

**T**HE AGRARIAN reform programme has transformed the Filipino farmer into a dignified and proud citizen. Emancipated from landlordism seven years ago, he has become self-reliant, contented and knowledgeable of the government's agricultural development plans. He has begun to savour the early benefits of agrarian reform. Harvests are bountiful as a result of modern technology made available to him by the government. Income is generally sufficient for his daily needs and the education of his children.

The effects of agrarian reform on the standard of living is noticeable in the wood and concrete houses that are replacing the old *nipa* and bamboo huts. The farmer can now borrow from rural banks and government lending institutions. He sells his produce through marketing co-operatives, which he partly manages. His house now boasts modern appliances and his children are better fed, clothed and educated.

Before the implementation of the agrarian-reform programme, the farmers had been under the yoke of a feudalistic system which enslaved them to the land they tilled. Many had been mere sharecroppers and had given most of their produce to the landlords, leaving very little for them and their families to live on. No financial institution ever dared to trust them with a crop loan, thus exposing them to the nefarious practices of loan sharks who were also their landlords. It was a social and economic malady for which there seemed no cure.

# Martial Law & the Sharecroppers

● The recent convention of US travel agents in Manila was abandoned after a bomb blast shattered the conference hall. President Ferdinand Marcos, who narrowly escaped the explosion, has now clamped down on the political opposition.

● Marcos suspended Congress and imposed martial law in 1972, ostensibly to create a "new society". Land reform was a cornerstone of his programme. Has it worked? This first article is the official Government version of progress.

The proclamation of martial law on Sept. 21, 1972, however, paved the way for the most ambitious agrarian reform ever attempted in the country's history. On Sept. 26, five days after the proclamation, President Marcos proclaimed the whole country a land-reform area. By a stroke of the Presidential pen, Mr. Marcos overhauled an entrenched landlordism which had been the root-cause of many social upheavals. The final blow to feudal landlordism came 25 days later, when the President issued Presidential Decree 27, the Tenant Emancipation Act, transferring ownership of rice and corn lands to the tenant tillers.

The decree, written in Mr. Marcos' own handwriting to dramatize the importance he attached to it, outlined the rules for the swift implementation of agrarian reform throughout the country. This marked the start of a new era for the Filipino farmers. It ended the centuries-old exploitative agricultural share-tenancy system.

In mid-1972 the area of tenanted

rice and corn lands was around 1.3 million hectares. Out of this hectareage, 41 percent were 50 hectares and above. This vast acreage was owned and controlled by only 1.6 percent of all landowners. This was the feudal nature of the land-tenure system which P.D. 27 dismantled.

The country's agrarian problem is rooted in the colonial period. The oppressive nature of the tenant-landlord system was a carry-over from the conquistadors and exploited by our own politicians. Land-ownership from the start was feudal; large tracts were given by the Spanish Crown to the friars and their favourites. Tillers worked the land as sharecroppers entitled to a fraction of the produce.

**T**HE GOVERNMENT had made several attempts to alleviate the conditions of the farmers through agrarian reform. But implementation was sporadic and unsynchronized, as well as half-hearted and corrupt. These half-baked programmes only led to rampant landgrabbing by

## Bananamania And The Landless of Mindanao

**T**EN YEARS ago, Mindanao, the second biggest island in the Philippines was lush with rice, corn, coconuts, coffee and other crops planted by the natives. Today, 28,000 acres have been switched to bananas on huge plantations developed by four giant multinational companies.

On a world basis the share of local growers in the final retail price is about 11.5 percent while gross margins of ripeners are 19 percent and retail gross margins are about 32 percent.

In Mindanao, in a bid for minimum trouble and maximum profit, the big multinationals operate through local growers. In that way, they can disclaim all responsibility for grabbing land from previous owners or the harsh living conditions of the banana

workers. Much of today's banana land was formerly in the hands of small farmers and peasants.

Debt is the norm among most of the 363 small growers who leased their land to Standard Philippine Fruit Company (Stanfico), owned by the Hawaii-based multinational Castle and Cook which markets pineapples and bananas under the Dole trademark.

A grower with a contract with the company will receive, in cash, no more than 1.6 percent of the final retail price in Japan, currently about £6 per box. Repayment of loans entered into with the company to pay for fertilisers, aerial spraying and the like, may be eating that up, and much more.

Other smallholders tempted by the

cash payments, sold their land and many are now workers in the plantations. Another group was simply expelled from the land because they didn't have proper legal title. These plots are now in the hands of the 22 major Filipino banana-growing corporations tied to the American and Japanese giants.

**BY MARIA HURTADO**

Local growers depend on the multinational growers for loans, have to comply with the standards set by them as regards quality, size and ripeness of the bananas, and have to sell at the price the multinationals determine. The few independent growers who export are finding it

affluent and influential groups.

Only seven years ago, when the divisiveness of politics was cast aside, true agrarian reform was implemented. Tenant farmers were emancipated from the bondage of big landowners and given the chance to raise their social and economic status. With Congress abolished, there were no loopholes to enable hostile politicians to derail the implementation of the agrarian-reform programmes as in the past. Agrarian reform became the cornerstone of the New Society.

The first step in the orderly transfer of landownership to tenant farmers was the launching of "Operation Land Transfer" involving the identification of tenant farmers and landowners, mapping out each tenant farm lot, distribution of certificates to the tenant tillers, land valuation, and landowners' compensation.

The cost of land was estimated at two and a half times the average crop yield over the last three years preceding the decree. The government's formula for tenant's amortization called for 15 annual instalments at 6% interest to pay for an allotted farm.

The tenant farmers were issued Certificates of Land Transfer to give them the vested right to the land they tilled. The recipient could use the certificate as collateral for loans for the improvement of his farm lot.

The landowner may retain an area of not more than seven hectares, if he



● **Ferdinand Marcos**

has been cultivating such land or will cultivate it. Government financing is also extended to landowners who choose to go into business or industry.

The landowners may choose any of the five schemes of settlement of payments for their land. These involve cash percentage payments, shares of stock, 25-year tax-free, 6% annual-interest Land Bank bonds, a full guarantee of 15 annual amortization made by the tenant farmers, annuities or pensions with insurance, and exchange of government-owned stocks.

P.D. 27 requires the tenant farmers to join a farmers' cooperative before they can receive their land titles. This requirement ensures that the cooperative will continue amortizing the land in case a tenant defaults. The cooperative is also an important part of a comprehensive mechanism designed to make the farmer succeed economically.

As of June 1978 the government, through the Ministry of Agrarian Reform, had issued 411,292 certificates of land transfer to 296,523 tenant farmers in 67 provinces. These certificates covered a total area of 508,493 hectares of rice and corn lands. In the same period the government, through the Land Bank, paid a

total of P974,601,840.34 to 4,544 landowners of 134,666 hectares in 45 provinces, tilled by 70,315 tenants.

To secure further the tenant farmer's tenure, the President issued a decree which prohibits the ejection of tillers from their farm-holdings and disallows the courts from entertaining complaints and harassment suits; prescribes penalties for the unlawful ejection, exclusion, removal or ousting of tenant farmers from their farmholdings; defines and establishes the procedure for the acquisition by small farmers of shares of stocks in rural banks, among others.

To encourage increased production, tenant farmers were provided with additional support such as feeder roads, irrigation, easy payment of agricultural loans, technical aid and other services, and establishment of a farmers' cooperative.

An overall increase of about 10 cavans per hectare was registered among land-reform farmers. Gross income also rose by almost 200 percent while net income increased by almost 100 percent.

**C**OMPACT farming was introduced to bring down the cost of farm production. The scheme requires that the cultivation, harvesting and marketing be supervised and directed under a plan and budget prepared by the farmers themselves. The costs and returns of production are pro-rated among the compact-farm members in proportion to the size of their individual farm lots.

The compact farm gives an advantage in economy and scale of production, and the farm members are assured of better credit from the Agricultural Credit Administration or rural banks. The credit risk is also less because the members are bound to guarantee each other's loan jointly and severally. There are 360 compact farms in the country, with 11,400 members cultivating some 19,300 hectares.

Displaced and landless farmers have been given lands to till through the resettlement projects established in Mindanao. Forty-three settlements covering an area of 730,000 hectares are being developed into productive farms by 50,000 settler-families from Luzon, the Visayas and Bicol.

Since 1974 land consolidation has been started on a pilot basis. Today there are six land-consolidation projects covering a total area of 6,690 hectares involving 2,625 farmer-beneficiaries.

## THE UNOFFICIAL VIEW

increasingly difficult to compete with the four giants. The three American companies - Castle and Cooke, Del Monte and United Brands - dominate three quarters of the world's trade in bananas.

The small landowners who have now become debtors or landless, have not reaped the benefits of ten years of bananamania. Nor have the banana workers. In 1975, the local banana companies in Mindanao earned profits of around £10 million, and the multinationals, a minimum of £21 million. In the same year, the total wages of the 25 thousand plantation workers were only £2.5 millions.

The banana workers on a daily rate are lucky if they get the minimum agricultural wage - 50p a day, and barely enough to buy a little rice,

some dried fish and some soap.

There is a trade union, but like most in the banana industry, it is set up by the company.

The government says that banana exports will help lift the Philippines out of underdevelopment. However, the capital gains of the banana industry are diluted by among other things, the profits reaped by multinationals, the difficulty of expanding the rigid market, the growing technological gap between rich and poor countries, protectionist pressures in the West and the servicing of the Philippines' mounting foreign debt.

● *THE AUTHOR works for the World Development Movement in London. This report originally appeared in The Guardian, 10.9.79.*