# Making a Difference: A Case Study on the Lives of Landowners under the Comprehensive Agrarian Reform Program in Iloilo, Philippines

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#### **Abstract**

This study was conceptualized to explore the lives of the land owners under the Comprehensive Agrarian Reform Program (CARP) in the province of Iloilo. This study employed the descriptive multiple case study method. The respondents were five (5) land owners, one land owner per congressional district. The data gathering tools used were in-depth interviews and semi-structured interviews. Document analysis was also established. Data were transcribed, analyzed and coded into themes. The researchers developed the category and theme based on the data gathered. Theoretically, landowner's feelings are still attached to the parcel of their lands covered by the Comprehensive Agrarian Reform Program. In addition, landowners struggle about the loss of their lands and as they shift from agriculture to another field of endeavor such as working abroad, real estate, and others. The loss of the land motivated them to try other field of ventures. They also expressed problems about lack of notice and time especially those who had been residing and working abroad. Thus, there is a need to revisit the importance of the rights, privileges and programs for the landowners and discuss the benefits for the land owners, and further improve the land information system of CARP.

Keywords: comprehensive agrarian reform program, case study, landowners

Rural poverty is evident in the third world country like the Philippines. To address the issue on rural poverty, the Philippine government established a major reform measure – agrarian reform especially in the rural areas, which is a recurrent theme in the history of the different countries in the world. The Greek and Roman eras were filled with stories of struggles over a piece of land between the landowners and the landless individuals which resulted to struggle for power, prestige and ownership.

The notion and reality of power in the country is equated to land ownership. This concept is deeply embedded in the Filipino society and culture even before the introduction of Christianity and Islam in the country. The colonization of the Spaniards in the Philippines resulted to land acquisition and ownership. Villages or *pueblo* and municipalities were set up and large tract of lands were handed to obedient implementers of the colonization project of the Spanish crown through the *enconmienda* system. This established the hacienda's growth and development during the American colonial regime (Adriano, 1991). As a result of prestige and power in owning large tracts of lands, individuals and families started acquiring them on their own. The colonial period in the country gave rise to landlord-tenant system. The unequal land ownership made poverty condition in the rural areas severe and encouraged inefficient utilization of scarce resources.

The problem on land tenure is still an issue after the establishment of the Philippine Independence in 1946. It was even most severe—in certain areas of the country that resulted to peasants protest against the landowners. The peasants demanded for equitable access to the land they till which is the main source of livelihood and sustenance in the rural areas, (Frufonga, Sulleza, and Alli, 2016). Section 3 of RA 6657 has defined agrarian reform as: "the redistribution of lands, regardless of crops or fruits produced, to farmers and regular farmworkers who are landless, regardless of tenurial arrangement, to include the totality of factors and support services designed to lift the economic status of the beneficiaries, and all other arrangements alternative to the physical redistribution of lands, such as production or profit sharing, labor administration and the distribution of shares of stock, which will allow beneficiaries to receive a just share of the land they till, (Philippine Constitution: 1935, 1973, and 1987).

In response to these social, economic, and political issues in the country, the Constitution of the Philippines made Agrarian Reform as one of the programs for economic development and poverty alleviation. Agrarian

reform derives its mandate from basic principles enshrined in the Constitution. The Philippine Constitutions of 1935, 1973 and 1987 all attest to this. The 1935 Constitution mandated a policy of social justice to insure the well-being and economic security of the people. The 1973 Constitution provided that

"The State shall formulate and implement an agrarian reform program aimed at emancipating the tenant from the bondage of the soil."

The 1987 Constitution contains more specific provisions on agrarian reform Article II, Declaration of Principles and State Policies, Section 21–

"The State shall promote comprehensive rural development and agrarian reform." Article XII, National Economy and Patrimony, Section 21 — "State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, . . ." Article XIII, Social Justice and human rights, section 4 — "The state shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farmworkers, who are landless, to own directly or collectively the lands they till or in the case of other farmworkers, to receive a just share of fruits thereof."

"The state shall encourage and undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits as the congress may prescribe, taking into account ecological, development or equity considerations, and subject to the payment of just compensation."

"In determining the retention limits, the state shall respect the right of small landowners. The State shall further provide incentives for voluntary land sharing." (RA 6657).

There were series of laws on agrarian reform enacted from the time of President Manuel A. Roxas to President Corazon C. Aquino that focused on the protection of the rights of the farmers. These laws were not only meant for a fair share of the farmers on the produce of the land they till but also for the improvement of their economic status, to alleviate poverty issues and to effect rural development.

During the Aquino administration, the Comprehensive Agrarian Reform Program (CARP) is the centerpiece program to address economic growth and development. The basic features of CARP is the redistribution of agricultural land, the education and organization of benefits as well as the delivery of support services which was signed by former President Corazon C. Aquino on June 10, 1988. CARP is now the longest running program implemented after EDSA 1986. CARPER or Republic Act 9700 signed on August 7, 2009 gave the original R.A. 6657 or Comprehensive Agrarian Reform Program (CARP) five more years to be completed.

The Comprehensive Agrarian Reform Program completed the extension period last June, 2014. The Filipino people are waiting for the final land distribution and accomplishment report of the program turned into law. In all the land reform programs of the government, the farmer-beneficiaries were considered as the major actor. There was little attention on the landowners subject of the land reform laws. One of the papers of the Philippine Institute for Development Studies (Llanto, G.M. and C.G. Dingcong,1991) considered the landowners as legitimate concerned of the government, and policy makers and social scientists viewed them as potential investors, entrepreneurs and even industrialist.

Moreover, the landowners were expected to shift to another phase of endeavor like in the industry, service and transportation sector. It is interesting to study and find out what happened to the landowners. It is also significant to examine if in reality a significant advantage and benefit also was extended to them like the farmer-beneficiaries.

This study explored the lives of the landowners under the Comprehensive Agrarian Reform Program (CARP), how the landowners acquired and coped with the loss of land subject to the Comprehensive Agrarian Reform Program and what were the problems encountered in the implementation of the agrarian reform program.

The findings of this study may be significant to the local and national government officials and the landowners under the Comprehensive Agrarian Reform Program. They may be valuable sources of information and reference for further studies involving landowners.

## Methodology

# **Research Design**

The study employed multiple-case studies in which there is a single case but with multiple respondents. It is about the lives of the landowner's under the Comprehensive Agrarian Reform Program (CARP), so the design was used to explore what constituted the landowners' realities and modes of being. A Case Study explores in depth an event or activity of one or more individual (Creswell, 2003). Yin (1994) stated that case study is used to provide information for decision-making where cause-and-effect relationship are not readily known.

# The Respondents and the Sampling Technique

The respondents of the study were five (5) landowners from the province of Iloilo. One (1) landowner from each congressional district was chosen using purposive sampling method based on the set criteria: (1) registered landowner or surviving son/daughter or descendants, (2) possessed the most number of land area; (3) subjected to Comprehensive Agrarian Reform Program of the government, (4) willing to participate in the study. The data were gathered through a semi-structured one-on-one interview with the landowner; or in his/her absence, any member of his/her family or descendants. An interview guide was designed. The researchers also employed direct observations of the respondents' situation during the interview. The researcher made use of the documents and records at the Department of Agrarian Reform Regional Office, personal file of the landowner if presented and if consent was obtained, and documents in the possession of the farmer beneficiaries.

Further, the purpose of the study was carefully explained to the participants through the use of informed consent ensuring that whatever results of the present study will be handled with utmost confidentiality by not revealing the true identity of the respondents.

# **Data Analysis**

The data from the structured interview were transcribed and coded into themes. Key words in the transcript were identified and themes were developed, (Robinson, 2004). Data analysis commenced with the intense review of the field notes and verbatim transcript of interviews. In addition,

all interview notes were written on the interview guide form as well as audio taping was also used. Memos were used to record the researcher's reflections and their possible relationships within the data as recommended, (Miles, M. B., & Huberman, A. M., 1994). Finally, the gathered data were triangulated.

Creswell (1998) and Stake (1995) suggested the steps in analyzing the data gathered: organization of details from the case, categorization of the data; interpretation of single instances, identification of patterns, and synthesis and generalizations. An overall portrait of the case was constructed. Conclusions may have implications beyond the specific case that has been studied (Leedy&Ormrod, 2001).

### **Results and Discussion**

The Comprehensive Agrarian Reform Program was a response to a more effective land reform program in the country. Under the Comprehensive Agrarian Reform Law (CARL), the landowner is compensated based on the cost of acquisition of the land, its current value, its nature, actual use and income, the sworn valuation, tax declaration, and the assessment made by government assessors.

### Succession and Residence of the Landowner

Succession and residence of land owner is one of the emerging topics that emerged among the respondents who directly handled the issue. Succession is a mode of acquisition of property rights of individual or group of individuals that a person transmitted through his death to another either through his will or by operation of law. Thus in the case of the respondents in this study declared that properties were inheritance.

These lands were inherited from our great grandparents. Even the Department of Agrarian Reform could check the records of the Registry of Deeds, Province of Iloilo, it is still registered in the name of our ancestors (Int 4, page 1, April 2015).

In addition, 2 respondents further stated that, based on the story of their grandfather and other elders of the family, they acquired their land during Spanish era, as in the statement here.

According to the story of our grandfather that during the Spanish period in the Philippines, they applied for the ownership of land. A friend close to the Spanish authorities told them of the Decree of Registration of the government (Int 2 and 5, page 3 and 3, February and May 2015).

During the Spanish era, many peasants' families were forced to become tiller of the lands that they have cultivated for centuries because of lack of knowledge, or they are not aware of the law made by Spanish Crown in 1865 ordering landholders to register their landholdings on their name. In the same vein, the Maura Law or Royal Decree of 1894 was the last law promulgated in the Philippines by the Spaniards. Under this law, the Filipino farmers and landholders were given only one year to register their agricultural lands to avoid declaration of such land as a state property (DAR Manual 2013).

Since childhood days we were told stories about the family landholdings. We were brought to the farm and instill in our minds that the vast tract of lands belong to us. We need to take care of these lands for our livelihood and for the next family members (Int 1, page 1, February 2015).

In the same manner, 3 respondents expressly acclaimed as stated here.

In our case as heirs, we did not feel the total cost of our inheritance/properties because of the income we earned from our new venture as a product of our efforts. The most affected were our parents that they cannot accept immediately the land reform program. They lost their properties inherited from ancestors (Int 2, page 1, February 2015).

The claims are related to the Attachment theory of psychological model that attempts to describe the dynamics of long-term Interpersonal relationships between humans. However, according to Waters and McDowall (2005), 'attachment theory addresses only a specific facet on how human beings respond within relationships when hurt, separated from loved ones, or perceiving a threat. The theory applies between humans specifically mother and child. This can be of use between the landowner's feelings and attachment to the land.

Further, all the informants revealed in the interview that the landowners were residents of Negros Occidental and Iloilo City. They have families who had established lives in some haciendas or pasture lands in the Province of

Iloilo or Negros Occidental.

Our family was well known in Iloilo and Negros Occidental. They are popular and well known in the place due to vast tracks of lands owned by the family. We are also related to the popular and landed family in this place. According to the stories of our great grandparents, they helped each other to acquire lands. They believed that the land can give them good family life and improve the standard of living of the future family members. In those days there was a high regard and respect on the individual/family who owned vast tracts of lands.(Int 2, page 3, February 2015).

The modern theory of agrarian organization by Conning & Robinson (2001) stated that economic environment determines organizational form under thee assumption of stable property rights to land. In their proposed model, the authors determine the distribution of property rights between economic organization of agricultural and the political equilibrium. In addition, the model offers tenancy rights, despite its economic advantages in countries where agrarian reform is a salient political issue.

Accordingly, land reform is positively associated by adopting the modern seed-fertilizer technology (Otsuka, 1991). The major reason underlying such association is considered to be increased economic interest in land reform. Thus, the above statement is associated with land reform in the Philippines which had been successful in converting many of share tenants to land reform beneficiaries.

# Shift from Agriculture to another field of endeavor

The emerging theme on how landowners cope with the loss of their lands under the Comprehensive Agrarian Reform Program is the shift of the landowners from agriculture to another field of endeavor. The loss of the land of the landowners to the farmer-beneficiaries motivated them to try other fields of venture.

We finished and graduated in our respective courses. Our family decided to facilitate our employment abroad. Luckily, we were employed as permanent employee and earned salaries more than enough due to the high exchange rate in Philippine Peso (Int 1, page 3, February 2015).

In order for the land owners to cope with the loss of the parcel of their lands and redistributed to the different farmer beneficiaries, they shifted or engaged in other ventures like food industry. Thus, 3 out of 5 respondents expressed this.

We engaged in food industry sector. We brought a franchise of an in demand business. We are happy that our income in this new venture is good enough compared to agriculture. (Int 5, page 4, May 2015).

Result of the study is in consonance in the findings on the Impact of Agrarian Reform on Landowners (Llanto, G.M. and Dingcong, C.G. 1991). It analyzes the use of the landowners compensation under Presidential Decree 27 and RA 6657, the Comprehensive Agrarian Reform Law. In addition, it was cited also the impact of agrarian reform in Taiwan that is instrumental in bringing about significant changes in industrial development and changed the structure of the economy. Limitations on the size of the farm that the landlord could own and purchase of farmland not cultivated by the landlord changed the flow of the capital.

In contrast to Japan's case, the government did not create any special incentives for the landowners. The landowners gave up their land due to the confiscatory land reform approach (Chao, 1972). South Korea land reform program compensation to the landowner was low and was eroded by inflation that resulted to the termination of their investment in industries (King, 1977).

Likewise, 2 out of 5 respondents engaged in real estate as broker for them to cope with their daily needs and to alleviate the status of their family, as stated here.

"We engaged in real estate business, the income is immediate. Our family friends and acquaintances in the private school was a great help for our clients" (Int 2 and 4, page 3 and 3, February and April 2015).

The theory of economic efficiency of the CARP program is linked to the study on "Impact of Agrarian Reform on Poverty" (Reyes, 2002) in which results showed that agrarian reform has a positive impact on farmer beneficiaries. However, there are few studies conducted in Philippines on the

effects of the land reform program to landowners and was purely based on comments and presumptions that the landowners have the capacity to shift from agriculture to others sectors like industry.

Moreover, the results of the study agree with the findings by Zezza at al. (2007) on the access to assets and agrarian institution. The results revealed that access of rural households to assets such as education, land and livestocks is in general low, though highly heterogenous across countries and by categories of households within the countries. The landless and small landowners suffer significantly more from lack of access to such assets.

## **Insufficient Time and Notice**

Lack of time and notice is the persistent theme during in-depth interview conducted. The respondents experienced lack of time and notices regarding to the land reform implemented by the government. Basically, the heirs lost the parcel of their lands and failed to exercise their rights of retention of the land registered under them.

To correct the existing problems of inequalities in the distribution of land ownership, the Philippine government establishes the so called land reform policy. Historically, records showed that those households with economic and political power have the opportunity to retain the land ownership (Ballesteros and de la Cruz, 2006). The heir landowners regarded the program as pro farmer-beneficiaries only.

The land reform program is pro-farmer. There is no sufficient notice for heirs who are already residing and working abroad. In our case my brother learned the information after the lots were distributed to beneficiaries. We failed to exercise as heirs our right of retention. When we checked the DAR office, the remaining lots are six hectares located in a mountainous site (Int 4, page 2, April, 2015).

In PD 27, the retention limit for rice and corn lands is seven hectares. On the other hand, five hectares is retained for non-rice and non-corn land while the heirs of the landowner fifteen years old and above can retain three hectares each as long as they actually manage and till the lands (DAR Manual 2013).

We have not received any payment from Landbank. Even our parents have not received any amount. Probably the proceeds of the sale are not big enough. It depends on the type of land and area; it will be paid on installment bases (Int 1, page 4, February 2015).

The government's intention is to help the farmer, but we heard some issues in our part that the land leased the right to cultivate or some already sold to the elite families in their place. Thus, the DAR should look into such issue (Int 4, page 4, April 2015).

The PD 27 and CARL paved the way to break-up the huge estates. In several areas, there was increase in the number of owner cultivators specifically in the provinces where hacienda system used to dominate. However, the "rampant selling and mortgaging of lands awarded to farmer beneficiaries" have also been reported, (DAR Performance Reports, 1997, 1999, 2000).

Further, other complaints about landowner compensation were: (a) the 25-year maturity period for the bonds was too long, especially with the delay in the processing of compensation papers; (b) the lands have low market value; (c) the six percent annual interest on the bonds was too low compared with the high interest landowners, pay on loans; (d) the 10 percent cash portion of the compensation was to small; (e) the bonds could not be used for tax arrears;, and (f) only 80 percent of the face value of the bonds was good as collateral for loans (Montemayor and Tolentino, 1977).

Generally, the land reform law prohibits the transfer of awarded lands except by hereditary succession. Overseas employment and low agricultural productivity drive the farmer-beneficiaries to sell their lands to other individual (Nagarajan, David, Meyer, 1990; Estudillo, Sawada and Otsuka, 2004). Studies show others sell and other form of land transfer action of farmer-beneficiaries have led to an increase in investments in education of rural households (Estudillo, Sawada and Otsuka, 2004). However, there is a growing concern over the possible consolidation of agricultural lands which can again lead to widening land ownership distribution. So far, there is no systematic effort to monitor ownership of agriculture lands despite the legal prohibitions under CARL

## **Summary of the Findings**

The Comprehensive Agrarian Reform Program (CARP) has as its primary objectives both the improvement of equity and the increase in productivity and growth in the rural areas. The retention limit for landowner is 5 hectares and 3 hectares for each child who are 15 years old and above. The original homestead owners and their heirs are allowed to keep and cultivate their homestead lands of up to 24 hectares.

The land owners are often discussed that their land acquisition is through succession and the residence of land owners. This discussion point was evident and documented by the researchers in the field notes gathered where the central and general phenomenon: "These lands were inherited from our great grandparents and it is still registered in the name of our ancestors", emerged among the different land owners. Theoretically, land owner's feelings are still attached to the parcel of their lands covered by the Comprehensive Agrarian Reform Program. In addition, landowners deal with the loss of their lands as they shift from agriculture to another field of endeavor such as work abroad, engaged in real estate, etc. The loss of the land of the landowners to the farmer-beneficiaries motivated them to try other field of ventures.

Lastly, the land owners experienced problems such as lack of notice and time especially to those who are residing and working abroad.

### **Conclusions**

The heirs of the land owners of the Comprehensive Agrarian Reform Program acquired the property by means of succession. They succeeded their ascendants over the ownership of the land. These families have advantage over the common population in acquiring property rights through the Spanish system royal grants and the American system of land cadastre registration. They regarded the land as source of economic and political power in the area.

The agrarian reform program partly succeeded in distributing land to the tenants and the landless; however, it failed directly to address the needs and rights of the land owners as to just compensation, location of the right of retention, extraterritorial notice and the right to make use of their savings, social and business linkages to establish a new venture. There is a great shift from agricultural production to industry, food and real estate related activities. They find these activities beneficial and a more lucrative source of livelihood compared to agriculture. The other heirs choose to engage in profession in foreign countries. They find comfort and contentment and established their respective families. In addition, the land owners are deeply attached to the land inherited from ascendants, however they also realized that agrarian reform laws meant not to break up their estates or anti-land owners but an attempt to correct the unequal land distribution of the country, promote economic growth and rural development.

### Recommendations

There is a need to revisit the importance of the rights, privileges and programs for the landowners of the agrarian reform program of the government. The government shall look into the need and benefits for the land owners who actively participated in the agrarian reform program. In addition, there is also a need to improve the land information system of the government if all the land owners are subjected to the said program. Further, a tracer study is highly recommended as to the effectiveness of the land distribution is properly distributed to the farmer beneficiaries.

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