Friends have often expressed surprise that a student of agriculture should be, by training, a political scientist.¹ But the focus of this study is government policy, a clearly appropriate domain for the political science discipline. The policies to be studied are those which affect the legal and economic control of land, and thus also—in a still dominantly agricultural society—the national distribution of wealth and power. Relative equality of wealth and power among the citizenry—and continuing government efforts to reduce gross inequalities—is a requisite of stable democratic government. The reduction of inequality also happens to be consistent with basic principles of justice to which I personally subscribe.

The purpose here is primarily to describe the nature of Philippine agrarian policy today, the degree of its implementation, and the problems associated therewith, before assessing the likely political consequences of that policy in light of some of the literature on agrarian

¹ This assessment, based on nine months of field research, is grounded in respect for the expressed intention of President Marcos to free the tenant farmer from the bondage of landlordism. Insofar as this analysis offers expressed or implied criticism of government programs affecting the intended goals of policy, it is to be hoped that it may, where appropriate, help to stimulate improvements in policy formulation and implementation.

In no sense does any criticism of policy denigrate the contribution of that dedicated band of civil servants, to be found in greater or lesser numbers in every agency, who are expending great effort to carry out their respective programs in the best manner possible. These officials, as well as private citizens in all walks of life, have been extremely helpful to me as I carried my research from air-conditioned office to remote barrio, and back. In fact, without the cooperation of so many Filipinos—including the loyal service of research assistants—this inquiry simply would not have been possible. To them I am deeply grateful.

Field research in the Philippines has been supported, since 1974, by a grant from the Canada Council.
change and peasant unrest. But first we must make some references to the context out of which the present policy emerged.

All the elements of present agrarian policy—land transfer, rent control, government credit, organization of cooperatives, land settlement, and agrarian courts—were to be found in earlier eras, but with differences in emphasis and scope. Previous upsurges of interest in agrarian reform were notable in 1954-56, 1963-64, and 1971. The political motivation for policy in each period differed. In the Magsaysay Administration, when the suppression of the Huk rebellion was so fresh in the memory of the landed elite, policy-makers were determined to destroy the mass support base of revolutionary counter-elites. Though the President and the Congress in the early 1960's, both aware of the increasing evidence of Huk revival, were impelled by similar concerns, building a mass base for the prominent elite decision-makers themselves was certainly an important consideration as well. An election was upcoming. Since 1972 Mr. Marcos seems to have been most interested in destroying the mass support—feudal in character—of his elite competitors, though the other two types of motivation have also been present. Only in 1971, which saw the enactment of the most progressive legislation before martial law, was there effective mass pressure for reform. In fact, without such pressure there probably would not have been substantial progress in reform at that time. 

Agrarian reform in the "new society"

Though the reforms of 1972-73 were the product of the most restricted decision-making process in the history of Philippine agrarian policy—consisting of the President and few advisors—the mass pressures of 1969-71 certainly impinged on presidential thinking. In fact, the urgency which Mr. Marcos attached to agrarian reform can be seen from the fact that within one month of the declaration of Martial Law he had issued Presidential Decree No. 27 for "the emancipation of the tiller of the soil from bondage." The President, who had shown slight interest in land reform during his first 7-1/2 years in office, decreed that all ten-

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[2] Thus Professor Huntington's dictum that there is "a basic incompatibility... between parliaments and land reform" (S. P. Huntington, *Political Order in Changing Societies* (Yale University Press, 1968), p. 388 ff) needs amendment. As Huntington himself later admits this does not apply when there are effective peasant organizations, which were active in the Philippines in 1971.
ants on rice and corn land were "deemed owners" of a family-size farm. Hours before he penned the decree in his own land—he before TV cameras—he had succumbed to pressure, especially from his native region of Ilocos, to exempt landowners from less than 7 hectares. There were, in fact, several other limitations of the sweeping transfer of rights to the land.

Since October 1972 President Marcos, Secretary of Agrarian Reform Conrado Estrella, and others, have often repeated such phrases as "agrarian reform is the cornerstone of the New Society," adding, "On this reform, the foundation of this country is being built," "The entire machinery of government has been committed to fulfill the promise of this program." On the first anniversary of P.D. 27 the President went so far as to say: "The land reform is the only gauge for the success or failure of the New Society. If land reform fails, there is no New Society." It is within the context of these bold statements of priority that Philippine agrarian reform deserves to be examined.

Scope. In November 1972 the Department of Agrarian Reform, the agency responsible for implementing P.D. 27, announced that there were 1,437,956 hectares of rice and corn lands tilled by 1,078,817 tenants. These figures, however, were taken from the 1960 census and failed to account for changes in the intervening 12 years. The Department of Agriculture and Natural Resources reported 5.678 million has. planted with rice and corn in 1972. Extrapolating earlier trends, this would have meant more than 3 million has. cultivated by tenants. In the first instance, therefore, it appears that about 1 million tenants were deprived of the benefits of land reform merely by manipulation of the data defining the scope of the program. (Interestingly enough the Bureau of the Census has not until now published the results of the 1971 agricultural census. Did it shown an even larger number of rice and corn tenants?)

By 1975 research had established that 57 percent of tenants were farming land owned by persons with less than 7 has., and thus would not benefit from reform under the terms of P.D. 27. In June 1976 figures posted outside the office of the Secretary of Agrarian Reform reported a total of only 644,199 tenants tillers on 1,058,214 has. of rice and corn lands, with more than two-thirds of those on landholdings

3 There are no large landholdings in the Ilocos region and almost all landlords there would come within the 7 hectare retention.
below 7 has. Thus only about 10 percent of the tenant tillers on rice and corn land, according to the best unofficial estimates, are now supposed to be beneficiaries of land reform.

What happened to all the other tenants? Essentially DAR seems to have decided that if tenants cannot be found by their fieldmen, they must not be there. The "totals" are now the number of tenants interviewed by DAR teams. It is much to the credit of the DAR, however, that in 1976 they decided to launch a new, more thorough identification process, linked to "carpet parcellary map sketching" for the whole barangay, thus providing a much more reliable data base for administrators. In some barangays where the carpet PMS is already complete, nearly 50 percent more tenants have been identified than during 1973-74, foretelling perhaps as expansion in the "scope" this time. Unfortunately, there were reports before that DAR fieldmen were sometimes too easily persuaded by landlords that the cultivators seen on the land were not really tenants, and thus should be ignored.

**Accomplishments.** Given the varying definitions of "scope," measurements of accomplishments will vary also. There are three steps in the land transfer process on which there is data. The first is the issuance of the Certificate of Land Transfer, which is essentially the same as the "allocation" of a lot under R.A. 3844, the 1963 legislation. CLTs can be cancelled or withdrawn without notice or hearing; they are only a preliminary indicator of right to the land.

As of June 30, 1976 DAR reported the "issuance" of CLTs to 197,973 tenants. (One CLT is issued for each plot; nearly half of all tenants receive two or more CLTs.) The term "issuance," however, refers only to the spewing forth by the computer, not to receipt by the tiller. Public reports in 1975 on the wide discrepancy between CLTs "issued" and "received" led to a revision of the data collection system at the regional level. A national compilation was made in February, revealing that of 281,000 CLTs "issued," only 127,000 had been actually received by the farmer. Even though the ratio of received to issued has probably improved somewhat since February, there are undoubtedly not more than 100,000 tenant-recipients by now. While this is more than 50 percent of accomplishment according to the most recent, and most restricted, scope, this is less than 25 percent of the goal announced in 1972. At the rate of 9,000 new tenant recipients in the first half of 1976, it will take nearly 18 years to distribute the certificates to all tenant beneficiaries as defined in 1972. DAR spokesmen have nevertheless talked frequently in recent months of "finishing" land reform by the end of this year.
The second step in land transfer, a much more meaningful one for both tenant and landlord, is the compensation to the owner by the Land Bank and the commencement of amortization payments by the tenant-becoming-owner. At this point the landlord-tenant relationship ceases.

As of June 30, 1976 the Land Bank had paid in cash and bonds over 331 million to landlords with 26,100 tenants, or 8 percent of the supposed beneficiaries of 1972. Though this three-year accomplishment is nearly three times that of the Land Bank in the 1969-71 period, the pace is not entirely satisfying. During 1974, the first year of LIP operations after the Bank's reorganization, there were only 3,472 tenant beneficiaries on paid-up land, compared with 5,746 in 1971. The following year, 1975, payments benefited nearly 400 percent more. And in the first six months of 1976 accomplishments were 57 percent of the previous year's level. At the 1976 rate, it will take the Land Bank more than 6 years just to compensate the landlords whose tenants have already received CLTs, and nearly 25 years to complete the task for the 1972 defined scope.

In order to become full owners the amortizing tenant must meet payments for 15 years. At the end of that period, land reform could be said to be completed.

Problems. If accomplishments have been far below expectations in the first two stages of Operation Land Transfer, there must be some explanations. Perhaps expectations were unrealistically high; we may have been infected with the PR man's syndrome.

One of the obstacles to faster implementation is a classic one, budget. DAR field personnel are the lowest paid of any government agency in the agricultural field. Lawyers attached to DAR teams receive no more, for instance, than junior research assistants at U.P. or Ateneo. Perdiems for the additional expense of moving officialdom from the team or district office to the barrio are practically non-existent. Thus morale is low and performance suffers. Particularly in the legal staff, inadequate salaries make it impossible to fill all the positions actually approved. While DAR's "actual expenditures" for operations rose appropriately from 45 million to 79 million between 1973 and 1974, the increase in FY 1975 of only 2.5 percent was only a small fraction of inflation. Lower then the increase in the government budget generally. The intention to complete land reform must be reflected first in a substantial increase in budget.

An encouraging sign was the release of an additional 13 million in April 1976 for the Bureau of Lands to accelerate parcellary map sketch-
ing; the funds for this special project had heretofore been squeezed out of its own modest budget. As of the end of 1975 little more than half of the OLT target coverage had been mapped and sketched, and the lack of surveys—especially accurate ones—had become a major obstacle to the issuance of CLTs or payment by the Land Bank. In April the Bureau of Lands had requested 26 million to finish the job, but the remaining 13 million had not even been promised.

While budget is a problem which must be solved outside of DAR, the second major obstacle to more rapid implementation is, in large part, an internal one: confusion over policy and inordinate delays in decision-making. In the beginning it appeared as if this confusion might be avoided. A few weeks after the issuance of P.D. 27 a draft of the “Implementing Rules and Regulations” had been completed. The draft resolved most of the many ambiguities in the decree in favor of the tenant. However, the President ordered that promulgation of the rules be deferred pending experience to be gained in pilot land reform areas. Neither the November 1973 draft of the rules and regulations, or any modification thereof, have been promulgated to this day. The resulting confusions have been myriad.

In 1974 work was begun on another document which, it was explained, might obviate the necessity for the implementing rules and regulations, i.e., a draft Code of Agrarian Reform. DAR staff were aided in this task by lawyers from the U.P. Law Center and consultants from the private sector. Two different versions of the Draft Code have been completed, one in 1975 and another in 1976, but the most recent one is under “further study” and the promulgation of the Code seems as distant as it was in 1974. In any case, it would not clarify most of the issues which were treated with some precision in the draft rules and regulations.

Perhaps the greatest progress so far toward clarification of the issues was Secretary Estrella’s unnumbered circular of May 3, 1976. The most important provision of the memorandum is that which authorizes the distribution of CLTs to tenants even on lands where the owner has filed some kind of complaint with the DAR, or where the land is under court litigation. If the courts or DAR lawyers make a subsequent ruling which invalidates the CLTs, then they may be withdrawn. In January 1976 there were 50-60,000 CLTs being withheld in such cases, often with the landowner having made no more than a verbal protest. According to the May 3rd circular CLTs were also to be delivered to the tenant, even when the owners claimed that the land had been conveyed to other persons before P.D. 27. After the CLTs are distributed the owner
can present his documentary evidence to the DAR. In practice, such claims were often unsupportable, but the landowner, by promising to present documentation at a future date, would succeed in holding up the CLT.

The silence of P.D. 27—unlike previous legislation—on what to do with areas within landed estates not directly cultivated by a tenant, especially roads, irrigation systems and homelots, is an increasing cause of difficulty in OLT. Both tenants and many landlords are urging the Land Bank to acquire such areas. Some unscrupulous landowners however are using continued ownership of irrigation systems or homelots to maintain control over their tenants. Even some “voluntary surrenders” of CLTs can be traced to such pressures. Fortunately the May 3rd memo provided, for the first time, some guidance on irrigation systems, instructing DAR fieldmen to organize irrigators associations and assist them in purchasing the existing systems with Land Bank financing.

However, the same memo was entirely silent on the homelot issue, even though it had been discussed at length within DAR over a period of more than 2 years. The cause of this non-decision is not known, but the prolonged paralysis on this question is a crucial measure of the administrative malaise in DAR. The legislative authorization for Land Bank acquisition of homelots, in R.A. 3844, is undoubtedly still valid. Conflicts over homelot possession, rental and/or purchase price will surely become one of DAR’s major headaches in years to come. It is possible that DAR’s failure to clarify administrative policy on so many points reflects an ambivalence on the part of the President himself as to how far he wants to push the land reform. Certainly Secretary Estrella consults very closely with the President on many matters.

Landowner opposition. Vague and inconsistent administrative guidelines, or total lack thereof, are clearly, as in the case of homelots, weapons in the hands of landlords determined to fight land transfer at every turn. No one knows how many owners are of this bent, but it is certainly true of most smaller ones. The larger owners were hardly more philanthropic in their outlook, but were more effective in the first few months after P.D. 27 in taking evasive measures. In any case, the large owners have other economic interests and are not so dependent on land rent; thus they are less tenacious in their opposition than smaller landholders.

It is clear that a very large number of owners have resisted reform at every stage of the administrative process. The first step was to avoid detection at all, which tactic was surprisingly successful, given the fact that land is a terribly obvious commodity. If the land was identified,
tenants were simply ejected, or given a modest sum to declare that they were merely laborers, again avoiding coverage by OLT. Others quickly mortgaged their land to lending institutions, perhaps investing elsewhere. Conversion to sugar, tobacco, bananas, or urban subdivisions was a somewhat later step undertaken by those who had not avoided identification, as well as by those who had. Conversion to urban land received DAR approval, under certain conditions; conversion of tenant-ed rice and corn land to other crops proceeded without benefit of official sanction and contrary to law. When an owner was unfortunate enough to be faced with the issuance of CLTs on his land, he could protest that the land had been sold to another or distributed to heirs, or insist that the occupants were not his tenants. Until very recently (see above) this led to indefinite delay.

When it came time for small owners to file for the right of retention, only about 10 percent of those likely to be eligible submitted their petitions, on the principle that the less information obtained by DAR —and much was required of these petitioners— the greater the chances of avoiding OLT.

The land valuation process has also provided ample opportunity for foot-dragging. Until December negotiations were being used to set the price of the land, outside the framework of P.D. 27. Landlords, despite repeated invitations from the DAR, regularly failed to appear, thus delaying indefinitely the completion of land reform. The Barrio Committee on Land Productivity, authorized in 1973, was activated in 1975 as an alternative mechanism. It now sets the average normal harvest for different classes of land in the barrio, 2.5 times of which becomes the land price under the P.D. 27 formula. The 11 members of the BCLP include 4 tenant representatives, 2 owner-cultivators, 2 landlords, the barrio captain, and the *Samahang Nayon* president, plus the non-voting DAR technician. Since in a land reform area at least one of the two mentioned barrio officials is usually a tenant, tenants are likely to command a majority. Fearing to be outvoted, landlords most often do not show up. (Ironically, the influence of the landlord—even in the process of being expropriated— is still so great in many areas that when they do appear they are often able to determine an outcome favorable to their interests.) Their non-participation in the decision, though made with a proper quorum, is then used as a basis for protest against that decision to the DAR. As of June 30, 1976, while 8,106 BCLPs had been organized, and 3,644 had forwarded to the DAR central office the decision made about productivity, only 1,861 of
those had been approved. The remainder were classified as lacking complete data or “with protest.” So far, no BCLP decision has become the basis of Land Bank payment. Landowners are simply not presenting to the Bank the voluminous documentation required. And as long as the Land Bank has not entered the picture, the landlord may still receive rent for his land. A recommendation now being considered to halt rent payment by CLT holders would provide a significant stimulus to speedier implementation.

Curiously enough it is the tenant who is said to be providing the main delay at the last stage of the compensation process. After the land price is agreed, the Land Bank comes to each CLT holder and asks him to sign a “farmer’s undertaking” which fixes the amortization schedule and extracts a promise to pay. Hundreds of farmers—perhaps thousands—are refusing to sign. In some instances cultivators had been persuaded to sign blank forms after verbal agreement on the terms of the LTPA with the DAR technician, only to find later that the price had been hiked, apparently in private discussions between technicians and landlord. Other times they were promised that they would get their home—as well as farm—lots for the price agreed, then to discover that there was no such promise in writing. Or the landlord may have agreed to condone past debts, then at the last minute added the amount to the purchase price. Sometimes the tenant is simply a shrewd bargainer. He sees that the price to be derived from the BCLP will be much lower than that in the LTPA, and simply wants to reopen the negotiations. Or he may even be the object of manipulation by unscrupulous “tenant leaders,” encouraged from the landlord. On still other occasions the farmer is reportedly “reluctant to become an owner.” If true, this is most likely to be the result of threats and/or enticements from the landlord, so that most fundamentally it constitutes another type of landlord opposition tactic.

That the landlord would be attached to his land, and want to retain ownership, is hardly surprising. That he should take advantage of every loophole, every ambiguity, is consistent with his own best interests. What is less easily understandable, however, is that DAR has never taken steps to penalize landlords for their many evasive, and sometimes illegal, tactics. In effect, it is the honest landlord, who complies with all regulations and does not ask for special favors, who is being penalized. This does not encourage further compliance.

The distributive effect. We have noted previously some of the inherent advantages for large landowners. Not only is the wealthier and
more powerful owner better able to evade coverage, pay for legal maneuvers or invest in crop conversion, but he has also been benefited by the vagaries of the compensation scheme. The negotiated agreement, or LTPA, which has been the basis of Land Bank compensation so far, has produced average production figures for irrigated land of 146.7 cavans per hectare, and for unirrigated land of 71 cavans, as of June 30, 1976. Though entirely comparable data for the BCLP are not yet available, production figures for irrigated land range most often around 85 cavans, and for unirrigated land around 45 cavans, or less than two-thirds the LTPA levels. Thus, in spite of the fact that President Marcos in May 1975 tried to make payment more attractive to those owning less than 24 has. by increasing cash payment from 10 percent to 20 percent, very few of those landlords have yet been compensated at all, and thus will eventually come under the BCLP scheme at much lower prices.

Some very careful assessments of the distributive impact of OLT, as between landlords and tenants, have already been done. But economic analyses assume the full implementation of existing decrees and regulations. In fact, the true distributive effect is going to be determined in large part by the degree to which implementations are "by the book." Because of the slow start of business activity by the Land Bank, the cash market value of the Land Bank vond is now little more than 50 percent of face value. Thus landlords in most urgent need of cash, usually the smaller ones, will suffer more from the compensation scheme than those who can afford to hold on to their bonds and get productive loans at 85 percent of the face value. For the cultivator, failure to pay amortization payments—which is so far typical of more than two-thirds of all amortizing owners—certainly "softens the burden." It remains to be seen whether the Samahang Nayon can be an effective instrument to police amortizers in arrears. The Land Bank staff will never be large enough to allow them to take direct responsibility.

In any case, inflation will also be a major determinant of the reform's distributive impact. Whether fast or slow, it is likely to be a persistent advantage for the tiller. Hardly any landlord has chosen the option of

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receiving direct payment from his former tenant in kind, which, despite its other disadvantages, would protect the owner against inflation. Even though Philippine inflation may not be as bad as that in Japan immediately after land reform there, it is certainly on a steady upward curve. It will fall most heavily on bondholders without business acumen who merely keep their bonds and collect a modest 6 percent interest. Because of inflation, the fears expressed by some critics of Operation Land Transfer that most tenants would be economically incapable of meeting their amortization are not likely to be well-founded in the long run. It will be necessary, however, to create an enforcement mechanism that encourages the will to pay.

Even with the benefit of a rising palay price, there will, of course, be many amortization owners who fall into economic difficulty and face the acute danger of losing their land. There are already many instances of transfer of CLTs from one cultivator to another, although it is strictly prohibited. The subterfuge used is that of “abandonment.” A CLT-holder who “abandons” his land loses his rights too, and thus the CLT is reissued to a deserving farmer, in almost every case the one who is found to be farming the “abandoned” land. The new CLT holder is not just lucky, however. He paid a consideration to the one who “abandoned” the land. This is a standard practice on leasehold land, where the right of leasehold—in Central Luzon, at least—fetches as much as 3,400 per hectare for good riceland. And since the transfer of leasehold rights is not illegal, it can be freely mentioned to an outsider.

The prospect for a widespread practice of subterranean transfer of rights can also be extrapolated from the experience of the landed estates, some of them under government administration for 20 or 30 years. In certain estates most lots appear to have changed hands two or more times, despite restrictions imposed. Some of those transfers were from cultivators to non-cultivators, i.e., the reestablishment of landlordism. The pressure of population on the land and the unequal capacities of men make this process to some extent inevitable. But through the institutionalization of low-interest credit and cooperative marketing schemes government could prevent such a process from becoming the dominant and pervasive one, wiping out the benefit of land reform in one generation, as happened on such a large portion of the friar lands.

**Government credit and cooperative marketing**

Recent studies have told us that the main source of private, high-interest credit—ranging from 20-200 percent—for the rice and corn farmer
today is the suki, the grain buyer, who has preempted the role of the landlord, in part as a result of agrarian reform. Thus government efforts to extend low-interest credit through Masagana 99 and Masagana Maisan, as well as the attempt to build a cooperative credit and marketing system based on the Samahang Nayon, are timely and necessary corollaries to Operation Land Transfer and should be included in any study of agrarian reform, even though their purpose was primarily to increase production.

**Masagana 99.** This constitutes the most massive government scheme for agricultural credit in Philippine history. Since it began in May 1973 until the completion of Phase VI releases in March, more than 2.5 billion had been channeled through the Philippine National Bank and the Rural Banking System to more than a half million farmers – in the peak year of 1974. This financial outdoing is several times that provided for land reform.

The loans were given to tenants and owners alike, with the only collateral being the standing crop. Each applicant for a loan was supposed to fill out a “farm plan” with the assistance of an agricultural technician from the Bureau of Agricultural Extension or the Bureau of Plant Industry, in order to know the fertilizer and chemicals needed on his land. Chits were given for fertilizer and chemicals purchase, while cash was released in order to allow the farmer to pay for planting, weeding and harvesting. During the first year of the program there was such pressure to “get the money out,” that the farm plan was, at best, a formality, and hundreds of persons who were not farmers at all actually received loans. The manner of implementation was determined by the fact that the only measure of success was the amount that each bank was able to loan, or the number of loans which each technician was able to approve. Since rice farmers were given fertilizers at a subsidized price, and sugar planters were not, a lively trade quickly developed out of the eagerness of the rice farmer for cash. Whole barges of Masagana 99 fertilizers were shipped from Luzon to Negros, until a stop was put to the practice. But such sales to sugar planters within the same province, e.g., Pampanga or Iloilo, were on a smaller scale and were much more difficult to detect or halt. They have continued to plague the program until today, reducing the productivity of rice and thus the rice farmer's ability to repay his loan.

Repayment percentages, over 90 percent, were remarkably good for a government credit scheme during Phases I and II. By Phase III, however, the PNB’s repayment had already dipped to below 70 percent.
The Rural Banks, still claiming 91 percent repayment into Phase III, were attempting to fool the Central Bank by extending loans out of which old loans could be repayed. Bad weather helped bring the repayment percentage in Phase IV (November 1974 to April 1975) down to 62 percent for the PNB and 72 percent for the Rural Banks, according to official figures. As the Central Bank and the PNB became more and more alarmed about rising arrearages—which have now reached nearly 1 billion—more drastic measures were taken. The help of the PC was asked, some of the more obvious delinquents were taken to court, and a few officials were removed for having been caught in "fake farmer" racket, i.e., taking loans given to agricultural technicians, and even barangay captions, to encourage them to assist more effectively in the collection process. Still into Phase V the collection percentage continued to drop. The farmer's perception of Masagana 99 as a "government loan"—having more the character of dole than credit—was an underlying factor which new policies could hardly touch.

In addition to intensifying the collection process, it became more and more difficult for delinquent borrowers to borrow again—until in the current Phase VII it became absolutely impossible. Thus the amount of funds loaned, and even more sharply the number of borrowers, began to drop. Borrowers in Phases V and VI were little more than two-thirds of those during Phases III and IV. Thus the number of borrowers—who are both owners and tenants—is now less than the total number of CLTs issued. And scores of thousands of rice and corn farmers are disenchanted with RB or PNB credit, whether the fault lies with themselves or the system.

Even though the interest rate of 12 percent is far lower than that for alternative sources of credit, the farmer also has other criteria by which he judges the desirability of a credit source. From usurers he has come to expect prompt service, without restrictions on use, free of forms and other paper work—all at which is the antithesis of bank loans. Furthermore he values very highly a lenient approach to delinquency, often forgetting that he loses more than he gains from postponement of a usurious loan. Such values are deeply ingrained, and are not changed easily. For the vast majority of Masagana 99 loan recipients, this was their first brush with institutionalized credit. Now they are threatened with the stockade if they do not pay an overdue loan. Some are sufficiently frightened to sell their carabao in order to allow early repayment. Thus whether it is from psychological preference or economic necessity, a large portion of former Masagana 99 farmers are again
propelled toward the usurer for credit needs. It is probably a much smaller group that benefited sufficiently or budgeted carefully enough that they are now no longer in need of borrowing.

Thus the long-term benefits to land transfer which Masagana 99 might have provided are likely to be rather minimal. The increased production achieved by many farmers was based on fertilizer input, but without loans most farmers cannot afford to put on the prescribed amount, so that yields will fall again. Fertilizer usage in rice farming already dropped 20 percent from 1974 to 1975, and is still on the decline.

The economics of the program itself were hardly redistributive. The Rural Banking system nearly doubled gross income from 1972, before Masagana 99, to 1974, the first full year of operation. And by 1975 the net income for the system rose to an all time high of 28 percent of gross income. Yet even these figures probably conceal the rural bankers' true gain. For instance, privately owned rural banks—which are often slower in paying the Central Bank than farmer borrowers are in paying them—sometimes establish "money shops" in the town market. Though advertising interest rates of 14 percent per annum, a closer analysis of real interest rates reveals figures above 100 percent, and this with Central Bank money borrowed at 1 percent per annum. The rural banking business became so profitable that 1974 saw the largest number of new banks opened in the system's history, 76 in all. These were often owned by the very same families that were supposed to be "victims" of land reform. Probably the greatest beneficiaries of the program are distributors of agricultural inputs, who, at the local level are often the rural bankers as well, if not local politicians. In sum, the profits to lenders and distributors was probably greater than actual interest savings of farmers, though a precise measurement is very difficult indeed.

Samahang Nayon. The SN is the barrio unit of a national cooperative structure conceived by Dr. Orlando Sacay which is eventually supposed to include 40 Cooperative Rural Banks and 60 Area Marketing Cooperatives, as well as central cooperative institutions, of which the Cooperative Insurance System of the Philippines was the first to operate. By the end of 1975 there were 15 registered AMCs, not all of which were yet operative, and 2 registered CRBs, only one of which was functioning. At the base of the system there were 14,329 registered SN with nearly 100,000 members. In terms of membership this is one of the largest organizational structures in the Philippines—and it grew 25 percent during 1975. Total savings, composed of the general fund, the
barrio savings fund, and the barrio guarantee fund, amounted to the impressive figure in January 1976 of 42.7 million. Total savings had nearly doubled in 1975. It is hardly accurate to say, therefore, as some critics have, that the Samahang Nayon program is dead. What is true, however, is that totals and averages hide a wide variety of health among the numerous associations.

Dr. Sacay himself has admitted that less than 20 percent of SN are really healthy. This is apparently measured in terms of approximate adherence to the schedule of collections from members—5 per month for the BSF and one cavan per hectare per harvest for the BGF—and fairly regular meetings of the various SN committees. There is essentially no place in the evaluation forms used for successful innovation, i.e., new projects, new types of activities.

Perhaps a majority of the SN are moribund: they are not collecting savings or holding meetings, and their members would resign if they could. But the Bureau of Cooperative Development will not allow any SN member who resigns to withdraw his savings, so even the most disgruntled still continue to appear on the membership roles.

The causes for this disgruntlement are many, and can be traced back to the origins of the program. SNs began to be formed in 1973 under great pressure from the top. Though they are officially "voluntary organizations," threats which held some potency in the early days of Martial Law were often used to bring in the new members to the time-consuming training programs. There were also false promises, e.g., "only those who join the SN will receive Masagana 99 loans."

As training continued it was explained, quite correctly, that the goal of the SN was to accumulate capital so as to create a cooperative rural bank and an ACM which could service the farmers. But the SN itself was not supposed to be engaged in either cooperative marketing or credit—though some of the healthy ones have done so extra-legally. The vast majority of SN members are not serviced to this day by either CRB or AMC, so understandably they have lost interest. One particularly acute DLGCD officer observed that if it had not been for the launching of the CISP program in late 1974 and early 1975 the whole co-

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5 The statistics on which Dr. Sacay, Undersecretary for Cooperative Development, DLGCD, bases this admission are to be found in reports of the Agricultural Credit and Cooperatives Institute, financed by the International Development Research Centre, Ottawa; they are carefully guarded from the quizzical eye of the researcher.
operative structure in his province would have collapsed. Life insurance was well sold by DLGCD field men and the payment of death benefits seems to have been quite prompt in the few instances where it has so far been necessary. But in time even the insured began to examine this rather minimal group policy more closely, and the enthusiasm has waned. In those municipalities where SN are not yet serviced by a cooperative marketing or credit structure it will probably be difficult to revive the disillusioned membership. They will be more skeptical than ever about new promises associated with the cooperative structure.

The creation of additional CRBs has been faced with some special obstacles created, in effect, by another agrarian program, Masagana 99. Upon release of Masagana loans the PNB, or the Rural Bank, was supposed to deduct 5 percent for deposit in the savings account of the SN, credit to the individual farmer. Many RBs failed to do this, but probably most did. When it came time to organize a CRB the capitalization was to be derived from the BSF of the Samahang Nayon. But the Rural Banks refused to release the savings, even on formal request of the board of directors of the SN, and produced a letter from the Central Bank to justify their stand. Their contention was that as long as SN members were overdue in repayment of their loans, the bank "had no funds" to pay out savings withdrawals. The Central Bank and the Department of Local Government and Cooperative Development may soon be resolved, but the formation of Cooperative Rural Banks has already been delayed for more than a year, thus contributing to further demoralization among Samahang Nayon members.

The moribund state of so many SNs is a threat to the success of the land reform program. (The reverse is also true. Nothing more effectively destroys an SN than the failure of its members to receive the CLTs which they think they deserve; and many have been so destroyed.) The SN is given the responsibility of guaranteeing the prompt payment of amortization by its members who are land reform beneficiaries. All CLT recipients are, in turn, supposed to join a Samahang Nayon. In case of complete default, the SN must find another landless farmer to cultivate the lot in question and assume amortization payment himself. In the interim the SN may have to take direct responsibility for the operation of the farm. This mechanism has not yet functioned, though it may soon be put to the test. It is a challenge even to a healthy SN with strong leadership. It is hard to be optimistic about what will happen in other types of SN, which are more numerous.

In sum, the government credit and cooperative programs designed to
bolster land reform have operated quite imperfectly. It is yet too early to tell whether the major problems can be corrected fast enough to re-invigorate these programs. The cooperative mechanism is a delicate one, in which mutual trust and the nature of leadership are overwhelmingly important. It is not susceptible to rapid qualitative change at central direction, particularly when that direction is not responsive to local differences. The Masagana 99 program, on the other hand, depends much more heavily on a centrally administered bureaucracy. Bureaucratic leadership has reacted rather well so far to feedback, and may yet be able to alter policies and procedures so as to revive the Masagana 99 and put in on a stable footing.

Inevitably, however, a successful credit program, built on the proven ability to repay and designed to increase production, will conflict with a policy of agrarian reform dedicated to strengthening the position of the disadvantaged. In the past, production oriented considerations have always been given priority over those emphasizing equity. The conflict between the Rural Banks and the cooperatives is a case in point, and must be resolved at the highest levels. If the resolution is to be made in the spirit of agrarian reform, the cooperatives must be freed from unnecessary restraints. They could become the institutions most truly representative of the tiller of the soil.

Despite the public focus on land reform in recent years, there are a variety of other government policies which greatly affect the distribution of land. Those of longer standing have to do with disposition of public land, today centered in the Bureau of Lands and the Resettlement Division of DAR. The more recent developments are primarily focused on promoting agricultural production, but nevertheless have a very direct impact on patterns of land ownership and control.

Disposition of public land

Organized land settlement in sparsely populated provinces and municipalities was a major emphasis in the agrarian reform program under Magsaysay. It has continued to be popular among landlords, who see it as an alternative to land transfer in heavily populated areas. Today land settlement programs are handicapped by Muslim unrest in many parts of Mindanao. But perhaps the most basic reason for the relative lack of emphasis on resettlement today is that the Philippines is running out of vacant cultivable land. In 1974 the Bureau of Lands reported that there were only 346,129 has. of disposable public agricultural land on which
there were as yet no applications—compared to 1,469,517 has. on which there were applications pending. Organized land settlement may well be de-emphasized also simply because it is a very expensive way to open up public land. The record of settler repayment on government advances designed to facilitate the resettlement process is very poor.

The argument used to be made that organized land settlements was preferable to the free-for-all so poorly supervised by the Bureau of Lands because it avoided land conflict and was able to enforce the rules against tenancy on homesteaded land. But the experience over the last two decades even cast those contentions in doubt. Tenancy is rife within the settlements and has been for years. Even settlement officers often have their own kasama, or share tenants. Thus figures on families resettled cannot be equated with cultivator ownership. There are now over 50,000 officially recognized settler families on nearly 700,000 has. of DAR land.

Though settlement areas are not without land conflicts, the situation on other public land is probably worse. The compilation and organization of statistics in the Bureau of Lands is so poor that it is quite impossible to tell how many disputed claims there actually are. But the problem was recognized as serious enough in 1973 that Secretary Tanco of the DANR drafted a decree to provide for the cancellation of illegally acquired public land, even without the lengthy, cumbersome court procedures which are now required. Unfortunately the decree has never been signed and the cancellation of what are certainly vast areas of illegal acquisition proceeds at a snail's pace.

Because the Bureau of Lands has no data on patents issued by land size, or information on the number of patentees who have tenants, it is impossible to know how many cultivator owners are created by its program. 6 Even though the great majority of patents are in the homestead and free patent category, limited to 24 has., the courts have invariably upheld the right of public land applicants to use tenants in the occupation and cultivation of lands for which they apply. This fact came to the attention of the President in 1973, causing him to issue P.D. 152, "Prohibiting the Employment or use of Share Tenants in Complying with Requirements of Law Regarding Entry, Occupation, Improvement

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6 A 1972 study by J. Steward in Hagonoy, Davao del Sur, which had been originally settled by homesteaders, revealed tenancy rates of over 80 percent. Quoted in Gelia Castillo, *All in a Grain of Rice* (Los Baños: SARC, 1975), p. 270.
and Cultivation of Public Lands . . . .” However, even though the decree authorized the denial of application or cancellation of grant on the grounds of the use of tenants, there is no evidence available that any such denials or cancellation actually took place. From 1973 through 1975 more than 313,000 public land patents were issued, probably less than 1/5 of which established actual tillers as owners. Even so, 62,000 constitute three times the number of owner-cultivators tentatively created by DAR and the Land Bank in the same period.

Corporate farming

Since Martial Law there has been a remarkable increase in the area planted to export crops, primarily because of the influence of world prices, but partially also to avoid land reform, at least in certain areas. Nearly 94,000 more hectares were planted to sugar in the crop year 1974-75 than just three years earlier. Based on field inspections in some of the areas where such crop conversion is taking place, but without the benefit of adequate statistics, it seems likely that at least half of that was formerly planted to rice or corn. And of that 47,000 has., at least half again was either purchased from cultivators or planted to sugar after ejecting or buying out the tenants.

Bananas began their most rapid growth before Martial Law, with production jumping from less than 2 million boxes in 1969 to more than 28 million in 1972. But since then an additional 5,800 has. has been planted. While some of this land was in old abaca plantations or uncultivated, the great majority of it was converted from rice or corn.

In almost all cases the conversions from rice or corn involved the displacement of either owner-cultivator or tenant. Tenants, of course, were thereby deprived of benefits of land reform. Owners were given rent for their land, and some were hired as laborers on plantations. The lease agreement seemed favorable to most owner-cultivators when they were first told about it—though they were seldom allowed to read it. Banana companies offered 400 or 500 per hectare and promised five years payment in advance. For the man with six hectares and a large family 30,000 in cash was a tremendous amount of money! Some were able to invest this money in another piece of land, a small business, or at least a new house. Other were more profligate. For most the cash was gone within a year or so and alternate income sources were meager indeed. Within two years of the advance, some plantation managers came back to the owner-lesser to tell him a very new piece of news, that the advance was subject to interest and that a substantial interest
payment was now due. As a result several former owner-cultivators have had to sell their land to the plantation in order to pay their debts. This process will undoubtedly accelerate over the years. In any case, renewal of the lease is at the option of the plantation, so that the owner could be permanently reduced to the status of laborer or tenant without actually losing rights to the land.

The plantation should be pleased indeed to get access to land for such a ridiculously low cost. For the net profit per hectare on banana land, according to the industry's own figures, was 11,000 last year! The landowner is getting a handsome 4 percent of the profit! Pineapple land is being leased by Philippine Packing Corporation for 200 per year, if level, and 2.00 per year, if rolling. As in the case of some banana plantations, PPC has leased certain areas from absentees whose right to the land is disputed by the actual cultivator. But in the process the cultivator is being driven off. 7

The physical ejectment of the actual cultivator is often the consequence of corporate cultivation under G.O. 47, enunciated by President Marcos in 1974 to boost the country's rice production. All corporations with more than 500 employees are required either to import rice at their own expense or to produce it; 158 corporations as of May 1976 have chosen to cultivate 28,460 has., about 19,000 of which is leased. Victorias Milling Co., for example, leased from the Mindoro Agricultural School, then proceeded to bulldoze the occupants who had been trying for years to get legal title to the public land they had so long cultivated. In rice and corn areas of Mindanao it is common for the corporation to enter into a lease with a small owner, similar to that of the banana plantation. In one instance in Davao the G.O. 47 corporate farmer was clever enough to tie up the desired area in leases only months before the public announcement of an NIA irrigation project—in direct violation, by the way, of G.O. 47. It is estimated that more than 15,000 has. have been lost to farming by tenants, owners or claimant-occupants as a result of G.O. 47.

Also in 1974 President Marcos issued a decree opening up another type of corporate farming. P.D. 472 required all holders of timber licenses and pasture leases on public land "to develop areas within their con-

cessions for the production of rice, corn and other basic staples to take care of the consumption requirements of their workers and the people within their areas." But previously most of the easily cultivable hectare within timber and pasture concessions had already been planted by land-hungry farmers, who were nevertheless unable to acquire any right to the land they tilled because the Bureau of Forestry refused to classify it as suitable for agricultural purposes, and thus "alienable and disposable." Many such farmers had petitioned the Bureau vainly for years, only to find that the interests of more powerful people were attended to first. Therefore, on the nearly 26,000 hectares already being farmed under the provisions of this decree, thousands of cultivators are being driven off the land to which they first set the plow. Only a small portion are being hired back as laborers.

Thus it seems fair to say that since 1972 about 70,000 hectares of agricultural land tilled by more than 20,000 families have slipped out of the control of the cultivator due to government policies encouraging agricultural production—or more than the area gained by 26,000 tenants through land reform. Since we have not yet entered into the balance sheet on the one side, cultivators who receive homesteads and free patents or, on the other, the seizing of ancestral lands from tribal groups, both Muslim and non-Muslim, or the loss of land through indebtedness—the most important and least researched process of them all—one must conclude that on balance, the trend on the land is away from the ownership and control of the cultivator and toward the expansion of the absentee landlord. This is a trend which has been uninterrupted for centuries. It is only a pity that with all the resources at the command of the government today, it cannot be halted.

A consequence of the continuing loss of land by the cultivator is the growth of the landless labor class, a category that has not benefited in any way from government credit or cooperative programs, or from land reform itself. Though its growth has been speeded by the recent efforts to evade land reform and by the emphasis on corporate farming, the ranks of landless laborers were being augmented already in the late 1960's by government credit programs to facilitate the purchase of tractors, financed by the World Bank, 8 programs which continue until the present. Such loans made it easier for landlords to eject their tenants

and shift to farming with wage labor. Though one recent estimate suggests that there are 8 million landless laborers, 80 percent of the rural working force, 9 this includes all tenants, not just those without any tenure rights on the land, a more useful definition. In any case, landless laborers are of increasing importance, not just on sugar plantations, but in rice-growing areas, as well, and for the newer export crops that are expanding so rapidly. The government recently recognized their plight by the creation of the Rural Workers’ Office in the Department of Labor.

Political consequences

Since the political purpose of land reform and its ancillary policies was to create mass support for the New Society and its leader, and to undermine support for alternative leadership on both the right and left, it is well to take a closer look at the actual political impact, as policy-makers themselves may also be doing. Agrarian policies are perceived differently by different groups, of course. Those whose perceptions and attitude we must attempt to understand are rice and corn landlords, their tenants, cultivator-owners and claimants dislocated by various types of corporate farming, and the corporate farmers themselves.

We have already described the way in which landlords have attempted to evade the impact of land reform. This is associated with various tactics designed to maintain the influence of a patron over his clients. Such landowners, who are undoubtedly in a majority, are often embittered against the government. A large portion have the attitude of “sitting out the duration,” hoping that somehow land reform will “go away”. Only a halt to land reform, and a more generous compensation for those who have already had their land taken, will mollify this group. They are now so suspicious of the government’s intentions that they assume that land reform will be extended to other crops and pushed down to zero retention on rice and corn. Their preparations to meet such an eventuality, e.g., harrassment or quiet dispossession of tenants, are creating further agrarian conflict. In this group there is a strong disposition to welcome a change in top governmental leadership.

Among the landlords there is a sizable minority, however, who are either more philosophical, more urban oriented, or simply have a wider array of economic interests outside land, who are not opposed to land reform in principle, but are unhappy about the method of acquisition and the amount of payment. It is this group which might be turned from neutral to supportive of government through an increase in the cash payment by the Land Bank. This group will probably share the displeasure of their diehard compadres with the BCLP evaluation, but would be less likely to try to block its implementation.

On balance, then, landlords are hostile toward and apprehensive of the land reform program, and these attitudes will be intensified if the program is implemented further. Negative attitudes will also tend to become more generalized toward central government leadership over time. And as the reform is pushed down to smaller holdings, the hostility of smaller landowners will increase most rapidly. Such findings would seem to counsel a slowing down, or even halting, of the land reform program.

But the attitudes of tenants must also be accounted for. There is a segment of the tenantry which is also uneasy about land reform. They usually have a close, warm relationship with their landlords and are afraid of a future that might break that tie, forcing them to take greater risks. Thus when landlords suggest that they will no longer be able to give emergency loans or *rasyon* after land reform, such tenants might easily be persuaded to surrender their CLTs. Or they might be susceptible to landlord advice not to join a Sarnahang Nayon. In any case, this group does not constitute more than 10 to 25 percent of the tenant class, and are to be found most often in isolated towns. Their attitude toward central government is vague, but being easily influenced by landlords, could turn hostile.

The great majority of tenants, on the other hand, would seem to welcome land reform. Those who have been demanding reform over a period of years will tend to regard it as a matter of right, and thus be particularly critical of any shortcoming in implementation. Lachica reports that in Central Luzon most tenants believed that earlier land reform efforts were a response to the Huk insurgency.10 The larger number who have not been part of an organized peasantry will be

"grateful for the privilege given to us by President Marcos." Both subtypes are supportive of the national government today. The former category could turn against the government, however, if they decide that this reform is another "palabas," or sham. The latter’s support will erode more slowly since their expectations were not so high in the first place. In any case, the failure to receive a CLT—even for a reason which may seem "good" to an administrator— or inordinate delay in the opportunity to stop paying rent to the landlord could turn positive political attitudes toward central government into negative ones. To hold the support of the tenants, it would seem to follow that effective implementation of agrarian reform must be speeded up, including cooperative marketing and credit as well as land transfer.

And what of those unaffected by agrarian reform, but whose livelihood and status is profoundly altered by the intrusion of corporate farming? This is a large category composed of several subtypes only a few of which can be mentioned. If the displaced tenant had no expectation of land reform and is able to become a tenant elsewhere, despite the inconvenience of the move, his basic status has not changed. It is much more common, however, that those displaced are either owners or public land claimants. The former was probably able to sign a lease, often disguised as a "growers contract," with the farm corporation and in the first few years is basking in the luxury of his advanced cash payment. For most, however, that period ends all too quickly. They are forced into a search for wage labor or a tenant holding, a significant status deflation. In the meantime they are becoming aware of the tremendous profits being made from their land, especially in the case of bananas or pineapple. Insofar as they recognize the role which government played in their dispossession, their understandable frustrations will be turned against government as well as corporate farms. At that point they are ripe for dissident recruitment.

The most immediately explosive case, however, is that of the cultivator-claimant who has been trying for years to get legal rights to his land, but who is physically forced to stand aside upon the entrance of a corporate farm. There have already been armed clashes with such people, but those with superior wealth usually have command of superior force, and the cultivator is effectively dislodged. A generation ago when this happened—and it happened often then too—the loser trekked to new unoccupied land and started again the tiresome process of making ideal land productive. Today, however, it is seldom possible to find cultivable unoccupied land, so the displaced cultivator is most
often reduced to sporadic wage labor. His bitterness is deep and his propensity to violence, great. All that is needed is leadership to turn that violence to political purposes. Thus increased rice, banana or pineapple production today may have been bought at the price of a widening rebellion within the next few years.

The corporate farmers themselves are not as pleased with the situation as one might imagine of an entrepreneur embarking on a new venture. They were forced into rice farming by G.O. 47 and P.D. 472 and some claim it will not be profitable. In any case, it requires new capital outlays and involves new kinds of management headaches. Some of the corporations involved are owned by landlords dispossessed by land reform, so that their political attitudes are colored by both policies. But for the most part corporation executives and board members are affected by such a wide array of government programs that the agrarian dimension is a minor element in their thinking. Market prices and profitability are more relevant to their mood.

If there were an uninhibited flow of information to the President from all sectors of the Filipino populace affected by agrarian policy, we could see that he would receive strong signals both to speed up the reform, and to slow it down. Since it is his style to try to please everyone, just as if he were soon to face an election, his apparent indecision is, therefore, understandable.

But the feedback process is far from perfect. With an end to electoral competition, and the muzzling of the once free press, the upward flow of information outside the bureaucracy has been substantially restricted. Patterns of personal connections reminiscent of the "Old Society" determine who reaches the President’s ear. Thus it is those with economic power and political influence who get their message across most often, i.e., the landlords. The one organized landlord group, with the acronym ALARM, feels dissatisfied with the President’s response to its advice. But, as of old, the messages most persistently and effectively transmitted are particularistic ones, not suggestions for alteration of policy.

The peasant voice is undoubtedly weaker than it was before Martial Law. Though certain peasant leaders are occasionally allowed to speak to the President, and Samahang Nayon officials send telegrams or letters to Malacañang Palace from time, the channels have narrowed. Other peasant leaders are in jail or coerced into silence. A Presidential Action Committee on Land Problems had been created in 1970, with provincial committees reporting to it. However, its function of investi-
gating and resolving expeditiously "disputes over land between small settlers and big landowners and between Christians and cultural minorities" was effectively limited to Mindanao. And by 1974 it had become inactive. It was reinvigorated by Presidential Decree in 1975, but continues to focus its attention on Mindanao, where, to be sure, land problems are the most acute. But only the most serious conflicts reach the provincial committee, and not a few erstwhile complainants are inhibited by the fact that the committee is chaired by the Provincial Commander of the Philippine Constabulary. Elsewhere the farmer's only appeal is to the very bureaucracy which is the cause of his problem. A caveat distilled by Samuel Huntington from the experience of many countries is indeed relevant; "Peasant participation may not be necessary to pass (land reform) legislation, (but) it is necessary to implement (it)."11 However, this may be an inevitable limitation on land reform under Martial Law.

Given the predominance of communication from the landed class, it is not surprising that appropriations are inadequate and administrative clarifications infrequent. The President and his advisors, as is true of so many political leaders, are making decisions on the basis of short-term calculations. They are probably unaware of the fact that this is not a case of half-a-loaf being better than none.

A land reform which is primarily a public relations effort is harmless enough, since the wily peasant expects nothing of it anyway. A fully implemented reform, on the other hand, can create a newly satisfied and conservative peasantry, as it did in Japan. But a half-completed job has explosive potential. Those who have suffered from landlord evasion tactics are the most disillusioned. And while landlords themselves are unhappy, a large percentage of the peasantry, given a promise which seemed in the process of fulfillment, also feel cheated when fulfillment repeatedly slips into the future. This is hardly the basis for legitimacy and stability, especially when the traditional source of legitimacy, elections, has been discarded.

Philippine agrarian reform has already produced an increase in rural conflict since 1973. That conflict will spread most rapidly if the reform slows to a halt less than halfway to its original goal.

This does not mean, however, that peasant rebellion is imminent, despite some of the warnings in the literature. "Decentralized sharecrop-
ping systems in general and irrigated rice production in particular are likely to create a homogenous landless peasantry with strong incentives for collective action. These economic characteristics should in turn lead to political radicalism," says Jeffrey Paige, adding even more emphatically, "Rice sharecropping... (is) most likely to lead to agrarian revolution."12 Despite later qualifications, it is clear that the Vietnam example weighs too heavily in his thinking. In any case, for a country like the Philippines where, despite legislation, a majority of rice farmers are tenants and majority of tenants are sharecroppers, such a prediction of tendency cannot be dismissed lightly.

Nor is the warning from Keith Griffin to be disregarded, in light of the rapid proliferation of wage laborers in Philippine agriculture. Says he: "Technical change in agriculture... tends to increase relative inequality and in some cases even reduce absolutely the standard of living of large sections of the rural population... Eventually... the tenant will have been converted into an agricultural laborer... The Philippines case study illustrates (a tendency toward) a polarization of classes... If... inequality is rising while employment and output are relatively stagnant, the stage will be set for a violent confrontation."13

Barrington Moore touches a different dimension when he discounts the likelihood of agrarian rebellion when patron-client relations are strong.14 But precisely as a result of land reform policy, patron-client ties in the Philippines are eroding more rapidly than ever before.

Yet neither social nor economic conditions, per se, produce successful radical peasant political activity. Even if there is a critical "sense of deprivation" among cultivators, they must also have effective leadership and, as several writers have concluded from recent studies, be provided with the opportunities inherent in a breakdown of governmental authority.15 Since authority is now being all too effectively exercised by the


15 See Donald Zagoria, ed., Special Issue of Peasants and Revolution, Comparative Politics, VIII: 3 (April, 1976), passim.
Martial Law regime, it is apparent that under present conditions agrarian rebellion could hardly be the cause of its downfall. The groundwork is being laid, however, for a situation in which peasant revolution might succeed, if President Marcos had already been overthrown. But, of course, since we are attempting to project several years into the future, variables could appear which are not now on the horizon.