for Future Development**. Quezon City: DAR. This is referred to as the GTZ study in this report.

<sup>10</sup>The report was written for DAR by Gerardo Bulatao and Gil Tuparan, and is referred to as the DAR study in this report.

will be detrimental to the medium and long-term sustainability of the rural development effort in the country.

7. Lastly, Section 7 will offer various options for DAR and CARP mindful of their importance in formulating a viable rural development and poverty reduction strategies for the country. The proposed institutional arrangements will be outlined in this section and the necessary steps that must be taken to realize a new rural development architecture for the Philippines.

## **II. Standing on Tenuous Ground: CARP's Rationale**

8. Various local and international literature (Deininger, et.al. 2000; Hayami, et.al. 1990, Balisacan 1993; and DAR 2007) on agrarian reform note that there are two fundamental objectives in pursuing the reform measure. One is to promote a more equitable distribution of land which is the primary resource in an agricultural economy. By redistributing land, it is hoped by the proponents of the redistributive program that a more equitable distribution of wealth will evolve. And two is to foster greater farm productivity as land ownership will provide incentive for the reform beneficiaries to increase their productivity as they will be able capture all the benefits of higher farm yields.<sup>11</sup> With a more equitable distribution of wealth (equity) and higher productivity and income (efficiency) in the countryside, these are expected to bolster the national economic development effort.

9. In the Philippine context, an additional objective of agrarian reform implementation is political, that is to address one of the root causes of the persistent communist insurgency in the country. Guerrero<sup>12</sup> (1969) asserts that the history of armed struggle in the Philippines is inextricably linked to agrarian unrest due to the “highly exploitative and oppressive” nature of the landlord-tenant relationship starting from the Spanish colonial period up to the time that he wrote his book. In view of this, the Communist Party of the Philippines’ (CPP) 10- point program for governing the country includes the implementation of a comprehensive and confiscatory type of agrarian reform, similar to the ones undertaken in China and in previously socialist regimes. The objective is to change the social and power relationship in the countryside through the redistribution of the main factor of production (i.e., land) in the rural sector away from the few landlords to the many tillers. A cursory survey of the series of reform measures<sup>13</sup>

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<sup>11</sup>The theoretical argument for this was originally posited by Marshall (1948) wherein he posited the inefficiency argument against share tenancy as this tenurial arrangement leads to labor shirking as the benefits of yield increases in the event that share tenants render more labor service, are mostly captured by the landlord.

<sup>12</sup>It is widely known in the Leftist circle that Amado Guerrero is the nom de guerre of Communist Party of the Philippines (CPP) – New People’s Army (NPA) head, Jose Ma. Sison who is currently based in the Netherlands.

<sup>13</sup>Annex 1 provides a chronology of the series of land reform programs and measures to improve tenurial arrangements passed from the American colonial regime up to the present.



passed by the Philippine government since the time of President Ramon Magsaysay in the 1950s up to the passage of the Republic Act 6657 or the CARL enacted under the incumbency of President Corazon Aquino will reveal their implicit “anti-insurgency” agenda (Kervkiet 1977; Wurfel 1983; Putzel 1992; and Riedinger 1995).

10. With more than 50 years of experience in the implementation of various agrarian reform programs, how do the Philippines fare in relation to the attainment of the avowed objectives? The answer to this question is critical as it will obviously partly determine whether the reform measure should be extended, and if extended, what necessary revisions must be made to make its implementation more effective.

11. *a) The “equity” argument* - With almost 7 million<sup>14</sup> hectares of land already distributed under CARP, the evidence on whether the reform measure led to a more equitable distribution of income in the country, particularly in the rural areas, is far from being robust. Income inequality, as measured by Gini coefficient, remains to be a serious problem in the Philippines. While there was an estimated reduction in the poverty incidence from 33.0 in 2000 to 30.4 in 2003 (NSCB 2005), poverty remains to be a rural phenomenon as two-thirds (73%) of the poor are found in the rural areas (Balisacan, 2003; NEDA 2004). The poverty level in the rural areas is at 48.8 percent compared to only 18.6 percent in urban areas. This means that almost 5 out of 10 rural residents are poor compared with only 2 out of 10 urban residents (NEDA 2004). However, it cannot be denied that an effective poverty reduction program requires a multi-sectoral approach as no single redistributive mechanism can effectively address the issue. For instance, distributing lands to the poor will lead to a more equitable asset distribution but will not guarantee that the beneficiaries will significantly improve their economic situation without corollary measures such as improving rural infrastructure or improving access of the poor to education and health services. On the other hand, it can be similarly argued that if that is the case then, the country might be better off spending a better part of its scarce resources on such corollary services with proven track record in poverty reduction (refer to Balisacan, n.d.) rather than on a costly redistributive program whose impact is highly dependent on the provision of other services.<sup>15</sup>

12. At the micro level, proponents of CARP are fond of citing the result of the impact assessment study conducted by Reyes (2003) to justify and advocate for the extension of the program’s implementation, to wit:

“The results show that agrarian reform has had a positive impact on farmer-beneficiaries. It has led to higher real per capita incomes and reduced poverty incidence between 1990 and 2000. Compared to non-agrarian reform beneficiaries (non-ARBs), agrarian reform beneficiaries (ARBs) tend to have

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<sup>14</sup>Figure is based on the latest results of the Inventory of CARP Scope (ICS) Project of DAR.

<sup>15</sup>Not to mention its adverse impact on investments, considering the loss of collateral value of farm lands, and the “de-capitalization” of the lands by previous landowners since their properties will be taken away from them.

higher incomes and lower poverty incidence. However, poverty incidence among ARBs remain high compared to the estimate for the whole country.”

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“xxx. ... Complementary inputs are necessary to maximize the benefits from agrarian reform. Irrigation, credit and government services tend to promote higher incomes. Moreover, agrarian reform communities tend to increase the chances of a farmer-beneficiary to be non-poor.

“The results of this study, it is important that the agrarian reform program be completed as soon as possible. Moreover, agrarian reform communities should be expanded to benefit not just ARBs but non-ARBs as well. Infrastructure support should be extended to farming communities. Credit and extension services by government agencies should also be made accessible to farmers.” (*underscoring by the author of this report*). (cited from the Executive Summary of the report)

13. Three points stand out from the above summation. First is that despite agrarian reform, poverty incidence among ARBs remained high compared to the prevailing level in the country. Second, the author also noted that just like at the macro level, the positive impact of the program on the beneficiaries cannot be realized without accompanying services to make land more productive and without capacitating the beneficiaries. And third is that 7 to 8 years before the scheduled termination of the extension of CARP’s implementation, the study already stressed the need for its immediate conclusion, though the exact reasons were left unarticulated.

14. The discussion on whether agrarian reform achieves the goal of equity will not be complete without taking into consideration the contemporary class stratification among the Filipino tillers. The foundation of the agrarian reform program in the country is anchored on the notion of “land to the tiller”. This means that those who actually till the lands should be given the property right to the land they till. In the past, when land was still relatively abundant and the rural labor supply was relatively scarce, the rural labor force was expectedly dominated by share tenants. To the share tenants, the concept of “land to the tiller” appealed because they had access to land but had no ownership of it. Consequently, the series of reform measures passed by the government was meant to distribute lands to share tenants.

15. The situation in the countryside has drastically altered as a combined effect of rapid population growth, the growing land scarcity and the increased conversion of land to non-agricultural uses to meet the growing demands of the population for residential and urban purposes. No longer are the share tenants the dominant class among the rural workers. The rural labor force is largely composed of landless agricultural workers who comprise 8.5 of the 11.2 million total labor force (more than 70%) (Oliveros 1997; ANGOC 1998). For them, agrarian reform is not relevant since the “land to the tiller”

concept does not apply to them<sup>16</sup> by virtue of the fact that they are not share tenants and hence, not entitled to owning a piece of land. Ironically, poverty in its worst form is found among them.

16. The plight of the landless workers had been documented in the study by Hayami, et.al. (1987 and 1990). They noted that in the rice lands of Central Luzon where agrarian reform had been in implementation for several decades, landless workers had become “sub-tenants” of agrarian reform beneficiaries. Landless workers were hired by agrarian reform beneficiaries to handle the more physically-demanding phase of farming such as tilling the soil, transplanting and harvesting for a share of the produce. As an alternative, the agrarian reform beneficiaries engaged themselves in non-farm employment activities which earned higher incomes for them and were not physically strenuous such as tending sari-sari stores, operating a jeepney or tricycle, or merely supervising the work of the landless workers. This arrangement has transformed the agrarian reform beneficiaries into “petty landlords” and the landless workers into “sub-tenants”, effecting a 360 turn around for the agrarian reform program. This time though, the sub-tenants, unlike their predecessor (share tenants), will have no chance of owning the lands they till.

17. **b) The “efficiency” argument** - As in the equity argument, there is no convincing proof that the pursuit of agrarian reform led to a more efficient agricultural production in the Philippines. At the macro level, levels of productivity in the rice and corn lands (where agrarian reform is mostly concentrated) is relatively low at 3 metric tons per hectare for rice and 1.6 metric tons per hectare for corn (Adriano 1999). These figures pale in comparison with our neighboring countries such as Indonesia where rice productivity is more than 4 tons per hectare and in Thailand where corn productivity is more than 3 tons per hectare.<sup>17</sup> A comprehensive and conclusive study on productivity of ARBs in rice and corn farms has yet to be conducted but it can be tentatively surmised that yields in these farmlands may be a little bit better compared to the national average considering that these are prime agricultural lands (there is access to irrigation facilities). But the difference in productivity is not significant enough for these products to compete in the world market or even sufficient enough to meet local grains demand. In turn, this partly accounts for the widespread poverty among ARBs. Low farm productivity translates to low farm income.<sup>18</sup> Combined with increasingly small land areas to cultivate as reform lands are further subdivided and distributed to children of the reform

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<sup>16</sup>Theoretically, landless farm workers are qualified beneficiaries under CARL but for pragmatic reasons (i.e., difficulty in identifying them if they do not belong to an agribusiness or plantation venture, relocating them from one area (where supply of land is limited) to another (where lands are available) and that DAR does not have enough staff to fully implement such a program), this cannot be complied with.

<sup>17</sup>The figures are very low compared to leading countries like Japan and South Korea which have a rice yield of around 6 MT per hectare, and for the US and China which have a corn yield of 8 MT and 5.2 MT per hectare, respectively.

<sup>18</sup>Barrios (2007) noted that more than half of the income earned by ARBs in 2005 are from non-farm sources. This means that earnings from farming are not enough to meet farm family’s needs.

beneficiaries, the prospects of the beneficiaries and their family to improve their economic plight dims despite the implementation of the redistributive measure.

18. The “efficiency” argument further weakens when commercial farms like those engaged in the production of banana, pineapple, asparagus, mango and other non-traditional crops are considered. The productivity levels of these commercial farms are at par with the world’s best and this partly explains why they can compete in the world market. It will be difficult for ARBs to maintain such high levels of productivity because they do not have the technology, the capital<sup>19</sup> and know-how to successfully manage operations of such agricultural enterprises.<sup>20</sup> With the liberalization of agricultural trading, small farmers will find themselves competing with agricultural products coming from abroad. Without raising their productivity, they will be driven down to lower levels of poverty.

19. *c) The “political” argument* - Agrarian reform advocates believe that the distribution of land will change the power relationship in the countryside. This is a valid assumption if as Lipton (1974) noted that “land is the main scarce resource and hence the main source of rural inequality and power”. At this present juncture of Philippine political economy, land is no longer the major source of surplus as the wealthiest families in the country are barely engaged in agricultural production as their major sources of wealth have shifted from land-based production to trade, investment and the IT sectors (Hutchcroft 1998; MaCoy 1993).

20. Moreover, as de Janvry (1981) observed, land reform for the non-communist developing countries is not meant to change social relationship but rather is “an institutional innovation promoted by the ruling order in an attempt to overcome economic or political contradictions without changing the dominant social relations”. In other words, it is intended to distribute land without changing the power structure and social order. Furthermore, Hayami, et.al. (1990) stressed that the agrarian reform program in the Philippines does not have the necessary ingredients to make its implementation successful as those experienced in countries like Japan, Taiwan and South Korea. The factors they noted were as follows: (a) the existence of a dictatorial/revolutionary government alienated from the ruling landlord class, and hence, implementation of the program was almost confiscatory; (b) a relatively efficient and professional bureaucracy which could undertake the multitude of tasks required by an efficient redistributive

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<sup>19</sup>Required initial investments to clear a 250-hectare raw land for corn cultivation is P25 million (interview with Mr. Augusto de Leon, former head of the RFM). Estimated amount of investment needed to rehabilitate one hectare of rice is P100,000, while the recently completed irrigation project in Bohol province costs the government more than P600,000 per hectare (interview with Dr. Rolando Dy, Dean of the School of Management, University of the Asia and the Pacific). For banana production, the amount required per hectare of land is around P1.5 million.

<sup>20</sup>The Menzi rubber plantation in Basilan is a case in point. The workers’ union took over the operations of the rubber plantation only to find out that they did not have enough capital, financial and operational management skills to successfully run the enterprise. A few years after the take over, the plantation ceased operations (interview with Mr. Ibarra Malonzo who was one of the union leaders of the workers group in the rubber plantation).

program; and (c) the presence of body of relatively accurate information on landownership and tenurial arrangements which were accumulated prior to World War II. They argued that these “success stories” had nothing to do with the so-called “political will” of the government to pursue the reform measure but a by-product of the constellation of political economic forces then which necessitated weakening the dominant feudalistic/landlord system which propped up the war effort in the case of Japan and South Korea, and propelled the victory of the communist in mainland China.

21. But the foremost argument against the “political” imperative of agrarian reform is the persistence of the communist revolutionary movement in the Philippine countryside despite distribution of almost 7 million hectares of land to farmer-beneficiaries. Ironically, the CPP-NPA-NDF is the only remaining active communist insurgency movement in the Asian region. The successive downfall of socialist regimes in China, Russia and other parts of the world has not diluted its desire of establishing a communist state in the Philippines. In fact, the Philippine military treats the movement as its foremost national security problem.

### **III. Accomplishments and Second-Generation Problems**

22. *a) Land acquisition and distribution (LAD)* - Table 1<sup>21</sup> below summarizes CARP’s accomplishments in LAD. Around 7 million hectares of public and private lands have already been distributed to around 5 million farmer-beneficiaries.<sup>22</sup> As of June 2006, it is estimated that a balance of 2.5 million hectares of land remains to be distributed, with 1.6 million hectares to be covered by DAR and 0.9 million hectares by DENR.<sup>23</sup> As far as the CARP lands to be covered by DAR are concerned, the highest balance exists among private agricultural lands (PAL). DAR claims that an extension of CARP will see greater focus on the LAD activity on this type of land. Table 2 shows the top provinces in the country where LAD accomplishment is low. The provinces are mostly in Regions 6 (Negros Occidental, Iloilo and Capiz rank numbers 1, 2, and 6, respectively), 7 (Leyte ranks no. 4) and in the island of Mindanao (Zamboanga del Sur and Sibugay, Davao del Sur, Cotabato, Bukidnon and Zamboanga del Norte rank nos. 3, 5, 7, 8 and 9, respectively). Crops grown in these high LAD balance provinces are sugar, coconut, rice and corn.

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<sup>21</sup>The report is using the data from DAR study (2007) because it takes into consideration the review conducted by the “Inventory of CARP Scope” (ICS) project which provides the latest and revised figure on LAD up to June 2006.

<sup>22</sup>An attendant problem to the LAD concern noted by both DAR and the Land Bank of the Philippines (LBP) is the low amortization payments by farmer beneficiaries. The DAR study (2007) noted that out of a total P17.1 billion land amortization payments due from the ARBs, only P2.9 billion had been paid. The outstanding arrears still amount to P14.2 billion

<sup>23</sup>Recent interviews conducted with DAR and DENR officials by the author revealed that the figures have gone down from 1.3 million hectares for the former and around 0.57 million hectares for the latter.

**Table 1. LAD distribution status (in million hectares) By Land Type/Mode of Coverage (1972 – June 2006)**

LAND TYPE	SCOPE	ACCOMP	% ACCOMP	BALANCE
<b>DAR</b>				
Tenanted Rice/Corn Lands (OLT PD 27)	0.564	0.556	98	<b>0.008</b>
GFI-Owned Lands (EO 407/448)	0.182	0.159	87	<b>0.023</b>
Private Agricultural Lands (RA 6657)	2.861	1.368	48 /1	<b>1.493</b>
<i>Sub Total - PAL</i>	<b>3.607</b>	<b>2.083</b>	<b>58</b>	<b>1.524</b>
GOL/KKK Lands	0.921	0.849	92	<b>0.072</b>
Settlements	0.715	0.706	99	<b>0.009</b>
Landed Estate	0.081	0.080	99	<b>0.001</b>
<i>Sub Total – Non PAL</i>	<b>1.717</b>	<b>1.636</b>	<b>95</b>	<b>0.081</b>
<b>TOTAL (DAR)</b>	<b>5.324</b>	<b>3.718</b> <sup>2/</sup>	<b>70</b>	<b>1.606</b> <sup>3/</sup>
<b>DENR</b>				
Public A and D Lands	2.502	1.601	64	<b>0.901</b>
ISF/CBFMA Lands	1.269	1.336	105	<b>-0.067</b>
<b>TOTAL (DENR)</b>	<b>3.771</b>	<b>2.937</b>	<b>78</b>	<b>0.901</b> <sup>4/</sup>
<b>TOTAL (CARP)</b>	<b>9.095</b>	<b>6.655</b>	<b>73</b>	<b>2.507</b>

Source: DAR 2006

1/ Note that PAL is composed of Voluntary Offers to Sell (VOS), Voluntary Land Transfers (VLT), and Compulsory Acquisition. VOS and VLT constitute most of the lands distributed under PAL.

2/ Covers all regions, including ARMM

3/ Straight deduction of accomplishment from the scope

4/ DENR already completed/exceeded its scope by 66,588 hectares on the issuance of CSC/CBFM agreement in the forestry areas. Total balance refers to the issuance of patents for public A and D lands.

**Table 2. Provinces with the highest LAD balance (as of June 2006)**

REGION/PROVINCE	WORKING SCOPE	ACCOMP	BALANCE	% OF TOTAL BALANCE	CUMULATIVE %	RANK (BAL)
<b>PHILIPPINES (Excl. ARMM)</b>	<b>5,037</b>	<b>3,517</b>	<b>1,483</b>	<b>100%</b>		
Negros Occidental	264	143	121	8%	8%	1
Iloilo	169	56	112	8%	16%	2
Zamboanga del Sur <sup>1/</sup>	212	132	80	5%	21%	3
Zamboanga Sibugay <sup>1/</sup>						
Leyte	220	156	64	4%	25%	4
Davao del Sur	90	30	59	4%	29%	5
Capiz	113	53	59	4%	33%	6
Cotabato	256	198	58	4%	37%	7
Bukidnon	211	157	54	4%	41%	8
Zamboanga Del Norte	108	55	53	4%	44%	9
Cagayan	173	124	49	3%	48%	10
Isabela	187	141	46	3%	51%	11
Masbate	94	52	42	3%	54%	12

Davao Oriental	95	54	41	3%	57%	13
Albay	86	47	39	3%	59%	14
Lanao del Norte	103	65	38	3%	62%	15
Davao del Norte <sup>2/</sup>	134	102	32	2%	64%	16
Compostela Valley <sup>2/</sup>						
Sultan Kudarat	151	120	31	2%	66%	17
Camarines Norte	58	28	30	2%	68%	18
Sorsogon	53	25	29	2%	70%	19
Camarines Sur	118	91	28	2%	72%	20

Source: DAR 2006

1/ Scope, Accomplishment and Balance of Zamboanga Sibugay are combined with Zamboanga del Sur.

2/ Scope, Accomplishment and Balance of Compostela Valley are combined with Davao del Norte.

23. From these tables, it can be concluded that substantial accomplishments had been made by DAR in LAD considering that almost a third of the country's lands have already been distributed. If all the lands distributed under CARP are placed side by side to each other, they will be equivalent to around two-thirds of the land area of Mindanao.<sup>24</sup>

Mindanao has a total land area of approximately 10 million hectares, representing a third of the Philippine land area of around 30 million hectares. Less than half of the total land area is considered as forest lands due to the mountainous characteristics of many islands in the Philippine archipelago. In addition, it has to be noted that quite a significant portion of these distributed lands are the most fertile areas in the country considering that palay/rice are mostly found in irrigated areas, and that rice and corn lands were the priority target areas of the series of reform measures passed since the Marcos years in the '70s (refer to Annex 1 for the chronology of the reform measures).

24. **b) Agrarian justice delivery (AJD)** - Table 3 shows the number of agrarian cases filed at the DAR Adjudication Board (DARAB) for the period 2002 to June 2006. While in recent years, the Board exerted extra effort to resolve as many cases as possible<sup>25</sup>, it is unable to wipe out the backlog of cases in the previous years which average more than 17,000 cases a year. Due to this backlog, the rate of resolution of cases only averages at 56.6% of the total cases filed. This will have significant implications on DAR's plan to focus its efforts on PAL distribution if CARP is extended considering the highly contentious nature of private lands, particularly those falling below 50 hectares.

**Table 3. Adjudication of Agrarian Cases by the DARAB (Rate of resolution)**

Particulars	2002	2003	2004	2005	Jun 2006	Annual Ave.
Beginning balance	12,496	13,016	13,002	12,515	11,032	13,791
Add: New cases received	16,459	14,016	17,322	13,270	13,270	16,519
Total case load	28,955	27,032	30,324	25,785	24,302	30,310

<sup>24</sup>In study conducted by Dy (2004), he estimated that Taiwan which has a land area just a third of Mindanao exported agricultural products worth over US\$5 billion at its peak in the 1980s, while Mindanao exported only S\$1.2 billion agri-food exports.

Cases resolved	15,919	14,030	17,809	14,716	14,716	17,153
Ending balance	13,036	13,002	12,515	11,069	9,586	
Cases resolved as % of new cases resolved	96.7%	100.1%	102.8%	110.9%	110.9%	103.8%
Cases resolved as % of total case load	55.0%	51.9%	58.7%	57.1%	60.6%	56.6%

25. However, it should be pointed out that DARAB's performance has been impressive. As DAR study (2007) noted that during the past four years, DAR adjudicators have accelerated resolution of agrarian cases that they resolved more cases than the yearly average filed at around 16,500 cases. Moreover, considering that there are less than 30 lawyers in DARAB attending to these tens of thousands of cases and considering the duration of the resolution of some of these difficult cases (compared to the time that it takes regular courts decide on cases), it can be concluded that contrary to common perception, DARAB performed its duties quite efficiently.

26. **c) Program beneficiaries development (PBD)** - PBD is the provision of support services to ARBs such as farm-to-market roads, irrigation systems, post harvest facilities, extension services, etc. They are meant to promote higher farm productivity among ARBs after the land has been awarded to them. To efficiently service the support services requirements of ARBs, DAR introduced the "Agrarian Reform Communities" (ARCs) development approach in 1993 wherein a cluster of ARBs contiguous to each other are formed into an ARC. The idea is to promote economies of scale in terms of service delivery and production.

27. Since its inception in 1993, DAR organized nearly 1,800 ARCs nationwide wherein its support services are being channeled. DAR has been successful in convincing foreign funding institutions to assist in ARC development and it is estimated that out of the 1,800 ARCs, 1,054 (around 59% of total ARCs) are receiving a comprehensive package of assistance. However, it was noted by DAR that beneficiaries in these covered ARCs total to only a third of the ARBs in the country. This means that only 3 out of the 10 ARBs are being provided support services, leaving 7 ARBs to fend for themselves. This is not to mention the recipients of free patents and homestead patents awarded by the DENR who are not provided with support services either by the DENR and DAR. The lack or inadequate support services partly explain the persistence of poverty among CARP beneficiaries. However, their provision will require huge budgetary allocations that government may not possess.<sup>26</sup>

#### IV. Extending CARP's Life: A Review of Pending Bills in Congress

<sup>26</sup>Refer to footnote 16 for tentative estimates of the amount required to develop farms based on crop that will be planted. Worth also mentioning is that CARP in its 20 year implementation has only been given a budget of more than P150 billion pesos (excluding assistance from foreign donors, totaling around P4.6 per year for the period 1995-2004 (GTZ, 2006)) which include funding for the LAD, AJD and PBD components. The DAR study (2007) estimated that an additional P50 billion is needed for PBD alone and more than P100 billion for the LAD, if CARP is extended for another 7 to 10 years.



28. The above problems encountered in the nearly 20 years of CARP implementation should have been addressed by pending bills in the Lower House intended to extend the program or revised certain CARP provisions. Annex 2 shows a comparative matrix of the provisions of the various bills filed in the Lower House by Congresswoman Ana Theresia Hontiveros-Baraquel (to be referred to as the Akbayan bill), and Congressmen Junie Cua (Cua bill), Jose Carlos Lacson (Lacson bill), Edcel Lagman (Lagman bill), Reno Lim (Lim bill) and Abraham Kahlil Mitra (Mitra bill) based on the proposed (a) length of implementation schedule extension, (b) funding amount during the extension, (c) funding sources, (d) land coverage and scope (LAD component), (e) institutional arrangement for DAR/PARC, (e) AJD mechanism, and (f) support to agrarian reform beneficiaries (PBD component).

29. All the bills proposed an extension of CARP implementation from 5 (Lagman and Mitra bills), 7 (Akbayan, Cua and Lim bills) to 10 years (Cua and Lim bills). Proposed funding for the extension ranges from P50 billion (Mitra bill), and P100 billion to P162 billion (Cua, Lagman and Lim bills). However, the Akbayan bill proposed an automatic funding for the program which should be “3.8% of the national budget starting 2008 ... or no less than P38 billion ... provided that 70% of the yearly appropriation shall be allocated to land acquisition, distribution and compensation...”

30. As to funding sources, most bills identify the original sources of CARP funding namely, the proceeds from Asset Privatization Fund, ill-gotten wealth, disposition of government properties in foreign countries, incomes and collections for agrarian reform operations of CARP implementation agencies, and foreign aid sources. The Akbayan bill added as fund source “10% of the annual gross income of PAGCOR and PCSO” while the Lagman bill provided a P5 billion yearly appropriation from the government and the Lim bill at least P3 billion from the General Appropriations Act (GAA).

31. The Akbayan bill seeks to impose stricter rules on retention limit (amending Section 6 of CARL) by proposing that only landowner tilling his/her own land shall be given land no greater than 5 hectares and that his/her children are entitled to 3 hectares each provided, among others, that they actually till the land, though they shall not be held as preferred beneficiaries if the land is tenanted. In other words, a zero retention limit is being proposed if the landowner or his/her heirs are no longer engaged in actual land cultivation. On the other hand, the Lim bill seeks to exempt “agricultural lands with an area of not less than 10% and not more than 30% planted to trees” from CARP. The Cua, Lagman, Lim and Mitra bills merely retain the provisions of the original CARL on land retention ceiling.

32. On institutional arrangement, the Akbayan bill recognizes the need to re-organize DAR in anticipation of the termination of agrarian reform program. Thus, it provides an inter-agency committee composed of Department of Budget and Management (DBM), Civil Service Commission (CSC) and DAR, to formulate a reorganization plan for DAR, subject to approval of PARC. In the reorganization, the bill seeks to ensure that the process will lead to the completion of LAD, the strengthening of AJD, and an increased

in the support services to the ARBs. It further provides that the reorganization should be completed within a six-month period. The Cua and Lim bills stipulate that the PARC should formulate policies that will ensure provision of support services to the ARBs in all stages of agrarian reform implementation. In support of his proposed bill to exempt agricultural lands planted to trees from CARP, the Lim bill wants DENR to issue the necessary rules and regulations to effect the exemption of said lands.

33. It is only the Akbayan bill that has extensive provisions on strengthening AJD mechanisms. Among others, it proposes to: (a) strengthen the DARAB with the inclusion of senior DAR officials in the Board; (b) vest DAR with exclusive jurisdiction over all matters involving agrarian reform implementation, including the power to “summon witnesses, administer oath, take testimonies, require submission of reports, ..., and issue subpoena to enforce its writs through sheriffs or duly deputized officers”; (c) empower ARBs to file cases before the courts concerning their individual or collective rights under the CARP and providing that their usufruct rights over the land shall not be diminished even pending the awarding of CLOAs; (d) hold DAR responsible for assigning legal counsels to represent litigant farmer, farm worker or tenant in court; (e) provide that only DAR should have sole jurisdiction on cases related to CARP implementation; (f) disallow regular courts to take cognizance of cases filed by landowners against ARBs related to CARP implementation prior to the resolution of whether such cases are of tenancy relations, agrarian disputes, or within the application of the agrarian laws by DARAB or in other cases, the PARAD; and (g) stop the regular courts from issuing restraining order or writ of preliminary injunction against PARC, DAR, or any other agencies tasked to implement CARL.

34. On support services, the Akbayan bill stipulates that 30% of the appropriation for the agrarian reform program should fund support services, provided that a third of it should be allotted for subsidies to support the initial capitalization for agricultural production upon awarding of EP or CLOA for new beneficiaries, and subsidized credit scheme for existing ARBs. The Cua and Mitra bills propose the acceptance of farm lands (emancipation patent or certificate of land ownership award [CLOA], individual or collectively owned) as collateral provided that the loans shall be used for farm development and production. Both bills also seek funding support for land survey and titling and the provision of extension, infrastructure and technologies to farmers. The Lacson bill supports the move to accept farm land as collateral but the burden of accepting these farms as collateral is solely assigned to LBP.

35. Finally, the Akbayan bill rejects so-called “non-redistributive” scheme such as “stock distribution option” and “leaseback” arrangement because control of land is allegedly given back to landowners. The Lacson bill provides that awarded lands cannot be sold or transferred except through hereditary succession for a period of 10 years. Another Lacson bill (HB 328) proposes that interest proceeds from LBP bonds should be tax exempt. The Lagman bill mandates that for the proposed five-year extension, DAR shall form three ARCs per year while the Mitra bill wants to create an oversight committee composed of representatives from the Senate, Lower House, DAR, DA and DENR to oversee and evaluate program implementation.

36. In conclusion, the various bills filed in the Lower House do not significantly altered the weaknesses of CARL and CARP implementation except for the Akbayan bill which proposes major changes on the scope, adjudication of agrarian cases and the provision of support services to the ARBs. The Cua bill<sup>27</sup>, and similarly the Mitra bill, merely extends the CARP implementation period with the insertion of the provision on the acceptance of farm lands as collateral by banks. Given that the deliberation for the passage of a new CARP law is less than a year before its termination in June 2008 and that there other urgent bills pending in Congress, it can be safely concluded that the Akbayan bill will encounter difficulty in being considered on the floor of Congress because of the numerous and contentious amendments it contains.

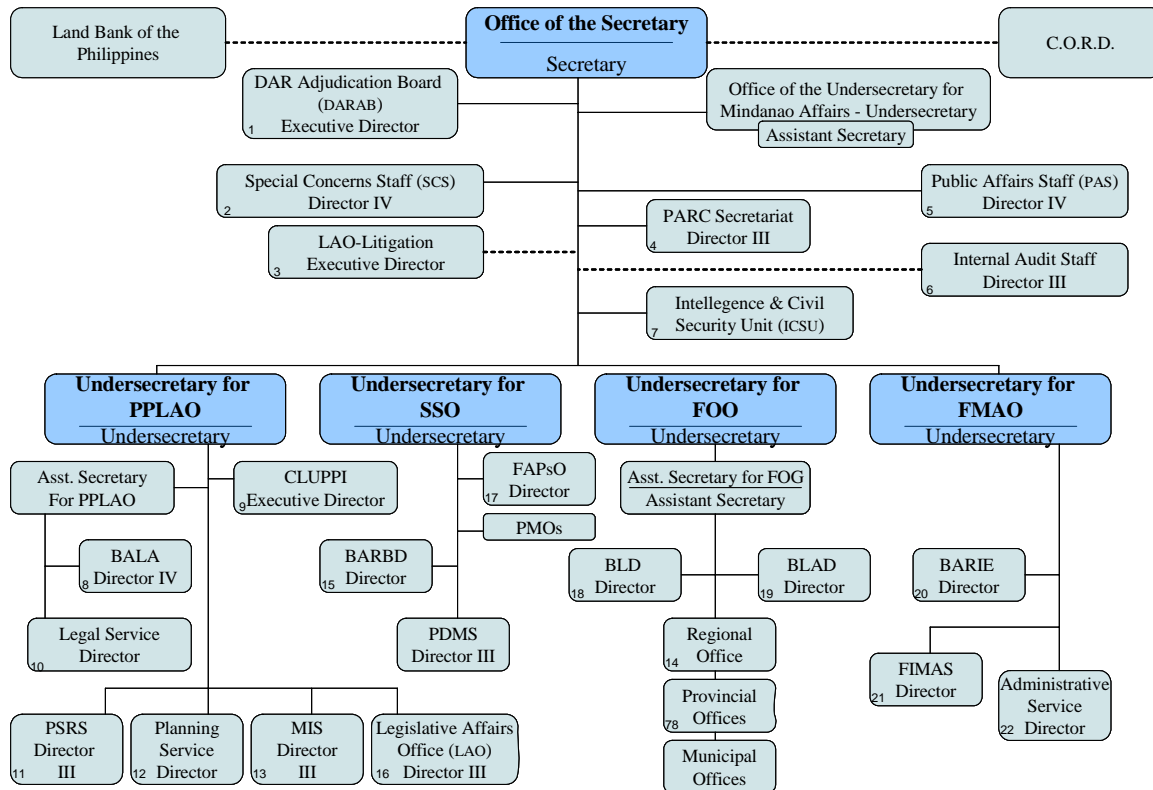
## V. Previous CARP Studies: Re-inventing the Wheel?

37. This section will review three studies on CARP, focusing on their recommendations on various institutional arrangements for CARP implementation. These studies are the following: CARP Impact Assessment (2003) study, the GTZ (2006) study, and the DAR (2007) study (refer also to paragraph 5 of this paper). As the succeeding discussions will demonstrate, there is no paucity of studies and recommendations on how to go about re-structuring DAR and the manner by which CARP should implemented. It has to be noted though that these studies work within the assumption that CARP will be extended without providing for a definite transition period for adjustments and eventual closure of the program.

38. *a) Organizational structure of DAR, PARC and CARP-implementing agencies – A labyrinth of structures and acronyms* - To appreciate the recommendations of the three studies, a brief discussion of the current institutional arrangement within DAR and, and DAR with other CARP-implementing agencies will be rendered. Figure 1 below shows the organizational structure of DAR. While DAR is the lead implementing agency for CARP implementation, the Presidential Agrarian Reform Council (PARC) is the policy-making for CARP. PARC is headed by the President as Chairperson, and the DAR Secretary serving as Vice-chair. The Executive Secretary and Secretaries/Heads of DA, DENR, DBM, DOF, DOJ, DOLE, DILG, DPWH, DTI, DOTC, NEDA, LBP and NIA are members of PARC. Moreover, PARC members include three representatives of landowners (one each from Luzon, Visayas and Mindanao), and six representatives of ARBs (two each from Luzon, Visayas and Mindanao).

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<sup>27</sup>The Cua bill is officially supported by DAR.



**Figure 1. Department of Agrarian Reform Organizational Structure**

*Source: GTZ 2006*

39. To facilitate the work of PARC, a PARC Executive Committee (Excom) and a PARC Secretariat (headed by the DAR Secretary) were also created. The PARC Excom undertakes the drafting of policies/thrusts for approval by the PARC while the PARC Secretariat provides general support and coordinative services to PARC members.

40. CARL also created coordinating structures for the implementation of the reform program at the provincial and barangay levels. At the provincial level, there is the Provincial Agrarian Reform Coordinating Committee (PARCCOM) and at the barangay level, the Barangay Agrarian Reform Committee (BARC).

41. Assisting DAR in implementing CARP are the following agencies: DENR, LBP, LRA, DPWH, NIA, DTI, and DA. The LGUs are also deemed critical in the implementation of the reform measure though their support for it is uneven.

42. Operationally, the agencies directly involved in implementing the three major activities under CARP are the following: (a) for LAD – DAR, DENR, LRA, LBP, LGUs, and if the conditions call for it, DILG-PNP and DND; (b) for AJD – DAR, DOJ and LGUs; and for PBD – DAR, DA (including NIA), DENR, LBP, DPWH, DTI, DOLE, and LGUs. Note that besides DAR which is involved in all three activities, the LGUs are present for the very simple reason that they are directly in touch with the local

communities where the reform measure is being implemented. There is merit therefore in the argument that some of these CARP activities should now be devolved to the LGUs in view of the government's thrust to decentralize the provision of services to communities.

43. ***b) Proposed institutional arrangements of previous studies: Too many cooks! -*** Annex 3 provides a comparative matrix of the recommendations of the three studies on the following concerns: (i) LAD, (ii) AJD, (iii) PBD, and (iv) institutional restructuring of PARC and DAR. The highlights of the recommendations are as follows:

44. On LAD, the three studies recommended that there should be a re-positioning of DAR personnel and resources to at least 15 provinces where the LAD balance is still high. For impact, all three studies recommended that lands owned by rich landlords (meaning large of tracts of land) in these 15 provinces should be prioritized for distribution. Corollary, there has to be efforts exerted in validating and updating the CARP scope and improving the database system on all aspects of CARP implementation. The almost monopoly of information on LAD among the MAROs and PAROs should be averted by having an improved management information system lodged at the Central Office and connected to the various regional and provincial offices. This will prevent corruption and sometimes collusion of DAR field personnel with the powers-that-be at the local level.

45. If there is going to be an extension, the DAR study proposed that greater accountability should be imposed on the DAR regional, provincial and municipal officials. This can be partly achieved by strengthening relationships with CSOs and POs at the ground level. The GTZ study suggested that inevitably, LGU support for the reform measure (including LAD and PBD) will have to be solicited to have a sustainable reform program at the local level. All three studies recommended that additional measures have to be undertaken to improve collection payments of ARBs. As the CARP Impact study was conducted in 2001, it specifically mentioned that DAR must secure from the top leadership a firm commitment on whether to continue LAD after 2008 or else, preparation should be made for the separation/retirement of DAR personnel for the scheduled termination of CARL in 2008.

46. On PBD, the three studies affirmed the importance of the ARCs (and ARC connectivity) as a viable mechanism in extending support services to the ARBs. They emphasized that DAR should transform itself as an institution not only known for its LAD function but more importantly, with the improvement of the ARBs' well-being (social justice and poverty reduction measure), a thrust that could serve as key justification for extending the life of the institution. The DAR study went further by proposing that the "Sustainable Agribusiness and Rural Enterprise Development" (SARED) in ARCs should serve as the flagship program of CARP, meaning developing the clusters of ARCs (ARC connectivity) into an agricultural/agribusiness enterprise based on the production and processing of a specific commodity

47. On AJD, all three studies recommended the strengthening of DARAB and AJD-related units in DAR by the recruitment of more lawyers and paralegal officers to address

case backlogs and the quickly resolve cases filed at DARAB. They also stressed the need to increase the compensation of lawyers and paralegal officers to prevent their quick turnover in DAR. Both the GTZ and the DAR studies suggested that there has to be an improvement in the system and processes of handling legal cases, including the establishment of a legal data base system for better monitoring purposes. The DAR study batted for the simplification of the legal procedures, including the formulation of a “decision template” to guide DAR personnel in tackling legal cases brought to them.

48. On institutional restructuring, the GTZ study noted that PARC is an important institution for CARP implementation because of its inter-agency and multi-stakeholder composition. The CARP Impact study agreed with this observation but suggested that it should be weaned away from DAR (even housing the office outside of the DAR premises) to become a separate institution so that other agencies would feel that the reform measure is not merely a DAR mandate but the cornerstone of the government’s rural development and poverty reduction approach. Because of the thrust of developing agricultural/agribusiness enterprises from among clusters of ARCS, a re-tooling of DAR personnel retained to provide support services should be undertaken to align their skills and orientation toward this new thrust. The repositioning of DAR personnel to provinces with high LAD balance (including the strengthening of DARAB and AJD-legal units) and the pursuit of the new direction for PBD development will necessitate concentrating more DAR personnel on these two tasks. An improved MIS/IT is indispensable if DAR is going to improve its tracking mechanism of its progress in implementing CARP and in monitoring the activities of its field personnel.

49. One will notice though that most of the recommendations forwarded by the three studies could have been carried out during this current 10-year extension period of CARP. Ironically, the same suggestions are being used in the present move to extend the program for another seven to 10 years.

## **VI. Political Economy of Agrarian Reform**

50. *a) Analyzing the agrarian reform stakeholders* - Figure 2 below shows the positioning of the various stakeholders in relation to the reform measure. Those who are strongly in favor of CARP are the farmers groups, their allies in the civil society organizations, leftist organizations, and DAR staff (including staff of other agencies involved in CARP implementation). On the other extreme of the landscape are the landowners or landlords. The Church has expressed its support for agrarian reform but its commitment does not extend to the point of mobilizing its flock to push for the extension and implementation of the redistributive measure. Though there are members of Congress who are supportive of agrarian reform, most of them will be against it for the very simple reason that they belong to the property-owning class in the country. Moreover, many of those in Congress will support an extension of the reform measure for the “wrong” reason, that is, the extension period and more importantly, the budget for agrarian reform should be concentrated on the provision of support services. This favors

them because they can engage in all sorts of congressional insertions (pork barrel) to the agrarian reform fund.

<b>Strongly Pro</b>	<b>Pro</b>	<b>Neutral/ Indifferent</b>	<b>Anti</b>	<b>Strongly Anti</b>
Farmers groups	Church	Government Agencies (except DAR)	Congress	Landlords/ landowners
CSO agrarian reform advocates		Media	Real estate developers	
Leftist groups			LGUs	
DAR staff (including other agency staff involved in CARP		Judges (courts)		
		Agribusiness investors		
		Industrialist/ manufacturers		

**Figure 2. Positioning of the various stakeholders on CARP**

51. Real estate developers and most LGUs will be against the reform measure because of their inability to convert agricultural lands for non-agricultural uses which they deem are more lucrative activities than farming. Moreover, many LGU officials are landowners themselves, including junior officials, who invested their hard-earned savings to a buy a hectare or two of land (the so-called “land banking” due to the very low interest rates on savings offered by banks in the country).

52. Judges/justices of the courts, agribusiness investors and industrialists/manufacturers may not necessarily oppose agrarian reform but their sentiments are far from being for the reform measure. Many judges/justices are landowners themselves and it is not surprising that the Courts have issued quite a number of decisions adversely affecting the speedy implementation of LAD.<sup>28</sup> Similarly, though agribusiness investors can live with agrarian reform, the higher transaction costs of dealing with numerous small landholders, the latter’s unreliability in observing the integrity of contracts they entered into, the prolonged implementation of the program, and the loss of the collateral value of farm lands make them skeptical about the further necessity of implementing agrarian reform. Similarly, industrialists/manufacturers can live with agrarian reform provided that they are given access to land where they can establish their operations. However, with the difficulty of converting agricultural land for non-agricultural uses, and the added costs entailed in this process, industrialists/manufacturers may not be sympathetic to another extension of CARP implementation.

<sup>28</sup>It is for this reason that the Akbayan bill contains lengthy provisions removing the jurisdiction of local courts on agrarian reform cases.

53. Government agencies take the cue from the national leadership and hence, their action will depend on the decision of concerned authorities. Nonetheless, there might be fatigue and skepticism beginning to set in among them due to the prolonged implementation of the program with still no definite end on sight. On the other hand, media is supposed to be a neutral/indifferent entity but the prolonged implementation of the program with no dramatic results on productivity and equity goals have the effect of weakening media support to the agrarian reform program.

54. ***b) Realpolitik: the likely scenario*** - Convergence of interests rather than the desire or the political will to institute necessary reforms will determine whether CARP will be extended beyond 2008. Taking this convergence of interests into consideration, it is most likely that CARL with minor modifications will be extended. The Executive Office has already indicated its support for an extension of CARP provided that the farm collateral provision is inserted to the bill extending the program.<sup>29</sup> As earlier noted, Congress will be supportive of its extension for the “wrong” reason, meaning that it will move to divert the bulk of the ARF to financing support services to the farmers rather than to the LAD component where Congressional insertions (pork barrel) can easily find their way. Moreover, the lump sum manner by which funds are allocated to various national agencies enable legislators to haggle more congressional insertions in each of the rural development agencies’ budget. For instance, each agency involved in the rural sector (such as DAR, DA, DENR or even DPWH) will have specific budget line item for farm-to-market roads which normally becomes the target for congressional insertions. The result is inefficiency in the allocation of budgetary resources as request are made not on the basis of a specific master plan or framework for the provision of farm-to-market road but from each of the agencies’ budget for this infrastructure facility and on the basis of the priorities of the concerned legislator. Other favorite budget line items are small irrigation systems, post-harvest facilities, and other production support services.

55. ***Downside*** - The extension of CARP with minor modifications will have adverse effect on the country’s rural development efforts for the following reasons: (a) even if agricultural lands are accepted by the banks as collateral, the question on the real/ultimate ownership of other agricultural lands will persist for as long as the LAD remains incomplete or has not been terminated; (b) the uncertainty over land ownership will discourage investors to invest in agricultural enterprises thereby limiting job creation potentials in the rural sector; (c) it will not address the needs of the growing number of landless agricultural workers as they are not entitled to own lands as they are not share tenants; (d) there will be no substantial movement of LAD in private agricultural lands because landowners will engage in costly and prolonged legal battles<sup>30</sup> to retain ownership of their lands; (e) it will mostly hurt the small land holders and middle class

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<sup>29</sup>In an interview with a senior DAR official, it was also mentioned that the incumbent President feels that agrarian reform is one of the major legacies of her late father.

<sup>30</sup>According to an LBP official interviewed, it takes from 6-10 years to settle a case and more if it goes all the way up to the Supreme Court.



farmers<sup>31</sup> (owning 10 hectares and below) as they do not have the means to engage in lengthy litigations; unfortunately, this class of farmers can serve as the backbone of agricultural modernization because they are relatively educated which enable them to access and apply new technologies, generate some savings or access credit to improve their production, and have knowledge of the workings of the market; and (f) it will continue the same institutional and implementation arrangements which were not able to successfully attained the goals of the reform measure.

## VII. Quo Vadis?: Scenarios and Options for CARP and DAR

56. *a) Scenario/Option 1* - As indicated above, the likely scenario that will transpire is the extension of CARP and DAR for another 7 to 10 years, with the strong possibility that it will be accompanied by the stipulation allowing farms to be accepted as collaterals by the banks. Even within this constrained scenario, there can be changes that can be instituted to make the most out of the opportunities presented by this option. First, given that one of the justifications for the extension of CARP is the large balance in PAL, there has to be a shift of manpower and resources toward units (i.e., DARAB down to the field offices) in DAR that are engaged in the LAD and AJD functions, and toward those provinces where the LAD balance is high. This will necessitate recruitment of more lawyers/legal officers to DARAB and the physical transfer of MAROs/PAROs to provinces with high LAD balance. This will also involve giving an attractive retirement package to field officers who may no longer want to be relocated for various personal reasons.

57. There has to be identification and publication of PAL areas in the high LAD balance provinces that will be covered by the LAD component during the requested extension period. Identified lands should be categorized based on land sizes such as below 10 hectares, above 10 and up to 24 hectares, above 24 and up to 50 hectares, above 50 and up to 100 hectares, and above 100 hectares. Priority for distribution should be accorded to larger farms following the social justice argument for the extension of the reform program.

58. Second and in view of DAR's thrust of clustering ARCs for the purpose of establishing agriculture enterprises (agribusiness), there will be a need to re-tool many of DAR's field personnel to meet the requirements of this new thrust. New institutional arrangements will have to be forged between ARBs and potential agribusiness investors for such types of agricultural ventures to become successful. The recent China deal on agribusiness by the government presents as a good test case on whether DAR can successfully organize ARBs in ARCs to accept this new arrangement without making the beneficiaries and agrarian reform advocates suspicious that the move is undermining the

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<sup>31</sup>From an interview with a senior DAR official, it was admitted that it is easier for the PAROs and MAROs to cover small landholders because they do not have "security guards" or "private armies" to stop DAR officials from discharging their functions and that DAR field officers are forced to "prioritize" these so-called "less problematic" areas/cases because of the need to meet yearly LAD targets.

intent and gains of CARP of having small family-owned farms as the dominant tenurial arrangement in the countryside.

59. Third is the need to capacitate local LGUs in providing support services to the ARBs as CARP nears its closure period. It is duly recognized by the current DAR leadership that CARP must end at some point in time considering that its nature is a “program”. The Local Government Code of 1991 mandates that the delivery of services to the farmers (refer to Section 17) should be devolved to LGU units, and it is for this reason why DA had long devolved its extension workers to LGUs. DAR is exempted from this provision by virtue of CARP but this will no longer remain valid when CARP is terminated. DAR must therefore treat the proposed extension as a transition period in preparing and capacitating LGUs to deliver support services to ARBs.

60. Finally, there has to be greater efforts exerted in collecting amortization payments from ARBs because accountability has to be on both sides. One cannot obligate the government from endlessly subsidizing the needs of ARBs without equally obligating beneficiaries to deliver on their responsibility. Moreover, there are other groups of tillers (i.e., the landless workers) who need government support and the revenues generated from the collection of these amortization payments will help fund some of their needs.

61. ***b) Scenario/Option 2*** - An alternative scenario contemplated is the termination of CARP in the next 3 to 5 years which will be utilized as a transition period. For this option to work out the following accompanying activities must be undertaken:

- i) An attractive retirement package should be given to DAR personnel.<sup>32</sup> Funding for this purpose should be sourced from the agrarian reform Fund;
- ii) Creation of a Land Tenure Administration<sup>33</sup> that will cover not only existing AJD and LAD cases but also land-related cases covered by ancestral domain claims (under the IPRA law) and forest lands;
- iii) Conversion of PARC into a Joint Commission on Rural Development (JCRD) which will provide policy direction and oversight functions to agencies involved in rural development. Among others, the Commission will draw up master plans for the provision of various support services to the agricultural sector, with particular emphasis on the ARBs, which can serve as the basis for budgetary request by the various rural development agencies for such support services;
- iv) Re-naming of the Department of Agriculture(DA) to the Department of Agriculture and Rural Development (DARD) to emphasize its expanded role in countryside development, particularly in supporting small farmers

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<sup>32</sup>Based on interview with a DAR official, average age of a MARO is 57 years old. Hence, many of them would welcome the idea of retiring if offered a better retirement package than being moved to another location.

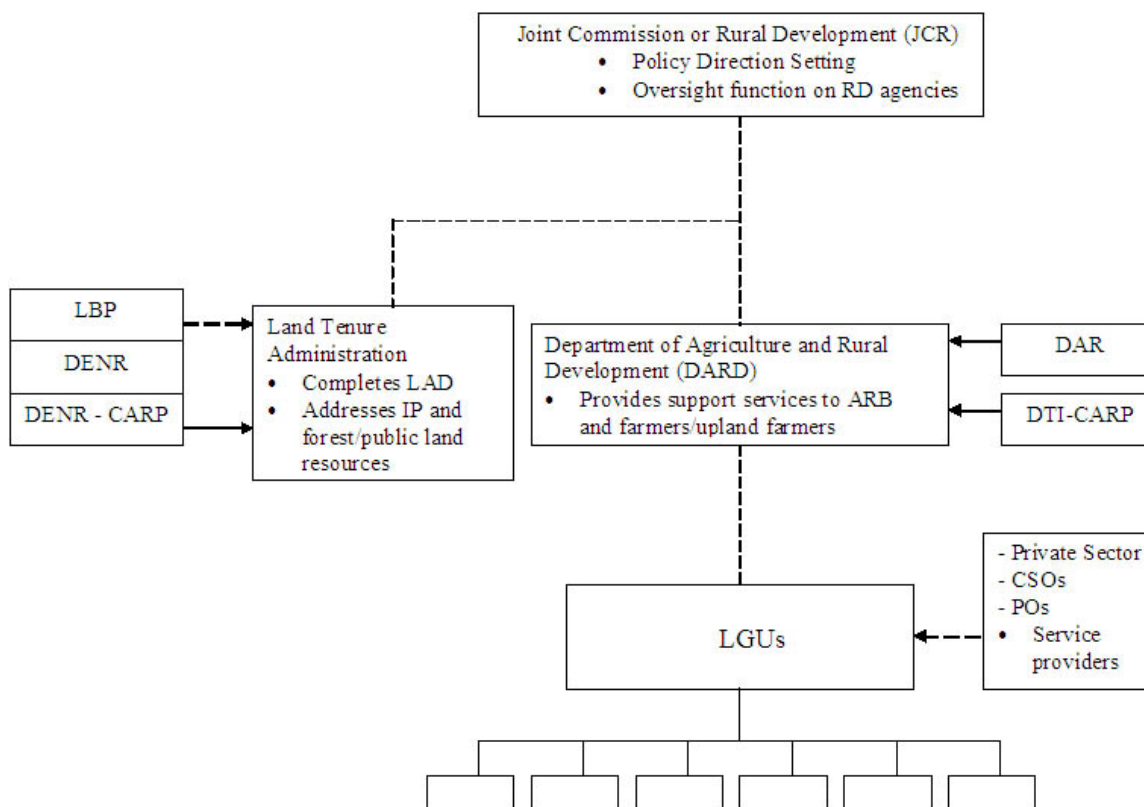
<sup>33</sup>This will take care of the LAD and AJD aspects of CARP.

and ARBs, and to facilitate the absorption of some DAR personnel to the re-named organization;

- v) Capacitating, with the assistance of DARD, LGUs to provide support services to the ARBs.<sup>34</sup> In tandem with the capacity-building training program, a pool of fund from the ARF should be established to fund proposals coming from LGUs to undertake projects intended to assist ARBs. LGUs can contract the services of CSOs or private business organizations in the provision/implementation of the projects for the ARBs. Winning proposals should be selected on a competitive basis and the screening/evaluation of these proposals should be undertaken by a body to be created under the JCRD. The JCRD will approve the winning proposals. The fund for this purpose (coming from the ARF) should be separate from the usual funding of rural development agencies.
- vi) Passage of a “Progressive Agricultural Land Tax” for private agricultural lands and “Progressive Rents” for public lands under lease (Hayami, et.al. 1990). Both are market-oriented measures which will discourage ownership of large tracts of land, particularly those which are idle and abandoned. They also meet the government’s thrust of generating higher tax revenues and will enable LGUs to generate additional revenues for local development projects, especially if a substantial portion of the proceeds are assigned to them by the enabling laws.
- vii) The deregulation of land tenure contracts and land markets, but both must be pursued ideally contingent upon the passage of the “Progressive Agricultural Land Tax” and the “Progressive Rents” for public lands under lease.

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<sup>34</sup>In an interview with Prudencio Gordondoncillo, Ph.D. former Director of the UP Los Banos’ Institute of Agrarian and Rural Development, he cited the case of an LGU unit in Quezon province which undertook a land reform program, using the resources of the local government. He added that the LGU itself is collecting amortization payment from the beneficiaries to recover funds spent by the LGU for this purpose. He concluded that agrarian reform can effectively be implemented by LGUs provided a progressive local leader is voted into office..



**Figure 3. Proposed Institutional Arrangement for Post-2008 Transition Scenario**

## VIII. Concluding Remark: Marching Forward

62. As noted earlier in the discussion, land is no longer the primary source of accumulating economic wealth/surplus at this present juncture of the development of the Philippine economy. Ownership of land, as expressed in the battle cry “Land to the tiller”, no longer guarantees a decent income for the recipient of land. More so, for those who do not have any prospect of owning land under the current redistributive measure by virtue of the fact that they are not share tenants but landless workers. Unfortunately, they have become the most dominant class of tillers in the countryside due to rapid population growth rate and the limited supply of land. To claim therefore the agrarian reform made a significant impact on the well-being of the beneficiaries is telling just a fraction of the story. It is also common-sensical because anybody who is given an asset will definitely be better off compared to those who were not fortunate enough to have such a gift.<sup>35</sup> The

<sup>35</sup>In a recent assessment of CARP by Balisacan, et.al. (2007), they noted the positive impact, among others, of the program on the income, poverty incidence, welfare and productivity among ARBs particularly those residing in ARCs. However, it can be argued that the differences (or the incremental improvements) between ARBs and non-ARBs are not impressive enough to justify the huge costs of the program both direct and indirect (i.e., foregone investments as a result of uncertainty over land ownership). The study recognized the need to have a closure of the program and suggested several measures to improve its implementation in its closure phase. It cautioned though that CARP’s success will be highly

greater story, and more importantly challenge, is whether being bestowed with such an asset will make a positive dent on the overall well-being of the society. Unfortunately, the evidence points out that it is not convincing enough. And more worrying is that it will not address the needs of the greatest majority of the rural workers, the landless tillers.

63. Even in provinces with high LAD balance, demographic pressure (refer to Table 4 below showing the top 10 provinces in terms of LAD balance and their corresponding population growth rate) combined with the imperatives of urbanization will force many of these large tracts of land to be subdivided either among the heirs of the landowner or to be converted for non-agricultural uses such as residential or commercial purposes as they yield greater returns than agricultural production. The Philippines is rapidly urbanizing and statistics show that there an increasing number of Filipinos are now residing in the urban areas. The 2000 Census showed that of the total population of 76.5 million Filipinos then, 36.7 million persons or 48.0 percent were in 9,950 urban barangays (NSO 2006). Given the rapid urbanization of various places in the country, it is not far-fetched that at present, there will be more Filipinos living in urban areas than in the rural areas.

Table 4. Top 10 Provinces win Terms of LAD Balance (*As of June 2006*) and their average annual population growth rate (1995-2000)

REGION/PROVINCE	WORKING SCOPE	ACCOMP As of June 2006	BALANCE	RANK (BAL)	Population		Annual Growth Rate (%) 1995-2000)
					Year 2000	Year 1995	
Philippines (Excluding ARMM)	5,037	3,517	1,483		76,504,077	68,616,536	2.36
Negros Occidental	264	143	121	1	2,136,647	2,031,841	1.08
Iloilo	169	56	112	2	1,925,573	1,415,022	2.10
Zamboanga del Sur <sup>1</sup> Zamboanga Sibugay <sup>1</sup>	212	132	80	3	1,935,250	1,217,258	1.97
Leyte	220	156	64	4	1,592,336	1,511,251	1.13
Davao del Sur	90	30	59	5	1,905,917	1,677,069	2.47
Capiz	113	53	59	6	654,156	624,469	1.00
Cotabato	256	198	58	7	958,643	862,666	2.29
Bukidnon	211	157	54	8	1,060,415	940,403	2.61
Zamboanga del Norte	108	55	53	9	823,130	770,697	1.42
Cagayan	173	124	49	10	993,580	895,050	2.26

<sup>1/</sup> Scope, Accomplishment and Balance of Zamboanga Sibugay are combined with Zamboanga del Sur.

Sources: DAR, study (2007; <http://www.census.gov.ph>)

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contingent on the support extended to DAR but unfortunately did not spell out what the scenario will be if such support is not forthcoming despite the lackadaisical support extended to it by national and local politicians throughout CARP's 20-year implementation history. The success of agrarian reform is highly dependent on the existence of an "efficient state" and the problem with a static economic analysis of the agrarian reform program is that it does not take into consideration this critical element for success.

64. At present, Dy (2005) noted that the more important consideration in poverty reduction in the rural sector is not land ownership per se but access to jobs and hence, income, the level of income being a major determinant of economic well-being<sup>36</sup>. In turn, jobs are dependent on the amount of investments being made in agricultural production. To the extent that CARP discourages investments in the countryside and results in the de-capitalization of some farms (e.g., cutting of coconut trees to extract coco-lumber), then the job-creating potential of the agricultural sector will be severely hampered and hence, access to income by the agricultural workers will be constrained.

65 Dy (2005) further revealed that the result of the survey they conducted showed that one of the constraints to investment in agriculture expressed by entrepreneurs is CARP in particular and access to land in general. The uncertainty over the ultimate owner of the land, the absence of land markets, and the various and intricate regulations that govern land ownership in the country were identified by the surveyed entrepreneurs as key factors that discourage them from investing in agricultural ventures in the country.

66. The “agribusiness deal” with China has been mentioned as an innovation that will address the problem of lack or inadequate of investments in the agricultural sector. The better approach is to provide a conducive framework/environment for investments to the agricultural sector to come in, and this will require, implementation of the measures we identified in Scenario/Option 2 above. Such an approach will open investment opportunities in the Philippine rural sector not only for the Chinese but also for local and foreign firms which have the capital and know-how to operate agricultural enterprises with small farmers as partners.

67. There are actually existing models in the country which have successfully pursued the agribusiness approach with disparate small farmers as their partners. The banana industry is a prime example wherein contract growing arrangement<sup>37</sup> with thousands of small farmers is operating efficiently to make a niche in the world market. Similarly, the papaya and asparagus export sectors are operating within such an arrangement. Another example is the fledgling palm oil plantations operating in some parts of Mindanao, Bohol and Palawan. From these examples, it is obvious that the Philippines is not lacking in terms of successful institutional arrangements involving partnership with agribusiness corporations and small farmers. What is probably missing is the openness to experiment with new ideas and arrangements that will allow small-sized farms working with

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<sup>36</sup>Particularly relevant in the Philippine situation where there is rapid population growth and increasingly limited supply of land.

<sup>37</sup>Agrarian reform advocates are against such a scheme because they argue that “control” over the land is with the corporation rather than the farmers. The corporation merely took over that of the landlord’s position. From a bargaining leverage standpoint, they feel that the unequal position of the two parties involved (i.e., corporation and small farmers) in the contract will result in unfavorable terms/returns to the farmers. Thus, they clamor for the “land to the tiller” arrangement so that the farmer-owner will have total control over the land. On the other hand, proponents of the agribusiness model argue that farmers still retain ownership but not control of the land. Also, the more important consideration is the economic returns (or income received by) for the farmers rather than mere land ownership and control because income largely influences their economic well-being.

corporations and the ability to disengage from the obsolete ideology that “capitalist enterprises” are there to solely turn profit from the sweat of the workers.

68. The focus should be in creating value-added for agricultural commodities. This means carefully examining the value-chain for specific commodities where specific gains in efficiency and returns can be achieved. This also calls for identifying key commodities where the country can focus its efforts and resources, and where it can obtain the highest value added. Among the candidate crops are sugar for ethanol production, coconut for coco-diesel production, palm oil production, rubber production, fruits like mango and durian, and aqua marine products.

69. In the medium and long run however, the experiences of newly-industrializing countries (NICs) in the region show us that increasing yield per hectare of land and per unit of agricultural labor is a mere first step in the process of developing the countryside. Downstream and upstream industries for various agricultural crops should be established for greater value added and job-generation capacity. Then, there has to be a deliberate effort to provide the framework and the support for the establishment of rural industries as there is no way that agricultural ventures will be able to absorb the ever-increasing number of landless workers. It goes without saying that the institutional framework and arrangement for such a thrust will have to be provided. The conversion of the PARC into a Joint Commission on Rural Development (JCRD) to provide the policy direction and exercise oversight function of rural development-related agencies will be a step toward this direction.

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## Annex 1. Laws and Issuances on Agrarian Reform

### LAWS

<u>TITLE</u>	<u>DESCRIPTION</u>
Act No. 496 ( <b>Land Registration Act of 1902</b> )	Placed all private and public lands under the Torrens system.
Act No. 2259 ( <b>Cadastral Act</b> )	Speeds up the issuance of Torrens titles. This was done by surveying a municipality and presented the result to the land registration court.
Act No. 926 ( <b>First Public Land Act</b> )	Provided rules and regulations for selling and leasing portions of the public domain, completing defective Spanish land titles, and canceling and confirming Spanish concessions.
Act No. 2874 ( <b>Second Public Land Act of 1919</b> )	Limits the use of agricultural lands to Filipinos, Americans and citizens of other countries.
Act No. 141	Amended the Second Public Act of 1919 or Act No. 2874. A temporary provision of equality on the rights of American and Filipino citizens and corporations. It also compiled all pre-existing laws relative to public lands into a single instrument.
Act No. 1120 ( <b>Friar Land Act</b> )	Provided the administrative and temporary leasing and selling of friar lands to its tillers
Act No. 4054 ( <b>Rice Share Tenancy Act of 1933</b> )	First legislation regulating the relationships of landlord and tenants and the first law to legalize a 50-50 crop sharing arrangement.
Act No. 4113 ( <b>Sugarcane Tenancy Contracts Act of 1933</b> )	Regulated the relationship of landlord and tenants in the sugarcane fields and required tenancy contracts on land planted to sugarcane.
Republic Act 4054 ( <b>Rice Tenancy Law</b> )	First law on crop sharing which legalized the 50-50 share between landlord and tenant with corresponding support to tenants protecting them against abuses of landlords. However, this law was hardly implemented because most of the municipal councils were composed of powerful hacenderos and big landlords.
Commonwealth Act No. 461	Specified that dismissal of a tenant should first have the approval of Tenancy Division of the Department of Justice.
Commonwealth Act No. 608	Enacted to establish security of tenure between landlord and tenant. It prohibited the common practice among landowners of ejecting tenants without clear legal grounds.
Republic Act No. 34	Enacted to establish a 70-30 sharing arrangement between tenant and landlord. The 70% of the harvest will go to the person who shouldered the expenses for planting, harvesting and for the work animals. It also reduced the interest of landowners' loans to tenants at not more than 6%.
Republic Act No. 1199 ( <b>Agricultural Tenancy Act</b> )	Governed the relationship between landholders and tenant-farmers. This law helped protect the tenurial rights of tenant tillers and enforced fair tenancy practices.
Republic Act No. 1160	Entitled as Free Distribution of Resettlement and Rehabilitation and

	Agricultural Land and an Act Establishing the National Resettlement and Rehabilitation Administration (NARRA)
Republic Act No. 1400 ( <b>Land Reform Act</b> )	Known as “Land to the Landless” Program which sought improvement in land tenure and guaranteed the expropriation of all tenanted landed estates.
Republic Act No. 3844 ( <b>Agricultural Land Reform Code</b> )	Considered to be the most comprehensive piece of agrarian reform legislation ever enacted in the country. This Act abolished share tenancy in the Philippines, and prescribed a program converting the tenant farmers to lessees and eventually into owner-cultivators.
Presidential Decree No. 27	Provided for tenanted lands devoted to rice and corn to pass ownership to the tenants, and lowered the ceilings for landholdings to 7 hectares. The law stipulated that share tenants who worked from a landholding of over 7 hectares could purchase the land they tilled, while share tenants on land less than 7 hectares would become leaseholders.
Proclamation 131	Instituted the Comprehensive Agrarian Reform Program (CARP) as a major program of the government. It provided for a special fund known as the Agrarian Reform Fund (ARF) in the amount of 50 Billion pesos to cover the estimated cost of the program for the period 1987-1997.
Executive Order 129-A	Reorganized the Department of Agrarian Reform and expanded in power and operations.
Executive Order 228	Declared full ownership of the land to qualified farmer-beneficiaries covered by PD 27. It also regulated (fixed) the value of remaining rice and corn lands for coverage provided for the manner of payment by the farmer-beneficiaries and the mode of compensation (form of payment) to the landowners.
Executive Order 229	Provided the administrative processes for land registration or LISTASAKA program, acquisition of private land and compensation procedures for landowners. It specified the structure and functions of units that will coordinate and supervise the implementation of the program.
Republic Act 6657 ( <b>Comprehensive Agrarian Reform Law</b> )	An act instituting a comprehensive agrarian reform program to promote social justice and industrialization, providing the mechanism for its implementation and for other purposes.
Executive Order No. 405	Gave the Land Bank of the Philippines the primary responsibility for the land valuation function in order for DAR to concentrate its efforts on the identification of landholdings and beneficiaries, the distribution of acquired lands, and the other sub-components of the program.
Executive Order No. 406	Emphasized that CARP is central to the government’s efforts to hasten countryside agro-industrial development and directed the implementing agencies to align their respective programs and projects with CARP. This created CARP implementing teams from the national to the municipal levels and gave priority to 24 strategic operating provinces where the bulk of CARP workload lies.
Executive Order No. 407	Directed all government financing institutions (GFIs) and government owned and controlled corporations (GOCCs) to immediately transfer to DAR all their landholdings suitable for agriculture.

Executive Order No. 448

Pursued the policy that government should lead efforts in placing lands for coverage under CARP. It directed the immediate turn-over of government reservations, no longer needed, that are suitable for agriculture.

#### ISSUANCES

**DAR AO No. 2 (1992)**

Rules and procedures governing the distribution of cancelled or expired pasture lease agreements and Timber License Agreements under Executive Order 407.

**DAR AO No. 1 (1993)**

Amended certain provisions of Administrative Order No. 9 Series of 1990, entitled "Revised Rules and Regulations Governing the Acquisition of Agricultural Lands Subject of Voluntary Offer to Sell and Compulsory Acquisition Pursuant to Republic Act 6657."

**Joint DAR-LBP AO No. 3 (1994)**

Policy guidelines and procedures governing the acquisition and distribution of agricultural lands affected by Mt. Pinatubo eruption.

**DAR AO No. 1 (1995)**

Rules and procedures Governing the Acquisition and Distribution of all Agricultural Lands Subject of Sequestration/ Acquisition by the PCGG and APT whose ownership in Under Court Litigation.

**DAR AO No. 2 (1995)**

Revised rules and procedures Governing the Acquisition of Private Agricultural Lands Subject of Voluntary Land Transfer or a Direct Payment Scheme (VLT/DPS) Pursuant to Republic Act 6657.

**DAR AO No. 2 (1996)**

Rules and regulations Governing the Acquisition of Agricultural Lands subject of Voluntary Offer to Sell and Compulsory Acquisition Pursuant to Republic Act 6657.

**DAR AO No. 2 (1997)**

Rules and regulations for the Acquisition of Private Agricultural Lands Subject of Mortgage or Foreclosure of Mortgage.

**DAR AO No. 8 (1997)**

Revised guidelines on the Acquisition and Distribution of Compensable Agricultural Lands Under VLT/Direct Payment Scheme.

**DAR MC No. 7 (1993)**

Implementing guidelines on the Distribution and Tilling of the Public Agricultural Lands turned over by the National Livelihood and Support Fund to the DAR for distribution under the CARP pursuant to Executive Order 407, Series of 1990 as amended by Executive Order 448, Series of 1991 and as clarified under Memorandum Order No. 107 of the President of the Philippines dated March 23, 1993

*Source: Summarized from the brochure of the Bureau of Agrarian Reform Information and Education (BARIE). 2006. "Agrarian Reform History." DAR Website.*