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## LAND REFORM IN THE PHILIPPINES

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LAND REFORM in the Philippines began with the American occupation, when land reform was fated to fail because farmers lacked the infrastructure and expertise to retain their farms. A 1933 law made land reform dependent upon a proclamation of separate provinces as land reform areas, and such proclamations did not occur until 1946. During the period of independent democracy, from 1946 to 1972, various land reform acts and amendments were passed. But funds for implementation were generally not appropriated and, when appropriated, were not spent. Reforms occurred, but very slowly and only when immediate insurgent threats stimulated implementation. Now the martial law government claims to base its legitimacy on successful land reform.

Land reform, the transfer of land ownership from large holders to small or from non-tillers to tillers, is a prodigious task, but land reform alone guarantees most rural societies neither subsistence, nor equity, nor growth, nor progress toward modernity. In order to sustain itself and to achieve these values, *land reform* must be accompanied by *agrarian reform*, defined as the creation of the physical and institutional infrastructure necessary for small holders to maintain themselves. This infrastructure includes irrigation, transport, communications, credit facilities, education, markets and access to markets, access to fertilizer and seeds, etc. More broadly, even successful land reform and agrarian reform will fail unless they are integrated into a larger *program of*

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*modernization* of the entire economy. If reform leaves an agricultural sector with a broadly expanding population embedded in a backward economy without industrial growth, eventually fragmentation will lead to poverty, and poverty to social subordination.

These observations motivate the initial comments on Philippine land reform plans. First, these plans reveal awareness of the technicalities of agrarian reform, and a considerable ingenuity in devising methods for overcoming major obstacles. Second, Philippine reform programs are tied neither to any integrated view of the national economy and its principal trends (e.g., industrialization, urbanization, rising population), nor to any explicit vision of the national political future. The expertise does not ensure success, nor does the myopia necessarily imply failure, but expertise and myopia affect all other aspects of Philippine land reform.

Land reform is a means in the service of some ends, such as political stability, or equity, or agricultural productivity, or societal modernity. If the principal goal is political stability, then minimum reforms may disarm insurgencies without threatening existing social structure, whereas thorough reforms might threaten upheaval. If the fundamental goal is equity, then one must ask, "Equity for whom?" Equity may mean expropriation of all absentee landlords as social parasites, or rough equality among tillers of the land, or that underpaid teachers and low-level civil servants, whose subsistence would be precarious without supplementary income from tiny landholdings, possess some moral claim to land. If agricultural productivity is emphasized to avoid starvation or to finance national economic growth, then reform may be limited to backward sectors, modern plantations may be exempted, and even in some backward sectors equity might be somewhat compromised to maintain minimum standards of living. If a prosperous modern society is emphasized, then other goals may be subordinated to getting the population off the land and into industrial cities. These goals are hardly mutually exclusive, and no society could ever achieve total agreement on priorities, but implicit priorities nonetheless affect plans, and programs differ in the mix of these goals that they achieve.

The Philippine land reform program has not explicitly chosen priorities, but its policy choices reveal preferences. There is no commitment to any specific vision of societal modernity except that land reform is supposed to avert revolution and, among middle class, foreign-trained technocrats, is associated with modernity. Political stability is an overwhelming priority. Outflanking the New People's Army, and avoiding a repetition in the Philippines of the Vietnam experience, are omnipresent justifications for land reform; moreover, the program is very sensitive to the demands of every group with disruptive capabilities and would be curtailed if necessary to avoid political upheaval.

But there is also a belief that the inequality of Philippine rural

society is morally intolerable. While the Philippine Constitution guaranteed "life, liberty, and property," and in contrast the Federation of Free Farmers feels that all absentee landlords are social parasites, the government administrators pursue moderate equity, balancing intense concern for the landless peasant with sympathy for the underpaid rural teacher who owns a spot of land and for those landlord families who have earned some rights through unusually hard and intelligent work. The debate over equity pivots around the questions of landlord compensation and land retention by landlords. And while the debate regarding practical and moral approaches to these questions is exceedingly fervent, it is not angry so long as the landlords' retention limit is greater than nothing and well under ten hectares.

Agricultural productivity and economic growth are also highly valued, as reflected in the exemption of modern plantation agriculture, such as sugar and coconut plantations, from reform, and the concentration on the backward rice and corn sectors. Thus the Philippine reform program serves equity within a political imperative of political stability and an economic imperative of productivity. The priorities of the program are thus balanced and moderate, raising the crucial question: To what extent can a balanced and moderate program succeed in a nation marked by such severe inequality?

### *The Administration of Land Reform*

Unless a peasantry can in effect carry out reforms itself, no administrative structures and strategies will successfully implement reforms without firm central political commitment to the reforms. The sincerity of the Philippine President and top agrarian reform leaders in the Philippines is not doubted by most observers.<sup>1</sup> But whether the top political leadership will take large political risks and incur costs that hobble other favorite programs is a more complex issue.

A second prerequisite of effective reform administration is sufficient centralized power to prevent opponents from overthrowing the reformist government and to minimize landlord sabotage. Taiwan, Japan, and Asian communist countries are archetypes of the necessity of strong central power. But central power and central commitment may prove ineffective or self-defeating without effective administration.

In two polar cases the administrative problem disappears. The first case, illustrated by late 19th century Russia, is where central political power and landlord class power erode, and a strong peasantry takes matters into its own hands and implements reform itself. The opposite polar case would be where a central ruler proved so powerful that he could transform his society without any assistance from peri-

<sup>1</sup> For an exception, see the polemic by Benedict J. Kerkvliet, "Land Reform in the Philippines Since the Marcos Coup," *Pacific Affairs*, 47:3 (Fall 1974), pp. 286-304.

pheral social groups. Both polar cases are historical aberrations. Usually the peasantry is subordinated to more organized and more powerful land-owning groups, and central authority must rely upon the support of land-holding groups for exercise of its authority in rural areas. In this situation neither of the polar strategies for implementing land reform is effective, and only some combination of them would normally lack the expertise to implement reform and the power to confront local elites, whereas a thoroughly centralized reform administration would become overloaded by the details of administration and by the resistance of local elites. Usually, therefore, reforms can only be implemented by a political and administrative alliance of the central regime and the peasantry, an alliance which John Montgomery has characterized as "administrative devolution."<sup>2</sup>

Devolution involves sharing of responsibility, power, and skills. All three components are crucial. Without a division of responsibility, a division of power and skills will most likely, given the natural mutual suspicions of peasants and bureaucrats, lead to conflict rather than complementarity. Unless the peasants possess adequate skills, sharing of responsibility will remain vulnerable to counteraction by local elites or will serve only as the passive, demoralized, impotent tools of central administration. But if responsibility, power, and skills are shared, an extraordinary complementarity can result. Local organizations relieve the bureaucracy of routine administrative decisions. The central bureaucracy gains access to local knowledge of land boundaries, land productivities, and ownership histories, a knowledge superior to anything obtainable by high technology surveys and compilation of legal documents. Provision of authority to local organizations stimulates enthusiasm and enhances peasant political power.

Devolved administration is seldom easy to implement. In the Philippines the ability of the central government to neutralize landlord power is everywhere in doubt. Small-holding landlords are very numerous and they play the leading social roles in every community. Teachers, judges and civil servants typically are either landlords or come from land-holding families. Organization of peasants is extremely difficult. The informal organizational traditions of Philippine society make it difficult to create formal, disciplined organizations capable of formal decision-making, accounting, record-keeping processes, and exercise of power. Peasant organizations often achieve great numbers and thus come to constitute effective voting blocs and intelligence gatherers. But the creation of highly disciplined large-scale peasant organizations has proved elusive.<sup>3</sup> Jeremias Montemayor, President of

<sup>2</sup> John D. Montgomery, "Allocation of Authority in Land Reform Programs: A Comparative Study of Administrative Processes and Outputs" (New York: Agricultural Development Council, March 1974).

<sup>3</sup> For further details, see William H. Overholt, "Martial Law, Revolution and Democracy in the Philippines," *Southeast Asia*, 2:2 (Spring 1973). Luis Taruc feels

the Federation of Free Farmers, testifies that in unorganized barrios far from the capital city, the presence of even two or three landlords can destroy the effectiveness of a reform administration which depends upon peasant organization.

Such difficulties raise the question of whether strong central power and effective peasant organization are prerequisites of reform, or whether land reform creates these conditions. Clearly, there are cases—as in Burma—in which current central power and peasant organization are so weak that land reform could prove impossible. But it is hardly necessary for all essential aspects of devolution to precede initiation of reform. The problem is to create a process by which existing capabilities are exploited to initiate reform, and the reform process itself then generates peasant enthusiasm, organization, and skills, which become the basis for further reform.

As Montgomery has noted, the devolved system produces great internal tension. The bureaucrats implementing reform are more interested in process than in result, and they are trained to emphasize regularity, legality, and efficiency rather than equality. They rightly suspect peasant commitment to the former values and peasant ability to perform bureaucratic functions. The peasant perceives the bureaucrat as an intruder, by temperament and life style essentially foreign, and as a source of incomprehensible obstacles and delays in the apparently simple process of giving a man the land he tills. Such tension can be creative, but when the two aspects of the devolved system do not mesh, enthusiastic bureaucrats meet villagers who appear totally apathetic regarding government reforms. The same villagers often support an insurgency organized around land reform.

The Philippine land reform program illustrates all of these points. Officials acknowledge that land reform has uniformly proved easiest where former Huk activity has left a legacy of peasant organization, even though these areas are presumably most hostile to government. Land reform has proved most difficult in areas farthest from central political power and most remote from the politicizing and organizing power of insurgencies. The Philippine government has encouraged the organization of the Federation of Free Farmers under Jeremias Montemayor, the Federation of Land Reform Farmers under Mack Fabian, and even the Agrarian Reform Movement under former Huk leader Luis Taruc. In addition, the organization of *Samahang Nayons*<sup>4</sup> to oversee amortizations, and of barrio committees to make political decisions, have been encouraged. But despite some outstanding successes the national impact of such organizations is still very weak and

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that I overstress the difficulties of Filipino peasant organization, but his evidence and mine do not conflict if one acknowledges that *large* organizations can easily be created, and can serve, for instance, as excellent intelligence nets, but that discipline, central control, and non-patron/client authority patterns have proved elusive.

<sup>4</sup> *Samahang Nayons* are local units of cooperatives. Their role is detailed below.

the central government may lack adequate skills and a sense of urgency to strengthen local initiative.

Montgomery's analysis indicates that no single type of local organization, and no particular delegation of functions, accounts for land reform success. The administrative functions which can be delegated include: (1) initiating proposed changes in rights, (2) issuing certificates of land ownership, (3) enforcing contracts, (4) managing peasant repayments, and (5) adjudicating disputes. Any of these can be delegated. The local organizations utilized to perform reform functions during successful reforms include traditional village organizations in Korea, special newly elected organizations in Taiwan and Japan, both of these in Iran, special individuals and commissions authorized to act and pass on proposals in Mexico and Guatemala, unions in Venezuela, the local judiciary in Bolivia, and a communalized system of land management in Chile. However, delegation to the local judiciary depends upon a strong local judiciary, and delegation to traditional village organizations presumes either that those organizations are not dominated by landlords or that such domination can somehow be overcome. The Philippines have numerous local organizations, performing both the pressure group and functional tasks. But the unofficial organizations still seem vulnerable to elite counteraction, and the official organizations operate under such tight central control that in their infancy they have neither tapped local initiative nor stimulated a national outpouring of peasant enthusiasm.

Decisions on the distribution of power and functions represent only the first layer of administrative decisions. Failed land reform programs display no lack of decrees, or of organization charts staffed with layers of bureaucrats. The failed programs do not officially die; they just fade away into administrative miasma. Land reform programs are therefore built upon speed and decisiveness.

The first imperative is an effective, efficient, and dedicated reform bureaucracy. A reform administration divided among competing bureaucracies, or staffed with mediocrities, or recruited from conservative land-owning families, will greatly inhibit reform. Second, the immense complexity of reform problems must be minimized by emphasizing simplicity of rules for expropriation, for valuation of land, and for compensation. The expropriation procedure will always invite administrative and judicial wrangling in the absence of a quick-taking procedure which allows decision-makers to act decisively and then make adjustments later. Third, the chief administrators of the reform need a decision-making process which will cut through the inevitable inter-departmental and political disputes, and automatically exercise police or other power to combat interference. Fourth, speed and decisiveness are greatly facilitated by good infrastructure, including transport, communications, markets, and good land ownership and productivity

records.<sup>5</sup> If such infrastructure and records are not initially available, they must be created.

Philippine land reform has experienced all the difficulties one would expect in a poor society of immense inequality. Laws and decrees have been passed over three decades, yet many ambiguities of interpretation remain. Decisions on land valuation are subject to bargaining processes which occasion lengthy delays. The emergence of an independent, unified agrarian reform department was slow. That department has successfully recruited a group of enthusiastic and competent technocrats at its upper levels, but experiences difficulties in staffing middle and lower levels with civil servants who are not of landlord background. Decisions of the Department of Agrarian Reform are subject to interminable challenge in a conservative and independent court system whose requirements of due process can immobilize reform. Implementation has repeatedly been hindered by informational inadequacies. Underestimation of the number of small holders caused underestimation of their political power and overestimation of the land available for distribution. Lack of written land records facilitates landlord deception and ejection of tenants and also hinders assignment of land values. Because of weak farmer participation, regional administrators and Courts of Agrarian Relations are swamped with work.

In addition to these administrative requirements, several crucial rules of thumb can facilitate implementation of reform. First, the best way to stimulate development of local administrative infrastructure is to begin the reform. But nothing fails like failure, so it is important to assure some early success—for instance, by picking easy initial targets. Second, it is essential that the reform proceed according to some clear vision of the post-reform system, else unexpected difficulties and complications will be faced without clear principles of decision. Third, each landlord function must be assumed either by appropriately educated individual peasants, by local organizations with appropriate skills, or by the central government. How has the Philippine government faced such imperatives?

*Evolving an Effective Central Land Reform Administration:* Prior to August 1963 Philippine administration of land reform dispersed responsibility among various local organizations. No central figure held ultimate responsibility and authority. Different agencies had responsibility for such related functions as solving tenancy problems and settling new lands. Land acquisitions were mostly limited to areas of violence. The

<sup>5</sup> For additional details on the issues raised in this paragraph, see Peter Dorner, "The Experience of Other Countries in Land Reform: Lessons for the Philippines?" presented at the SEADAG conference, Baguio, April 1975.

emphasis was on distribution of public agricultural lands of such little value that the society's elite was uninterested in them.

In August of 1963 the Macapagal administration passed R.A. 3844, the Agrarian Land Reform Code. The Code created a Land Reform Council coordinating the five agencies concerned with land acquisition, extension work, credit, finance, and legal services. The Council was put in charge of municipal level interagency teams, consisting of a team leader, an agricultural worker, and a co-op worker, but the Council could not compel agency cooperation and eventually was crippled by interagency competition. Land reform in this period was ridden by politics, with most appointments made on political grounds.

The law required that areas be proclaimed as land reform areas on the basis of share-tenant density, land productivity, and other criteria, prior to reform. The intricate proclamation process required preparation of a development plan approved by the Land Reform Council. Initially, individual municipalities were proclaimed as land reform areas, but the complications of the process led first to proclamation by groups of municipalities, then after the Marcos administration took office in 1966, by larger legislative districts. Such changes did not confront the problems of interagency competition and lack of authority.

In September of 1971, the Agrarian Land Reform Code was modified, creating a central Department of Agrarian Reform (DAR) and proclaiming the whole country as a land reform area. Eleven regional offices were established under the Secretary of Agrarian Reform, with great delegation of authority because of the archipelago geography and the immense regional economic and cultural variations. Interagency teams came to cover the entire country. However, Congress appropriated only 27% of the proposed budget of the Department.

In October of 1971, President Marcos' martial law regime provided a full land reform budget for the first time. Despite the generous funding, crucial problems remained. By comparison with Japan, Taiwan, and Iran, the Philippines desperately lacked coherent land and economic records. Officials recruited to straighten out records had to be college educated, and thus most of them were from big landlord families. Personal screening of each appointment by the Secretary was necessary to assure reformist attitudes. As soon as DAR officials began to be effective in implementing land reform, landlords changed their legal tactics from ejection of tenants to filing legal cases against DAR workers. These extremely numerous cases were generally filed in such a way that public funds could not legally be expended to defend the fearful and demoralized DAR workers. Similarly, Agrarian Reform Coordinating Councils supposed to be formed at the municipal levels sometimes never were formed, and even when formed they frequently consisted solely of anti-reform landlords.



Solution of these problems requires relieving the excessive administrative burdens and putting the landlords rather than the reformers on the defensive. The key suggestions forthcoming at the 1975 SEADAG conference focused on organization of farmers, both for informational and for pressure group purposes, and on making local officials responsible for, and strictly accountable for, implementation of land reform. Both of these strategies, however, confront severe problems. The peasants are inarticulate, hard to organize, and frightened of landlord retaliation. The entire governmental structure, including police, other governmental departments, judges, teachers, and politicians, consists of landlords. Moreover, screening 120,000 local officials would be impossible. The general strategy suggested for overcoming these obstacles consisted of: (1) emphasizing peasant organization; (2) encouraging peasants to speak out; (3) using local councils, monitored by the DAR, to make decisions and putting the burden of proof on the landlord to overrule them; (4) forcing local political officials, even if they are landlords, to make decisions and then using the DAR to monitor them; (5) auditing local officials with an elite team, emphasizing spot checks, perhaps supported by computers; and (6) depending upon harsh punishment of the worst offenders to force unsympathetic local community leaders to implement reform in order to stay out of jail. Mao Tse-tung used such a strategy in China, employing even former clan business managers to implement key communist policies.

*Legal Transfer of Ownership:* Prior to martial law, the Philippine government emphasized converting share croppers into lessees, but after 1972 the emphasis changed to conversion of lease holders into amortizing owners, with each tiller to be given a family-size farm of five unirrigated hectares or three irrigated hectares. In order to circumvent legal delaying tactics, the tenants were automatically deemed owners, and their lease payments were credited as amortization payments beginning when expropriation proceedings were started. This quick-taking procedure was defeated, however, by owners' refusal to recognize farmers as their tenants, made possible by the use of oral rather than written contracts. This problem was exacerbated by traditions of assisting family members in times of difficulty by allowing them to till land without any legal tenancy relationship. Likewise, landlords attempted to circumvent the reform by claiming intent to till their own lands, by subdividing lands, by ejecting tenants, by selling lands, by harassing tenants, and so forth. All such actions were declared illegal, but nationwide enforcement has proved administratively difficult. The Land Bank has further slowed land transfer by requiring excessive documentation of peasant claims. And the DAR has given priority to the landowners' *permission* (not *right*) to retain

up to seven hectares rather than to the tenants' right to possess family-sized farms.

The government limits tenants' titles to reformed land, permitting transfer of land only to either the government or a single heir. By so doing, the government hopes to prevent fragmentation of land among heirs, reversion to non-tillers, and commercialization, and to allow later, government-administered consolidation of the small holdings. Whether such laws will prove enforceable is dubious, given the pressures of population and of commerce; if successful, such laws are unlikely to prevent fragmentation of the *income* from the farm. Limitation of title may hamper use of the market for needed adjustments after inequality has been ameliorated, and government administration of consolidation could prove to be an immense task. Here it should be recalled that unlike Taiwan the Philippines lacks long-range economic planning and long-range land-use plans.

Administration of the automatic transfer of ownership and of the concept of owner-cultivator agriculture has been somewhat undermined by administrative decisions. Legally, landlords may retain some tenanted land if they cultivate the land personally, and the administrative definition of personal cultivation permits use of hired labor. A loophole permits owners to deprive peasants of home-lots and of access to private irrigation systems and fragments of pasture. A decision to exclude non-rice and non-corn land, and non-tenanted land, from land reform means that "A landowner could own 200 hectares of rice land, 194 of which are under plantation management and 6 of which are tenanted, and the 6 hectares would be exempt from land transfer because it is less than 7 hectares—the present lower limit of implementation."<sup>6</sup> Jointly owned land is treated as if it were divided among the owners into separate plots. When a single latifundium includes both rice/corn land and other crops, only the rice/corn land is transferred. In the past such land has tended to gravitate back to the original owner despite limited title laws, but the Secretary of Agrarian Reform argues that this cannot occur under present administration. Further dilution of the owner-cultivator concept could occur under proposals to exclude retired government employees, resident landowners, and landowners whose rentals are their only source of income, from the reform. On the other hand, the possibility of an executive decision to move to zero-retention remains open.

**Land Pricing:** The price of land under reform is defined as 2.5 times the value of the average gross harvest. The "average" excludes

<sup>6</sup> Duncan A. Harkin, "Strengths and Weaknesses of the Philippine Land Reform" (Manila: February 1975, mimeo). Much of the detailed information on Philippine land reform implementation comes from this paper and from Jose C. Medina, Jr., "The Philippine Experience with Land Reform Since 1972: An Overview," SEADAG paper (New York: Southeast Asia Development Advisory Group, March 1975), as well as from SEADAG conference tapes.

years of typhoons and other frequent disasters, thus disadvantaging peasants. Immediately after post-martial law, land prices were set by personnel of the Departments of Agrarian Reform, Agriculture, Local Government and Community Development. Next, prices were determined by Barrio Land Valuation Committees consisting of the barrio captain, a *Samahang Nayon* representative, four tenant farmers, two owner cultivators, two landowners, and one DAR representative. Landlords frequently paralyzed these committees by refusing to attend. In February of 1974, DAR field personnel became responsible for bringing landlords and tenants into face-to-face bargaining over the land price. This process was advantageous to the landlord, with his superior knowledge and bargaining power. The peasant may also suffer because negotiated land prices are likely to reflect expectations of future rises in land value, and because title limitations may reduce the land value in ways the peasant does not understand. Quarreling and litigation regarding land prices have reached a scale which Harkin regards as, "probably enough . . . to overwhelm the Courts of Agrarian Relations and the centralized DAR administration." As Harkin remarks, devolvement of authority to set land prices may be the only way to prevent the complexities of these decisions from overwhelming the administration. To date, the willingness of Manila to hear landlord complaints has overcentralized and immobilized much of the decision-making process. A proposal by Wolf Ladejinsky that, after some time limit, tenants should be allowed to stop paying rent and regional directors should have authority to set land values, has not been adopted.

Peasants must amortize the full value of the officially-set land price, paying interest of 6%. The only redistributive benefit for the share-tenant (who normally would pay the landlord half of his crop) derives from the low interest rate, which results in the share-tenant's acquiring the landlord's share in the land at about 68% of its capitalized value. However, the landlord has the option of receiving 10% cash and 90% in partially negotiable Land Bank bonds, making compensation effectively 92%, with the difference (92% minus 68%) carried by the Land Bank. Leasehold tenants, on the other hand, normally paid only 25% of their crop, and their amortization payments are set at an equal amount, but in addition to his amortization payments the peasant must assume liability for property tax, for *Samahang Nayon* membership, and for payments to an amortization guarantee fund. Tenants could reasonably regard this arrangement as unfavorable because of their increased costs for fifteen years. But landlords perceive total confiscation because the tenant pays only his normal rent and yet becomes owner after fifteen years.

Under current laws landlords can choose from a number of alternative compensation options including: (1) cash payment of 10% and balance in 25-year tax free 6% land-bank bonds; (2) payment of 30% in preferred stocks and the balance in Land Bank bonds; (3) full

guarantee of payment of 15 equal annual amortizations by the tenant farmers; and (4) payment through annuities or pensions with insurance; and (5) exchange of ownership for government stock in corporations. Not surprisingly, Jose Medina reports that "as of March 31, 1975, 97.9% of all landowners paid by the bank opted for option one" because the Land Bank bonds may be used to purchase property and reparations goods from the government and in other ways which amount to immediate capitalization of the bonds and thereby avoid loss of value because of low interest rates. Although President Marcos hoped, according to Secretary Estrella, to minimize the government administrative role by making most payments direct landlord/tenant transactions, the landlords prefer the security provided by government-administered options. This may beneficially sever landlord/tenant relations and thus reduce direct conflict. Payment in kind, which Taiwan used to reduce landlord fears of inflation, has not been tried in the Philippines, because the government lacks similar (recently foreign-owned) assets to transfer.

A central issue is whether a graduated compensation system can be made useful and workable. Small-holders with a precarious living seem to many to deserve somewhat better treatment than the few great landlords whose enormous wealth insulates their life style from reform. Moreover, the small holders are exceedingly numerous and, given their precarious situation, more determined to fight for their land than the large landlords. *Land reform's most effective opponents are the small landlords, not the large.* The central question is whether graduated compensation would become an administrative nightmare. Peter Dörner and other students of the administrative issues concur that it need not. Initially the Philippine land reform included no graduations in compensation, but discovery that most landlords were small-holders, determined to resist reform, led to announcement in mid-1975 of "sweeteners" for small-holders, including higher payments in cash (20% rather than 10%) and rights to low interest Land Bank loans for education, homes, and insurance. One could also favor those small-holders totally dependent upon land income—69% according to one government survey, but 21% according to a more careful survey by Douglas Harkin. However, given an option that pays 92%, the scope for graduated compensation is very limited.

*Village Agrarian Reform Institutions—Cooperatives:* In any reform, new institutions must replace the economic functions previously performed by landlords and organize farmers to defend their interests. But cooperatives everywhere prove difficult to found and even more difficult to sustain. In the U.S. and Denmark it took 40 and 50 years respectively for cooperative movements to succeed. Breakdowns occur because of small size, poor management, lack of economic advantages, and cor-

ruption, except where cooperatives have been backed either by a strong ideology, as with the Hutterites and with Israeli kibbutzes, or by government compulsion. Of the 700 Philippine Farmers Cooperative Marketing Associates (FACOMA) formed in the 1950s, only 100 remain active, of which only 80 are profitable and only 30 have a positive net worth. Faced with this, Filipino agrarian reformers have invented a new institutional structure.

In the Philippines, individuals may not join cooperatives directly. Instead they join barrio associations called *Samahang Nayons*, and *Samahang Nayons* in turn join the cooperatives. Thus the cooperative deals with units sufficiently large to be economical. The *Samahang Nayons* are organized in the most responsible barrios and must go through a training program. Individuals must join *Samahang Nayons* before they can receive their Certificates of Land Transfer (CLTs). On joining, individuals must pay a ten peso membership fee, and participate in individual and group forced-savings programs. The individual forced-savings program requires the farmer to contribute 5% of all of his Land Bank loans to a savings fund for cooperative investment, and the group savings plan requires each peasant to contribute one cavan of rice each season for each hectare he tills to a group amortization guarantee fund. Membership in the *Samahang Nayons* is open to all, but people with more than 7 hectares of rice land, 10 hectares of coconut land, or 24 hectares of sugar land, are barred from membership on the board, as are merchants and public officials.

Orlando Sacay, the program's founder, reports that 16,000 out of 33,000 barrios had *Samahang Nayons* by mid-1975, and about half the farmers in those 16,000 barrios had joined. About 5% of the members are non-farmers, including agricultural laborers, 40% are tenants, and the remainder are owners and part owners. These *Samahang Nayons'* ability to sustain effectiveness is not yet proved, and some farmers have returned their CLTs because of the burdens of membership.

Membership rules have caused difficulties for *Samahang Nayons*. Since land reform began before the *Samahang Nayon* program, the rule that CLTs could not be given to non-*Samahang Nayon* members was undermined from the start; however, this problem appears to have been minimized. The forced-savings programs and the ten peso membership fee prove extremely burdensome to poor farmers. These cost problems are exacerbated by the peasants' loss of control over money put into the savings program, by suspicion of the government's motives in imposing such costs, by peasants' inability to withdraw their savings if they move, and by the frequent absence of free choice of a *Samahang Nayon*.

Opening the *Samahang Nayons* to all social groups is also controversial. The government insisted on this, believing that most of the capital would come from the higher income groups, and that the default

rate of an association limited to poor farmers would be very high.<sup>7</sup> Moreover, Orlando Sacay was anxious to have only one economic agency in the village. There are ten agricultural field agencies—extension service, irrigation, family planning, and so forth—which work at the village level, and the government wants to avoid organizational proliferation and competition. And, according to Sacay, these organizations all tend to choose the same leader anyway.

These economic concerns seem to be corroborated by data showing that less than half of *Samahang Nayon* members have so far contributed their required individual and group savings. However, data are incomplete. Against this argument Jerome French of U.S. AID points out that a worldwide AID survey showed that, although small farmers frequently do default on payments, they tend to repay better than large farmers. Moreover, without exceptions outside the Philippines, in cooperatives which include both large and small farmers, services tend to go primarily to the larger farmers. The experience of the Philippine Federation of Free Farmers indicated that when tenants try to discuss harassment and other problems at *Samahang Nayon* meetings they are ruled out of order. Since they constitute only 40% of the membership, and since they are the least skilled in leadership, the tenants cannot obtain an adequate hearing. Thus, multiple group membership in the *Samahang Nayons* promotes economic inequality and elite political domination. In addition, further inequities result when, for instance, private irrigation systems are given to the *Samahang Nayons* and as a result teachers and merchants obtain a voice in the management of facilities in which they have no interest. Moreover, some object to the goal of having only a single economic organization in each village on the grounds that some enterprises, such as the purchase of an irrigation pump, involve only eight farmers, whereas a cooperative fertilizer purchasing organization has involved as many as 18,000 farmers.

The *Samahang Nayon* movement is based on a philosophy of self-reliance, except for organizational assistance, credit subsidies, and subsidies to pay for initial management. The Federation of Free Farmers has discovered that financial assistance, and heavy central involvement in local affiliates, kill the local organization. Anecdotes of such failures suggest three causes: first, outside financial assistance allows farmers to believe they can get a free ride; second, peasants react against outsiders from different areas and social classes; and, third, outsiders erroneously identify peasant needs. The first problem appears in extraordinary loan default rates; the second in cases where

<sup>7</sup> According to Under Secretary Sacay the Land Bank lends at 12% interest rates, with 5% administrative costs, 3% money costs, and 5 to 40% defaults; in the Masagana 99 program only 40% repayment has been achieved.

extraordinary application of government expertise produces no positive result; the third where outsider-stimulated purchases of production equipment and creation of credit unions fail and then a locally organized consumer cooperative succeeds.

Such observations raise two major questions. First, will the current rather firm government control of the *Samahang Nayons* not automatically cause their failure? Second, what is the contribution of the government if self-reliance is crucial and if heavy government encouragement and assistance cause failure? Clearly, increments of education and technical assistance are useful if provided in the necessarily small amounts. But the evidence provided both by government and by the Federation of Free Farmers suggests that the government's most important roles may lie elsewhere—namely, in severing a series of elite-mass relationships which hitherto made self-reliance impossible, and then imparting a sense of dignity and independence that stimulate self-reliant behavior. That is, the key government role may be sociological and psychological rather than technical. And if this is so, many of the programs will need drastic redesigning in order to avoid defeat of their own purposes.

The *Samahang Nayons* face a series of conflicting goals. First, individual interest frequently conflicts with group interest. Farmers resist group savings and group liability via the amortization guarantee fund. Carefree attitudes toward default, and misrepresentation of how much families have used common facilities like tractors, threaten the continuing existence of the organization. Second, there is a conflict between the political and organizational utility of small, local organizations, which can tap and enhance a sense of local identity and common purpose, and on the other hand the economic advantages that would accrue from very large organizations. To some extent this conflict is minimized since the *Samahang Nayons* can tap local loyalties and the cooperatives can presumably achieve economies of scale.

Third, every village economic organization faces a choice between a professional manager, who will provide the formal skills necessary to economic success but probably be contemptuous of the villagers, and on the other hand a local farm leader who can foster participation and solidarity but may lack the skills necessary to avoid bankruptcy. The government seeks to overcome this dilemma by providing extensive training programs at the village level; success may be possible, but limited governmental resources, landlord resistance and cooptation, and weak peasant organizational skills, create huge obstacles. Success here may well be the key to the whole agrarian reform program. Among students of the issue there is an impressive consensus that, given central commitment, effective local organization is the key to success, and good local leadership is the key to successful organization. Indeed, the

agrarian reform program has proved most successful in areas where the government can tap the former leadership of the Huks and other radical movements.

The cooperative movement also faces opposition from groups whose interests might be compromised by it. Land Banks fear peasant competition and peasant purchase of equity. The Central Bank insists on keeping interest rates low, a policy which minimizes the return on general public saving and benefits the holders of loans, namely the large corporations. Insurance companies fear insurance cooperatives. Providers of farm chemicals, milling services, transport facilities, and storage facilities fear organized farmers. The *Samahang Nayon* movement has begun to respond to such groups by acting as a pressure group and by attempting to gain control of some services. This process is most vividly illustrated by the movement of the peasant organizations into the Land Bank business.

*Village Institutions—Land Banks:* Farmers depend heavily on the Land Banks without having any voice in their policies. In addition, investment in the Land Bank is an obvious road to improvement of farmer welfare if the banks are well-run. Initially, Philippine agrarian reformers envisaged peasants buying into existing Land Banks, using the 5% forced-savings to purchase equity. But, since one peso of unity generates ten pesos of loans, such a strategy implied very rapid peasant takeover of the banks using the banks' own funds. Resistance by the established banks was so great that the strategy was changed to encourage peasants to establish their own Land Banks. The Central Bank opposed farmer-owned Land Banks on technical legal grounds, but was defeated.

By mid-1975 some *Samahang Nayons* had already put up their own rural banks after having saved the necessary half-million pesos. According to Orlando Sacay, by May 1975 Nueva Ecija farmers had already saved two hundred million pesos, enough to buy 40% of the equity of the existing rural banks. Some of these cooperative rural banks may run into trouble because force majeure may cause occasional widespread defaulting. There is as yet little experience with the functioning of such banks, and the Nueva Ecija experience—in a province with a long history of insurgent activity and a current high government priority—is not necessarily generalizable.

The major criticism of the Philippine Land Bank program is that it is heavily oriented toward ensuring that the landlords are repayed—at a rate sufficiently high to minimize landlord resistance. This contrasts sharply with, for instance, the Taiwan Land Bank, which emphasizes facilitating tenant adjustment. Similarly, to the peasants' eyes the *Samahang Nayons* may appear primarily designed to ensure amortization through group liability. Clearly one of the keys to the future



of the land reform program and to the political future of the Philippines will be whether peasants are able to bend these institutions to their own will, or whether they will gradually become institutions by which the central government attempts to enforce its initiatives within the villages.

### *The Economics of Land Reform*

The central economic issues of land reform are the effects on productivity, on the society's resources for the future, and on social equity. A cross sectional study<sup>8</sup> found no significant differences in productivity, proportion of planted area treated with fertilizers and other agricultural chemicals, rate of use of mechanization, or other production expenses. This suggests that land reform is unlikely to cause declines in productivity, although in the short run there may be problems of adjustment. Mangahas also used this evidence to speculate, "I would expect that tenure change is *also neutral* with respect to investment."

But absence of differences in productivity and investment behavior among groups may not imply that movement of people from one tenure group into another will have no productivity effects. The lack of variation among tenure patterns is likely to prove true only for intensively farmed rice and not for other crops. Moreover, land reform is not merely a shifting of personnel among tenure statuses within a given system; a thorough land reform is a major system change. If the reform is successful, one would expect a new sense of hope, of independence, and of opportunity among vast numbers of people, and such psychological changes might enhance investment and hard work. Moreover, the agrarian reform accompanying land reform should raise the productivity of all groups. If these speculations prove accurate, then land reform should not generate more than momentary declines in productivity, should not threaten the subsistence of any group, and might well promote higher productivity and more rapid modernization in the future. This observation may even apply outside agriculture. In Taiwan, land reform created a class of farmers who constituted a market for consumer goods; that market facilitated industrialization; industrialization speeded up urbanization and thus made possible larger farms; and larger farms implied greater efficiency and higher incomes.

These conclusions have important implications for equity. Given the dynamism that land reform can generate for the larger economy, landlords and tenants are necessarily in a zero-sum game over any

<sup>8</sup> Mahar Mangahas, "Economic Aspects of Agrarian Reform Under the New Society," paper No. 74-20 (Quezon City: Institute of Economic Development and Research, University of the Philippines, December 1974).

substantial period of time. The landlord who not only gets 92% of the value of his land, but also secures a place in a newly dynamic economy for himself and his children, may actually have improved his situation. Other considerations also qualify the equity decisions reflected in the payment by the tenant of 68% of the land's value and the receipt by the landlord of 92%. In areas where landlords have been unable to collect rents or have been unable to supervise the rent collection properly, their return may not have been as high as land values would suggest. A contrary consideration is that the 68%/92% calculation assumes that the tenants actually possessed the total security of tenure and the 25% ceiling on rent payments guaranteed by the old laws; since these conditions were not fulfilled in many places, tenants may be benefiting greatly from improved enforcement of the old laws.

The *process* of land reform affects equity in crucial ways. First, tenants and other rural poor bear a disproportionate share of the costs of the process of reform. Although the intent of the land reform decree was to impose the costs of proof and of delay primarily on the landlords, currently the tenant must prove his tenancy, determine his land price, and pay amortization, before getting his land. Second, 92% compensation rates imply inflation, and this inflation will not necessarily be visited mainly upon the landlords. Partially negotiable bonds will be monetized quickly, thereby feeding inflation and at least partially removing the landlord from the effects of that inflation. Landless laborers and other poor people will bear the full effect of such inflation.

Perhaps the crucial economic consideration is Harkin's remark that, "Land reform only buys time for a better balancing of man to land." Moreover, "There are about one million rice and corn tenant farmers, working lands of about 1.8 million hectares in area. No matter how the cake is cut, there only exists an average of 1.8 hectares per tenant."<sup>9</sup> Rapidly rising population will quickly put the promised 3 to 5 hectare farm for every tenant still farther beyond grasp. Without a larger plan of industrialization, organization, and demographic transition, land reform alone will thus not enhance peasants' welfare and dignity.

### *The Politics of Land Reform*

A brief comparison with Taiwan can highlight political problems faced by the Philippines. The Kuomintang government in Taiwan was firmly committed to a socialist ideology which provided land reform with a generally accepted legitimacy. The Kuomintang was not reforming the lands of its own officials. An immediate communist threat made land reform an immediate imperative. The population subject

<sup>9</sup> *Ibid.*, p. 9.

to land reform was only a quarter of the current Philippine population. An administrative apparatus of extraordinary competence relative to Taiwan's problems was backed up by an army of overwhelming size. The peasantry was accustomed to formal organization and thus effective rural institutions were established with *relative* ease. Government ownership of all key industries and of former Japanese holdings provided an economic base for transfer to former landlords in exchange for land. In the Philippines, by contrast, the ideology is pro-landlord, the administration is less capable and more subject to conflicts of interest, no immediate threat exists, the population is large and diverse, the army is small, industry is privately owned, and the peasantry is difficult to organize.

The largest political question in Philippine land reform is the relationship between national political structure and the prospects for land reform. Philippine democracy as it existed prior to 1971 made swift or effective land reform impossible. The Constitution assured "life, liberty, and property," and land was considered to be property. Judicial due process made expropriation such a complex process that land reform could be delayed indefinitely, and the expense and knowledge required in adversary proceedings immunized landlords from effective peasant challenge. Almost every social institution was governed by landlords, and this was most true of the principal political institutions. The Congress was recruited almost exclusively from landlords and the bureaucracies were recruited from the college-educated, almost all of whom were from landlord families. Villages were governed both formally and informally by a patron-client relationship with landlords as virtually the exclusive patrons. Under these circumstances land reform laws seldom passed Congress, were usually emasculated when they did pass, and were never implemented on a broad scale even in the form in which they were passed. Jeremias U. Montemayor, by all accounts a respecter of democracy and—as former dean of the Philippines' most outstanding law school—a respecter of law, makes the point clearly:

A decree like PD 383, which makes judges, fiscals and members of the armed forces of the Philippines criminally liable for the unlawful ejectment of agricultural tenants, would also be unthinkable in the old society. And many of the provisions of the labor code of the Philippines would have taken at least ten years of continuous pressure for the defunct Philippine Congress to enact. . . . Assuming that a good agrarian law had been passed it would normally be available only in English, which the peasant masses could not understand. Assuming that it had been translated in the vernacular, the mayor could see to it that it did not reach the tenants. Should the tenants be informed about their rights, they could not afford to hire a lawyer. Should they have a lawyer anyway, the landlord could bribe him. In any case, the judge was a landlord. . . . Assuming that the tenant won his case in the lower court,

the case could be appealed to the Appellate courts in Manila. How could a tenant afford to follow up an appeal in Manila? But assuming that the tenant won by final judgment, the judgment must be executed by the sheriff or the chief of police. The sheriff or chief of police is usually a landlord.<sup>10</sup>

To what extent has martial law done better? Could one reasonably expect continuation or improvement of the rate of progress under martial law? Certainly martial law has proved to be no panacea. But after all the discounting of the inflated statistics has been accomplished,<sup>11</sup> and after all the problems mentioned above, one is left with rates of progress far greater than ever in the past. And, after one has noted the complaints of land reformers, one is left with the high praise of people like Jeremias Montemayor and Luis Taruc for the backing their organizing efforts have received from President Marcos.

Martial law curtailed the dependence of the President upon landlord-based political parties and a landlord-based Congress. This enabled him to advocate land reform forcefully, to create a unified Department of Agrarian Reform, and to fund that department fully. It enabled him to declare strong measures against bureaucrats and judges whose decisions sabotaged land reform. In a very literal sense it disarmed key opponents of land reform: The confiscation of weapons and disbandment of the so-called "private armies" of the biggest landlords and politicians has been one of the most notable accomplishments of martial law.

But the possibility of a sudden change of government threatens the policies of a regime dominated by a single personality. The possibility of a gradual erosion of the martial law government's effectiveness and the possibility that fundamental policy errors would endanger martial law land reforms must both be examined. And the dubious legal status of martial law decrees adds, in this society which is as lawyer-ridden as it is landlord-ridden, a measure of doubt for promoters of land reform.

The principal political questions surrounding the martial law land reform are: (1) the extent to which the central government is committed to reform; (2) the adequacy of the political strategy of reform; and (3) the psychological and moral impact of reform.

To what extent is the martial law regime committed to land reform? We must distinguish sincerity from commitment. Suppose that we define *sincerity* as a desire for land reform to occur quite aside from intricate considerations of trade-offs against other goals. Insincerity means a desire to avoid the occurrence of the reform itself, and to

<sup>10</sup> Jeremias U. Montemayor, "Progress and Problems of Philippine Agrarian Reform Under Martial Law" (Manila: April 1975, mimeo), pp. 14, 17.

<sup>11</sup> Published statistics often emphasize the number of printed CLTs, or the number of CLTs in peasant hands, but CLTs are almost meaningless until land has been valued and amortization begun. See Mangahas, *op. cit.*, pp. 18-20.

avoid the personal losses and income redistribution associated with land reform. The land reform programs of the 1960s were paradigms of insincerity, deliberately designed to make the reform almost impossible to implement. The martial law land reform seems sincere under this definition. The creation of a unified DAR, the full funding of its programs, the rhetorical tying of the whole New Society program to land reform, the presidential decisions in favor of the tenants at crucial turning points such as the decision on implementation rules for PD 27, and the active support of the organizing efforts of men like Luis Taruc, Jeremias Montemayor, and Mark Fabian, testify to sincerity. Thus the Philippine administration is sincere about land reform in the sense that, if it could wave a magic wand and make land reform occur instantly, it would not hesitate to wave the wand.

Unfortunately, no such magic wand exists, and thus one must measure the *commitment* to land reform, as opposed to its sincerity, by the costs, in terms of willingness to cut other highly valued programs and to incur great political risks, which the regime is willing to bear in order to make land reform work. The political risks consist of possible severe political strife and danger to the continuation of the New Society.

In allocation of financial and central administrative resources, the Marcos government has demonstrated substantial commitment, especially compared with the previous regime. The allocations promised for the future are still larger and will clearly create intense controversy, both because of inflation and because of the implied curtailment of economic development expenditures in other areas. Advocates of higher priorities for combating inflation, for industrial development, and for military problems in the southern Philippines, have loud voices, and their programs have also been backed by sincerity and commitment. Thus the record of financial and administrative allocation demonstrates sincerity and very substantial commitment, but many crucial decisions lie in the future.

On commitment as measured by willingness to accept political risks, the record appears more controversial. President Marcos has accepted the risk of tying the success of his program rhetorically to land reform, but past Filipino politicians have made similar verbal commitments empty. Actions speak louder than words, and programmatic decisions speak louder than abstract sincerity. So far President Marcos has been able to assure landlords that they will be very adequately compensated and to assure peasants that they will own their land, to assure land reformers that land reform will be pushed vigorously but to assure democrats that due process will be provided, to promise agrarian reform and development and also to promise urban development and military expansion, to insist on redistribution of wealth but to emphasize a politics of consensus.

This politics of consensus is the heart of the issue. President Marcos

seeks to replace a politics of conflict with a politics of integration. There is widespread confidence in the Philippine administration that such a program is feasible. Many foreign scholars respond that, in a society with such extraordinary inequality and such extreme landlord power, one could not hope to obtain a consensus about redistribution of land and wealth, and that furthermore land reform is impossible without peasant enthusiasm and peasant organization of a degree incompatible with a politics of consensus. In particular, peasants need their *own* village organizations and a distinctive consciousness. They must become an *independent* political force. Consensus politics benefits landlords; bureaucratic procedures and standards benefit landlords; due process *prior* to land transfer benefits landlords. In such views, more weight needs to be placed on decisiveness, on speed, and on acknowledgment that land reform invariably intensifies class conflict. Administration supporters would reply that Marcos can only implement land reform with a broad political base, and with a clear legal and moral legitimacy, both of which require appeals to all groups and respect for legal due process. Land reform in this view is part of a package including peace, welfare, moral reorientation, and economic development, all of which would be threatened by precipitate action. But such an argument implies immobilism and indecisiveness, and the ideal of a politics of integration appears as a throwback to pre-modern society which ignores the lessons of industrial relations and of land reform elsewhere.

Thus the degree of commitment as represented by willingness to take political risks depends upon personal calculations as to how much risk is necessary. For the meantime, proponents of higher risks will see the administration as indecisive, whereas the proponents of the politics of integration naturally perceive critics as impatient foreigners who fail to comprehend local traditions.

Given central commitment, one needs an adequate overall political strategy. The first strategic choice is the sequencing of land reform, with the following options (as identified by John Montgomery): (1) largest landlords first; (2) regions of most severe inequality first; (3) regions of most likely success first; (4) everybody first; (5) most backward crops first. The advantage of the big fish-first strategy is its political impact and its immediate disarmament of the most powerful opponents of land reform; the disadvantages include incentives for large landlords to break up their properties, the complications of land mapping and politics and administration involved in returning repeatedly to the same area for successive levels of reform, and allowing time for smallholder opposition to form. The advantage of giving initial attention to areas of the most severe inequality include disarming potential dissidents and emphasizing social equity; the principal disadvantage is that the areas of most severe inequality frequently are those where success is most difficult to achieve.

The advantages of pursuing the easiest successes first consist of building administrative experience and morale, and of stimulating peasant enthusiasm; the disadvantage is that such a strategy looks opportunistic. The advantage of starting land reform everywhere simultaneously is the tremendous positive political effect of such a strategy; the disadvantages are the dangers of shocking into existence an overwhelming political opposition, and of administrative overextension that will create a vicious circle in which failure induces more failure. The advantage of proceeding through land reform according to crop and to degree of modernization is protection of productivity; modernized sectors can be protected, and political opposition can be minimized. The disadvantages include incentives to change crops, administrative ambiguities wherever multiple cropping occurs, and apparent lack of concern for equity.

The Filipinos have combined the first and fifth strategies; the reform has at least initially been confined to rice and corn lands, and there the big fish have been reformed first.

A second strategic choice concerns the terms of the alliance between the central administration and the peasantry. An administration can use existing peasant capabilities if they are adequate, or the central bureaucracy can create and control a local infrastructure, or it can devolve responsibilities to local groups on the assumption that responsibility will induce sufficiently rapid learning. It can employ these strategies in various combinations and sequences. The key principle is that local organizations must be responsive largely to local peasants rather than to local elites or to the national government. But the local organizations must be able to rely on central power to disperse opposition.

The Philippines face peculiar difficulties in creating an appropriate alliance between central authority and the peasantry, because of high social inequality and landlord power, because of the absence of an indigenous village organizational base, and because of overcentralized national administration. These problems are further compounded by the commitment to a politics of integration whose practical implication is that landlords join peasant organizations and thereby gain leverage over those organizations.

Faced with these circumstances, the Philippine government has encouraged broad regional reform organizations run by Jeremias Montemayor, Luis Taruc, and Mack Fabian to enhance peasant pressure group organization and to provide these mass peasant organizations with the legal expertise and other skills. It has relied on local *barangays* to perform strictly local political tasks, and on cooperatives to oversee the amortization process. It has created village land valuation committees. The central problems these organizations face are diffusion of effort, organizational competition, weak peasant skills, low peasant enthusiasm, and excessive landlord dominance. Most of the

devolvement has heavily emphasized central control over local initiative, bureaucratic process over peasant enthusiasm, and apparent social harmony over peasant power. Such emphases risk that the alliance between the government and the peasantry will remain diffident and that the peasantry will be unable to carry its share of the burden.

Notably absent is a role for the *military*. The military is the one major Philippine institution not dominated by land holders, conceivably the only institution capable of breaking up organized landlord resistance. Its intelligence arm could monitor land reform progress. Although some military officials have sabotaged land reform programs, Luis Taruc notes cooperation between army personnel and former Huks at Camp Olivas, and suggests adding professionals, students, and labor organizers to this alliance to form a citizen action party on the Singapore model. However, the military is currently preoccupied with more strictly military problems, especially in the southern Philippines. Even more importantly, use of the military in this kind of social role raises fears that martial law could evolve toward military law. Thus, there has been extreme reluctance even to discuss using the military, but it remains available in the future if the mood should change.

The dilemma of the military is just one manifestation of the tradeoff between land reform and democratic values. Democratic institutions, judicial due process, and civilian rule, all are greatly valued in the Philippines but also acknowledged as conservative influences. Free elections and parliamentary government have been sacrificed already. Civilian rule remains sacrosanct, and there is great hesitancy about further compromising due process. But due process means adversary process, and in land reform one side is simply bereft of the resources for an adversary role. The Philippine administration thus faces a tradeoff between democratic values and land reform effectiveness, and a certainty of severe criticism whatever choice it makes.

The most amorphous of the strategic political questions faced by land reform concerns its moral, morale, and cultural aspects. Jeremias Montemayor and his Federation of Free Farmers stress the necessity of giving the land reform legitimacy through political and religious education, in which democratic and Christian traditions are used to erode the pervasive sense that land reform is unjust. Luis Taruc, of peasant family and a peasant organizer for several decades, argues fervently that peasants perceive the central issue in land reform not as food or even land *per se*; instead, it is a matter of citizenship, dignity, nationalism, freedom, and emancipation. Jesus Montemayor, a sociologist, affirms that land is important to the peasants mainly as a symbol. These arguments are controversial and can be used as excuses for delaying land reform—quite contrary to the wishes of their propounders. They make technocratic man uncomfortable because they raise issues outside the normal scope of technocratic calculation. Nonetheless, the arguments raise crucial issues. Is conservative land reform possible? Is



strong peasant organization possible without radical changes of perspective comparable to religious conversions? Are administrative calculations irrelevant when the basic psychology of the country is that of dominator and dominated? The answers are as important as they are elusive.

It is appropriate to conclude this essay on such a note. The history of Philippine land reform remains to be written. But the reform's strengths and weaknesses will focus around peasant organization—organizational strength, organizational function, organizational relationships with the central government. Appropriately, the future of Philippine land reform rests with the villages.