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Legacy of the Past, Promise of the Future: Land Reform, Land Grabbing, and Land Conversion in the Calabarzon

by Greg Bankoff*

The Philippines faces an uncertain future in the 1990s, unsure which path offers the best solution to the country's manifold economic, social, political, and environmental problems. On the one hand, the legacy of the past demands that the Comprehensive Agrarian Reform Program (CARP) be fully implemented and that ownership of the country's agricultural lands be more equitably vested in the hands of those who cultivate the soil. On the other hand, the promise of the future has convinced the Ramos administration that the Philippines can join the ranks of the Newly Industrialized Countries (NIC) by the year 2000.

At the center of this dilemma is the Calabarzon Project, covering the five provinces of the Southern Tagalog Region. These provinces include some of the most productive rice lands in the Philippines, lands also covered by the provisions of the 1988 Comprehensive Agrarian Reform Law (CARL). The government, however, has embarked on a massive program of infrastructural investment designed to encourage foreign ventures and turn the region into an engine of growth for Philippine industrialization.

In this article I examine the politics surrounding the implementation of CARP in the Calabarzon, the judicial mechanisms employed to circumvent its provisions, and the social and environmental consequences of converting rice land to nonagricultural use. Central to my thesis is the conviction that land reform, apart from any considerations of social justice, appears to be a necessary component in the process of industrialization in a late-developing capitalist economy.

Legacy of the Past, Promise of the Future

The specter of agrarian reform is no newcomer to the Philippine political arena; for more than sixty years it has haunted the worst nightmares of Filipino legislators, many of whom are or have been major landowners in their own right. Prior to the present Comprehensive Agrarian Reform Law, there have been no less than three previous legislative attempts to enact land reform (the 1955 Land Reform Act, the 1963 Land Reform Code, and the 1972 Presidential Decree No. 27) as well as various measures to improve landlord-tenant relations (the 1933 Rice Tenancy Act, the 1934 Sugar Tenancy Act, and the 1954 Agricultural Tenancy Act). Each attempt has been frustrated by the limited scope of the measure, the opposition of a determined legislature, or a combination of both.¹

As of 1985, then, despite a legacy of over fifty years of agrarian reform, 85 percent of the approximately 10 million Filipinos engaged in agriculture were still share-tenants, leaseholders, or regular and seasonal farm workers,² while official estimates classified some 1,625,800 families engaged in crop farming as low income.³ Not surprisingly, land reform figured prominently in the Aquino election campaign of 1986: an escalating insurgency and the evident success of the Communists (Communist Party of the Philippines / National Democratic

1. Hayami Yujiro, Ma. Agnes R. Quisumbing, and Lourdes S. Adriano, *Toward an Alternative Land Reform Paradigm: A Philippine Perspective* (Manila: Ateneo de Manila University Press, 1990), pp. 52-70; and James Putzel, *A Captive Land: The Politics of Agrarian Reform in the Philippines* (Manila: Ateneo de Manila University Press, 1992), pp. 113-65.

2. *Land Reform in the Philippines* (Manila: Ibon Databank Philippines, 1988), p. 20.

3. *Farm News and Views* (Manila), vol. 1, no. 1 (1988), p. 8.

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Front/New Peoples' Army [CPP/NDF/NPA]) in mobilizing rural support convinced even the most conservative elements among the opposition to Marcos of the necessity for land reform if violent social revolution was to be avoided.⁴

The new Constitution framed in the wake of Ferdinand Marcos's flight in 1986 formally recognizes the imperatives of rural poverty and the pressing need for social justice. Article 13, Section 4 of the Constitution specifically charges the state to "undertake an agrarian program founded on the right of farmers and regular farm workers, who are landless, to own directly or collectively the lands they till or, in the case of other farm workers, to receive a just share of the fruits thereof."⁵ Nor were NGOs and peasant organizations slow to voice their demands in the new political atmosphere: the Philippine Partnership for the Development of Human Resources in Rural Areas (PHILDEHRA), an umbrella coalition of social democratic nongovernment organizations, launched a series of local and national consultations on agrarian reform and rural development that at its peak involved some 10,000 participants; at the same time the militant peasant organization, the KMP, presented their own agenda for agrarian reform that proposed the free distribution of land to agricultural tenants and the nationalization of lands controlled by transnational corporations.⁶

Land reform, apart from any considerations of social justice, appears to be a necessary component in the process of industrialization in a late-developing capitalist economy.

It was in this context of rising tensions coupled with rising expectations that President Aquino launched the Comprehensive Agrarian Reform Program, which was to have the 1988 Comprehensive Agrarian Reform Law as its principal implementing legislation. CARP nominally applied to all private and public agricultural land regardless of tenurial arrangements or crops produced. However, Aquino's decision (EO229, 22 July 1987) to leave the central issue of defining retention limits and the timetable to the newly convened Congress meant that the legislation that finally passed into law as Republic Act 6657 was suitably "revised," as had been most of its predecessors, to allow its passage through a landlord-dominated legislature. CARL ostensibly provides for the distribution of some 7–8 million hectares or between 77 and 84 percent of the total agricultural land over a ten-year period in three stages, beginning with rice, corn, and idle or abandoned lands, and culminating in the

sequestration of medium-sized (5–24 hectare) privately owned commercial farms.⁷

Controversy, however, surrounds the various exemptions recognized under the act. Thus landowners are able to retain between 5–7 hectares depending on whether or not the lands are planted with rice and corn, and to allocate a further 3 hectares for each child over fifteen years of age. Original homestead owners and their direct heirs can continue to cultivate plots of up to 24 hectares. Moreover, commercial farms are exempt from compulsory purchase and distribution for a period of ten years to allow investors and owners sufficient time to recover their investments.⁸ Provision is even made for corporate and private landowners to avoid sequestration through stock-sharing schemes wherein land values are converted into stocks whose shares are then divested among the work force.

Overall, despite the undoubted intent of its original framers, the various exemptions could represent a serious constraint on the ability of CARL to tackle the land problem and rural poverty. One commentator has gone so far as to estimate that the retention provisions alone could exempt as much as 70 percent of lands from redistribution,⁹ while another has made the telling observation that ten years provides a "huge margin" for landowners to find ways and means to retain control of the land, poignantly commenting that it's also "a long time for farm workers who live their lives and stretch their resources from day to day."¹⁰ Nor was the Aquino administration's record with land distribution particularly encouraging: of the 2,968,532 hectares targeted for distribution between 1987 and 1991, only 1,968,602 hectares or 67 percent were actually distributed.¹¹

Philippines 2000

While land reform remains the legacy of the past, and CARP the centerpiece of the Aquino administration's social and economic program, President Ramos has different ideas about the future of the Philippines, ideas that are not limited to restoring traditional liberties or correcting the injustices of history. For the new administration the future is one of promise—indeed of vision, or what has come to be known as Philippines 2000. The next century is heralded as that of the Pacific, and the objective is to transform the Philippines into a newly industrialized country by the year 2000.

7. Figures vary as to the land area covered by the provisions of CARL, ranging from a low of 7,474,300 hectares according to the Department of Agrarian Reform to a high of 8,191,900 hectares based on the World Bank Mission. Total agricultural land in the Philippines is calculated at 9,727,200 hectares. *Farm News and Views* (Manila), vol. 1, no. 1 (1988), p. 8.

8. Section 11 of RA 6657 defines commercial farms as: "private agricultural lands devoted to commercial livestock, poultry and swine raising, and aquaculture including salt beds, fishponds, and prawn ponds, fruit farms, orchards, vegetable and cut-flower farms, and cacao, coffee, and rubber plantations."

9. James Putzel, *The Politics of the Aquino Agrarian Reform Programme* (Manila: Philippine Peasant Institute, 1989), p. 3.

10. *Farm News and Views* (Manila), vol. 1, no. 6 (1989), p. 3.

11. *Ibon Facts and Figures* (Manila), vol. 16, no. 20 (31 Oct. 1993), p. 2.

4. Putzel, *A Captive Land*, pp. 181–85.

5. *The Constitution of the Republic of the Philippines* (Manila: National Book Store, 1986).

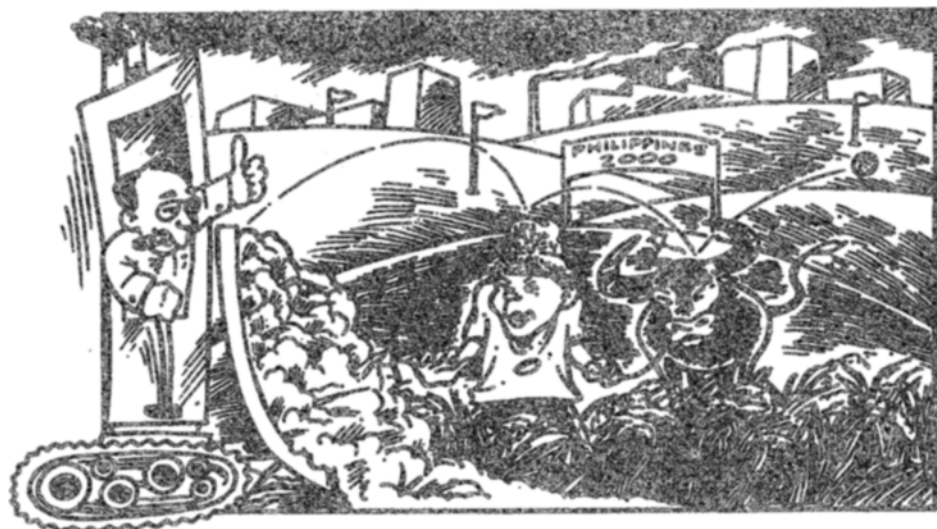
6. Putzel, *A Captive Land*, pp. 217–18.

The means of implementing this metamorphosis is laid out in the Medium-Term Philippine Development Program (MTPDP), which is supposed to provide the economic blueprint required to convert the Philippines to NIC status by the turn of the century. The MTPDP provides a blueprint sanctioned by the International Monetary Fund and the World Bank for structural adjustment, economic liberalization, and other policies designed to fully integrate the Philippine economy into the world market. The plan emphasizes developing the human resources required for the economy's industrial transformation, promoting international competitiveness by discarding traditional trade and industrial policies, and protecting future generations through sustainable development practices.¹² The means chosen to achieve these goals, however, are hardly novel, depending on attracting foreign investment and encouraging exports: direct foreign investment is projected to rise from U.S. \$769 million in 1992 to U.S. \$2.7 billion by 1998, while exports are expected to almost triple from U.S. \$9.73 billion to U.S. \$27.2 billion over the same period. Many feel that such targets are unrealistically high and inconsistent with the plan's other policies of maintaining a low deficit, low inflation, and a strong peso.¹³

At the center of the policy initiatives proposed under MTPDP is the identification and establishment of local industrial centers in the provinces. These economic hubs—variously called growth corridors, special economic zones, and regional industrial centers—are expected to attract private-sector investment, promote export-oriented industrialization, and disperse development nationwide. The key strategy to this export-oriented-led growth is agri-industrialization, a vague term that many Filipino officials talk about but few care to define. In general, the term refers to a strategy of locating industries in traditionally agricultural regions away from the national capital, so as to encourage forward-backward linkages and structural adjustments in an agricultural sector historically focused on the production of primary products, and an industrial sector long dominated by import-dependent manufacturing and processing industries.

CARL

While the speedy and effective implementation of CARP remains one of the stated targets of the MTPDP, land reform is clearly no longer the centerpiece of the administration's program. Instead, President Ramos's emphasis on fast-track industrialization in the manner of the "dragon economies" has created an inherent inconsistency at the center of government policy. The



Philippines 2000, the Ramos regime's vision that the Philippines should be transformed into a newly industrialized country (NIC) by the year 2000, unfortunately often means stunting agriculture for fast-track growth. This cartoon is by Roey Cancio, and it is reprinted here courtesy of the Philippine Peasant Institute.

problem surfaces most conspicuously in the very industrial centers that have been earmarked as the engines of the new economic growth. To establish such centers in the provinces means converting agricultural land to nonagricultural usage—land, that is, that is already covered by the provisions of CARL.

The Comprehensive Agrarian Reform Law, of course, only applies to agricultural land: land that has been reclassified to nonagricultural usage is not covered by its provisions. Thus one arm of the government bureaucracy, the Department of Agrarian Reform (DAR) and the Department of Environment and Natural Resources, is attempting to redress the injustices of the past by implementing agrarian reform, while another arm of the government bureaucracy, the Department of Trade and Industry and the National Economic Development Authority (NEDA), is promoting the vision of the future as held out in *Philippines 2000*—and in the process effectively subverting both the ideals and intent of the former.

In reality, the matter is hardly so straightforward. The conversion of agricultural land to nonagricultural uses supposedly cannot proceed without prior government approval, an approval, moreover, that must come from DAR itself, the sole authority empowered to make such decisions. Prime agricultural land, too, is excluded from such conversions and must be retained under cultivation. Finally, the newly established agri-industrial enterprises are expected to provide employment opportunities for the agricultural workers displaced by land conversions and act as a brake on migration to major urban centers.¹⁴

14. There is no evidence to show that agricultural workers displaced by land conversions are absorbed by the new industries established on the former farmland. In fact, AFRIM (Alternate Forum for Research in Mindanao) estimates that the Cagayan de Oro-Iligan Industrial Centre can only absorb some 3 percent of the local population annually, of whom only approximately one-third are likely to be farmers because of the educational levels and specialized skills these enclaves require. Cecilia Ochoa, "Diminishing Farms, Dimming Hopes for the Filipino Farmer," *Farm News and Views* (Manila), vol. 5, no. 6 (Nov.-Dec. 1992), p. 4.

12. *Medium-Term Philippine Development Program, 1993–1998: Philippines 2000* (Manila: Republic of the Philippines, 1993), pp. 2–4.

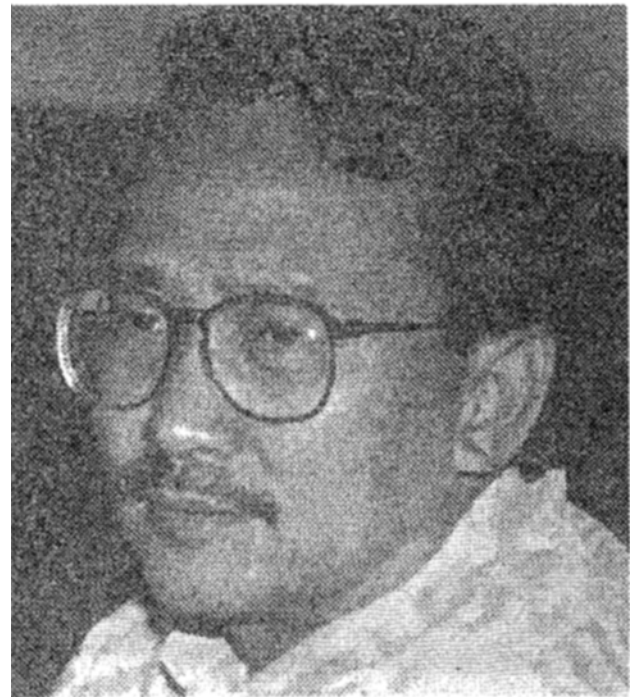
13. *Philippine Peasant Institute Briefing Paper* (Manila), vol. 2, no. 3 (Aug. 1993), pp. 2–4.

Land, then, remains at the center of Filipino politics in the 1990s. The issue now, however, is not restricted solely to who should own it, the tiller or the landlord, but has expanded to include the matter of land usage, of whether land should be used for agricultural or nonagricultural purposes. The question is not simply one of social justice, though this remains a matter of primary importance, but is also one with profound environmental implications for an archipelagic nation with a rapidly increasing population and limited land area. The politics surrounding these issues have recently come to a head in connection with the industrial region south of Manila known as the Calabarzon Project, where the conversion of land from agricultural to nonagricultural use is proceeding apace in what is one of the most productive and fertile regions of the Philippines.

The Calabarzon Project

The Calabarzon Project is a plan to accelerate the integrated agri-industrial development of Cavite, Laguna, Batangas, Rizal, and Quezon provinces to the south and east of Metro Manila and transform the region into the industrial hub of the next century. Similar projects are being undertaken in Cagayan-Illigan, General Santos, Samar, and other less developed areas.¹⁵ The Calabarzon Project has its origins in infrastructural schemes proposed under martial law that were integrated into a regional development proposal drawn up by NEDA in 1988. At the request of the Aquino administration the Japan International Cooperation Agency (JICA) subsequently incorporated this proposal, with the addition of Quezon Province, into an eighteen-year long-range master plan for spearheading the effective industrialization of the economy.¹⁶

The five provinces comprising the Calabarzon cover a land area of 16,229 square kilometers or 5.4 percent of the nation's land area and have a total population estimated at 6,349,000 (1991) or 10.5 percent of the national population. Due to the region's close proximity to Metro Manila, it has received the "spillover" population from the nation's capital and has consequently experienced higher demographic growth rates than most other regions: 3.3 percent in the Calabarzon provinces between 1980 and 1990, compared with 2.8 percent for Metro Manila, and 2.3 percent for the Philip-



Ernesto Garilao, the secretary of the Department of Agrarian Reform, the branch of the Philippine government attempting to redress the injustices of the past by implementing land reforms that will put ownership of the country's land more equitably in the hands of those who cultivate the soil. This goal is now complicated by the question of whether land should be used for agricultural or nonagricultural purposes.

pines during the same period.¹⁷ In 1990 the region accounted for 16.5 percent of the country's labor force, of which 52.9 percent were rural-based and 47.1 percent were urban-based workers. While urban-based employment predominates in all provinces except Batangas and Quezon, most people in the Calabarzon remain poor. The percentage of people living below the poverty line ranges from 42.8 percent in Cavite to as high as 86 percent in Quezon, forcing many workers to accept jobs that pay less than the minimum wage and creating a weak and compliant labor movement.¹⁸

JICA Master Plan

The JICA Master Plan aims to attract U.S. \$1 billion in foreign investment and generate between 100,000 and 300,000 jobs annually in the Calabarzon.¹⁹ In line with the plan's recommendations, the government has pursued a strategy of progressively removing restrictions on foreign share

15. NEDA has identified twenty-three regional industrial centers to be established nationwide, including Iloilo City, Metro Cebu, and Tacloban City in the Visayas, and thirteen more industrial estates in Mindanao apart from the two already set up in Cagayan de Oro and in General Santos City. Mindanao is also where two of the four targeted growth corridors will be situated: the Cagayan de Oro-Illigan Industrial Corridor and the South Cotabato-Davao Corridor. *Ibid.*, p. 2.

16. JICA is a government agency operating under the jurisdiction of the Ministry of Foreign Affairs and charged with implementing overseas development aid through the provision of technical cooperation (training, consultants, and equipment), grant aid (usually the construction of facilities), and support for private industry development (long-term, low-interest loans, and technical assistance). Between 1954 and 1988 JICA accepted 73,694 trainees, dispatched 23,108 experts, and placed 8,089 volunteer workers through the Japan Overseas Cooperation Volunteers Program. *What is JICA?* (Tokyo: Japan International Cooperation Agency, no date).

17. *The Master Plan Study on Project Calabarzon Final Report: Executive Summary Report* (Manila: Japan International Cooperation Agency, 1991), p. 2.

18. *Ibon Facts and Figures* (Manila), vol. 15, no. 17 (15 Sept. 1992), p. 6.

19. Corinne Canlas, *Calabarzon Project: The Peasants' Scourge* (Manila: Philippine Peasant Institute, no date), p. 1; and *Ibon Facts and Figures* (Manila), vol. 15, no. 17 (15 Sept. 1992), p. 1.

equity in local industries, liberalizing trade policy, and providing tax exemptions. Foreign firms considering investment in the region are encouraged to locate in government-established Special Export Processing Zones (EPZs), or in industrial estates developed by the private sector, the most important of which are the Laguna International Industrial Park, Light Industry and Science Park, First Cavite Industrial Estate, and the Gateway Business Park. The plan also encourages local labor-intensive small- and medium-sized enterprise (SMEs) to locate to these industrial estates and operate as subcontractors between manufacturers and suppliers of parts, and retail and wholesale trade and storage outlets. It is envisaged that many SMEs will complement production in rural areas that supply the inputs for industries such as fruit for canned goods, milk for dairy produce, and animals for meat packers.

There is clearly a pressing need for comprehensive land-use policies, now more than ever, if the demands of CARP and the requirements of rapid industrialization as envisaged under Philippines 2000 are ever to be successfully reconciled.

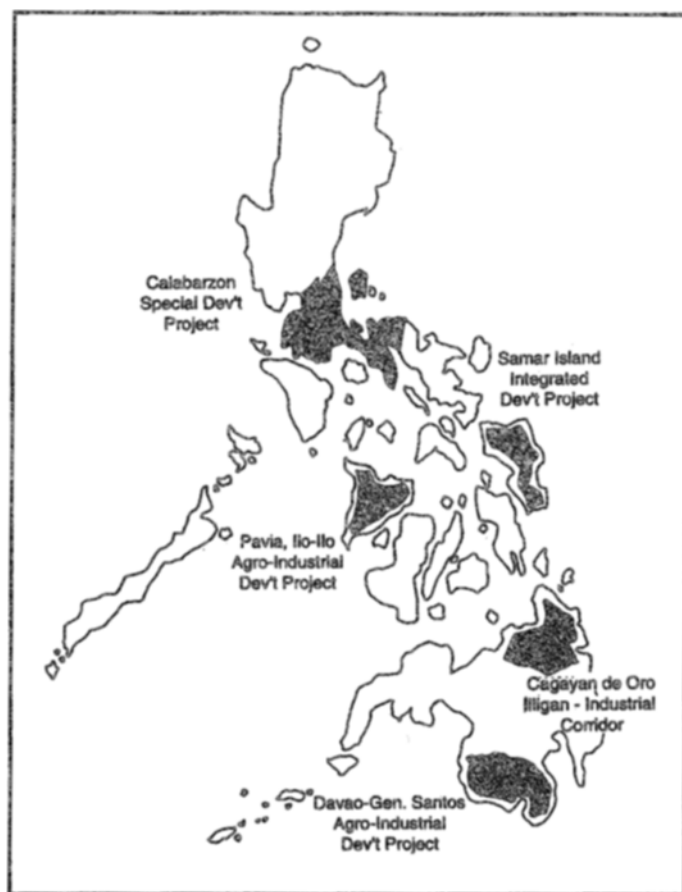
The JICA Master Plan calls for heavy government investment in infrastructure to provide the necessary transportation and communication linkages, encourage industrial relocation from Manila, and remove any bottlenecks in the export process. Major projects include the development of port facilities in Batangas and Quezon, the rehabilitation and upgrading of rail, road, and telecommunication systems, the construction of new power generating and transmission facilities, as well as the creation of export-processing zones and industrial estates. The role of government is also seen as being important as a provider of support services including the provision of mass low-cost housing, provincial labor skills training centers, cash crop production, postharvest facilities and extension programs, and environmental management.

Finance for the project is based mainly on official Overseas Development Assistance (ODA), the chief funding agencies of which are the Overseas Economic Cooperation Fund (OECF) and the Japan International Cooperation Agency. The bulk of the funding is in the form of loans; Japanese ODA, for example, consists of 85 percent loans and 15 percent grants. These loans are often tied to the purchase of goods and equipment from the donor country and have to be repaid in hard currencies such as the yen, which consistently outstrips the peso, thereby increasing the Philippines's status as a debtor nation.²⁰

20. George Evangelista, "The Yellow Brick Road to N.I.C.-hood," *Ibon Facts and Figures* (Manila), vol. 15, no. 17 (15 Sept. 1992), p. 5.

Three Phases

The development program itself has three phases. In the first phase, scheduled for 1990 to 1995, emphasis is placed on expanding existing infrastructure requirements for potential foreign investors, encouraging labor-intensive export-processing assembly-type industries, and drafting feasibility studies on possible expansion projects such as the development of Lake Taal, the Calabar Groundwater Potential Study, and the Laguna Basin Environmental Monitoring Study. In the second phase of development between 1996 and 2000, stress is laid on completing transportation networks such as new expressways linking the region to Manila, establishing subcontracting industries reliant upon locally produced inputs, and expanding Japanese-Filipino ventures. In the final phase of the program, between 2001 and 2010, the focus is on manufacturing intermediate and capital goods in the region with the aim of making Batangas an alternative industrial core to Manila and fully integrating the Philippine economy, through the Calabarzon, into the Asia-Pacific market.



Map of the Philippines showing the location of the Calabarzon Project and other major special development projects. The Calabarzon Project covers five provinces south and east of Manila and involves the accelerated conversion of some of the most fertile rice land in the Philippines to transform the Southern Tagalog Region into the industrial hub of the next century. As can be seen in this map, similar projects are being undertaken in Cagayan-Iligan, General Santos, Samar, and other less-developed areas. This map and the photo on p. 46 are from an investors' prospectus entitled "Calabarzon: Where Doing Business is a Pleasure."

The JICA Master Plan is now supposedly well into the first phase of its development program. The Board of Investments (BOI) reported that investments in the Southern Tagalog region topped all other regions in 1991, accounting for P \$30.8 billion or 42 percent of the national total. Yet despite these figures, there are clearly signs that the project's growth forecasts were optimistic and its developmental effects different from those anticipated. According to the JICA projections, manufacturing employment would grow from 360,000 to 794,000 between 1988 and 2000, but the 158 firms based in the Calabarzon generated only 20,865 new jobs in 1991. Nor are there many signs of the backward linkages so important in realizing the vision of Philippines 2000. Most of the enterprises that have located in the new industrial estates are in the garment and electronics field, which are respectively 80 percent and 95 percent dependent on imported inputs.²¹

Coercion and intimidation by the CAFGU militia and destruction of croplands and farm improvements by bulldozers have been used to drive farmers from their land and thereby disqualify them from making claims for redistribution under the Comprehensive Agrarian Reform Law.

More indicative still is the rate at which the Philippines's economy has been unable to absorb the loans available through ODA funding: releases of ODA funds reached only 24.7 percent in the first five months of 1992 of the U.S. \$1.9 billion available for that year; only 23.8 percent of the total U.S. \$2.9 billion committed by ODA donors had been disbursed by May 1992; and only 32 percent of the total U.S. \$1 billion pledged in Japanese ODA had been utilized. It would seem that the rates and targets projected in the master plan are unrealistically high and exceed the economy's capacity to absorb such sums within the time scale.²²

Land Grabbing and Land Conversion: The Judicial Mechanism

Under the JICA Master Plan, the boast is that every square meter of land in the Calabarzon is assigned a role, either for industry or agriculture. The emphasis for agriculture is on crop diversification and high value-added crops geared mainly for export. In upland agricultural areas, mainly planted with rice, there is a push toward vegetable cultivation with intensive use of agrochemicals and the rehabilitation of coconut plantations through replanting and expansion. For lowland agriculture the

stress is on extensive and intensive utilization of the land: the conversion of traditional crops like rice, sugar, and coconut to high-value export crops like black pepper, coffee, and cut flowers; or the promotion of corn, millet, sorghum, and soybean as livestock feed.

Despite much rhetoric in the MTPDP about using CARL to "disperse development to the countryside," the master plan's identification of possible growth areas and regional industrial centers has triggered land value speculation causing substantial increases in the value of nonagricultural land. Land prices have soared across the Calabarzon, rising as much as twenty-five times in Cavite, Laguna, Batangas, and Rizal, while the cost of prime land in Batangas is reportedly now as high as P \$25,000 per square meter.²³ Moreover, land owners are not only able to make handsome profits from land speculation, but are also able to evade the provisions of agrarian reform by having the classification of their land converted from agricultural to nonagricultural usage.

Land Conversions

The scale of these land conversions is hard to gauge, and there is often considerable discrepancy between national and local government statistics and the estimates of nongovernmental organizations active in agrarian reform. Figures compiled by the Department of Agrarian Reform claim that as of June 1993 less than 19,000 hectares of farmland had been affected by conversion nationwide, while consideration was pending covering applications affecting approximately a further 11,000 hectares (see table 1). On the other hand, data compiled by the Philippine Peasant Institute, a research organization sympathetic to agrarian reform and rural development, conservatively estimate that over 100,000 hectares of irrigated lands have been converted to industrial, commercial, tourist, or residential uses between 1988 and 1993.²⁴

Both official and NGO sources, however, agree that the brunt of land conversions have occurred in the Southern Tagalog region covered by the Calabarzon, though they disagree on the extent of such conversions. As of June 1993 DAR reported that less than 15,000 hectares of agricultural land had been converted, while applications covering a further 4,629 were still pending. Figures compiled for 1992 show that over 80 percent of these conversions had taken place in the two provinces of Cavite and Laguna, while less than 1 percent took place in Quezon Province.²⁵ NGOs, however, claim that unofficial or illegal conversions, that is conversions effected between the landlord or foreign investor and the tenant, are more extensive. The Southern Tagalog Alliance for Genuine Development Alternatives (ST-AGENDA), the local umbrella organization for

23. Canlas, *Calabarzon Project*, p. 15.

24. *Philippine Peasant Institute Briefing Paper* (Manila), vol. 2, no. 3 (Aug. 1993), p. 8; and Cecilia Ochoa and Catherine Descanzo, "Converting Lands, Wrecking Lives," *Philippine Peasant Institute Briefing Paper* (Manila), vol. 2, no. 1 (May 1993), p. 2.

25. As of September 1992, DAR reported that 8,362 hectares of agricultural land within the Calabarzon had been affected: Cavite, 3,994; Laguna, 2,727; Rizal, 1,296; Batangas, 294; and Quezon, 51. *Ibid.*, p. 3.

21. *Ibon Facts and Figures*, vol. 15, no. 17 (15 Sept. 1992), pp. 3-4.

22. Evangelista, "The Yellow Brick Road," p. 5.

Table 1: Cumulative Total of Land Conversion as of June 1993

	Calabarzon Land-Use Conversion Status	National Land-Use Conversion Status
Approved	7,260 hectares	9,957.825 hectares
DOJ opinion*	7,311 hectares	8,693.727 hectares
Total approvals	14,571 hectares	18,651.552 hectares
Disapproved	300 hectares	712.73 hectares
Under process	4,629 hectares	10,886.948 hectares

Source: Department of Agricultural Reform (DAR), July 1993.

*Land approved for conversion by the Department of Justice (DOJ) but subject to review by DAR.

Table 2: Agricultural Lands Targeted for Conversion by Region

Regions	Lands Targeted for Conversion
Luzon	2,638 hectares
Visayas	7,374 hectares
Mindanao	88,428 hectares
Cordillera Autonomous Region	No data
Autonomous Region for Muslim Mindanao	5,040 hectares

Source: Cecelia Ochoa and Catherine Descanzo, "Converting Lands, Wrecking Lives," *Philippine Peasant Institute Briefing Paper* (Manila), vol. 2, no. 3 (May 1993), annex A.

concerned groups in the Calabarzon region, had documented the conversion of 15,557 hectares of farmland as of October 1991, causing the displacement of some 25,000 people.²⁶ Nor have the discrepancies been simply between official and unofficial sources, but there have also been considerable differences between nationally compiled figures and those collected by local offices. For example, while the national statistics compiled by DAR showed that only 28 hectares of agricultural land had been converted in the municipality of Santa Cruz, Laguna, since 1988, the local office had recorded 1,568 hectares in the same area.²⁷

Data released by the Congress for People's Agrarian Reform show that by September 1992 a total of 833 out of 1,209 applications for land conversion had been approved by DAR, covering 12,433 hectares of highly productive agricultural land, and that pending applications involved a further 75,000 hectares.²⁸ Moreover, projections also show that the pace and scale of these land conversions is likely to accelerate in the coming years as more industrial growth areas are established and the program spreads to other parts of the national territory, especially Mindanao (see table 2).

Land is taken out of productive agricultural use not only to satisfy the requirements of these industrial centers, which can

occupy sizable tracts of irrigated or irrigable land in their own rights (16 of the 23 Regional Industrial Centres cover a total area of 10,547 hectares), but also to satisfy the needs of the accompanying residential, commercial, and leisure developments.²⁹ Again, the effects of agricultural land loss have been especially pronounced in the Calabarzon. While an estimated 9,000 farms have been destroyed in Southern Luzon between 1988 and 1991, more than half this loss has been in Cavite, and the provincial governor, Juanito Remulla, has earmarked a further 14,000 hectares for industrial estates.³⁰ The situation is not much better in Laguna, where rice lands have declined from 47,414 hectares in 1976 to 22,296 irrigated and 1,320 rain-fed hectares as of 1990.³¹ The most spectacular example is that of San Pedro where only 50 of the town's 3,000 hectares of rice land remain, the rest having been swallowed by housing estates.³²

Legal Loopholes

The evidently extensive nature of these land conversions has been facilitated, at least in part, by the legal loopholes afforded by the provisions of the Comprehensive Agrarian Reform Law itself, by other legislative enactments, and by a

26. *Ibon Facts and Figures* (Manila), vol. 15, no. 17 (15 Sept. 1992), p. 4.

27. Ochoa and Descanzo, "Converting Lands, Wrecking Lives," p. 3.

28. Cecilia Ochoa, "Diminishing Farms," p. 2.

29. Ochoa, "Diminishing Farms," p. 6.

30. Leti Boniol, "Flashpoint: Calabarzon," *Farm News and Views* (Manila), vol. 5, no. 6 (1992), p. 7.

31. Ochoa, "Diminishing Farms," p. 3.

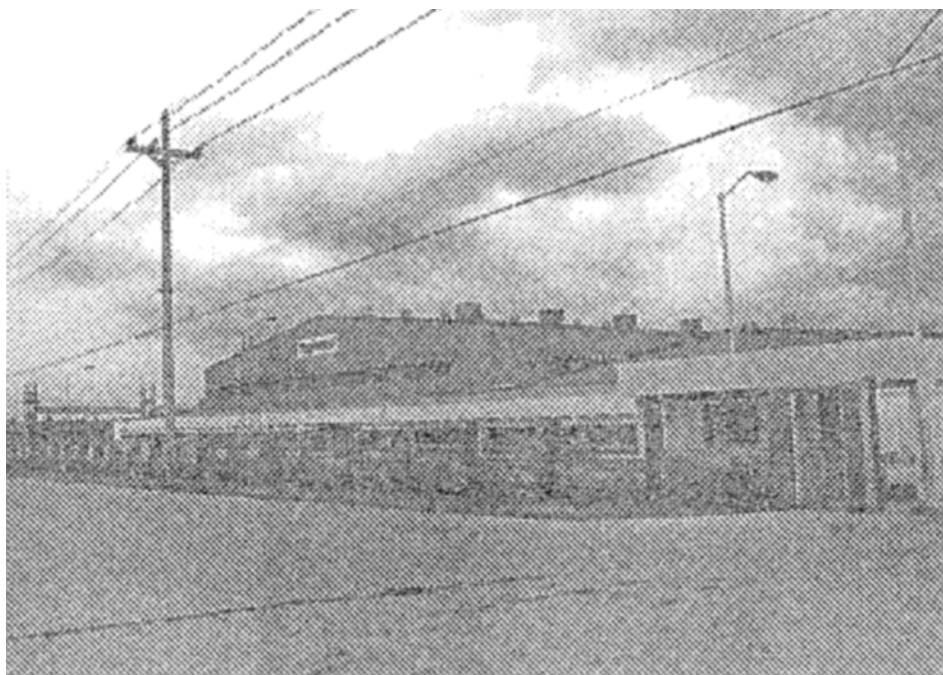
32. Boniol, "Flashpoint: Calabarzon," p. 8.

series of legal opinions issued by the Department of Justice that have provided the mechanism for circumventing the spirit and, in many cases, the intent of agrarian reform. Several recent decisions handed down by the Supreme Court also have bearing on this matter.

In the first place, there is provision under CARL for land to be converted from agricultural to nonagricultural use. Under Section 65, land can be converted to nonagricultural use five years after it has been awarded to beneficiaries provided that the land has either ceased to be economically feasible and sound for agricultural purposes, or if the locality has become urbanized and the land now has greater economic value for residential, commercial, or industrial purposes. The final decision with regard to reclassification, however, remains with DAR and must be subject to existing laws.

A more important judicial mechanism is provided by the new Local Government Code of 1991 (RA 7160), which aims to devolve more responsibility and regulatory authority to Local Government Units (LGUs) through a policy of administrative decentralization.³³ Section 20 empowers LGUs to reclassify up to 15 percent of farmlands within municipalities for nonagricultural use subject to the same qualifications of cessation of economic feasibility and greater economic value as under Section 65 of CARL. Responsibility for determining the economic feasibility of agricultural land remains with DAR, but the determination of whether the land has greater economic value for residential, commercial, or industrial purposes is entrusted to the various *sangguniangs* (local legislative bodies).

The composition of these *sangguniangs* at the provincial, city, municipal, and village level, therefore, has been crucial in determining land conversions. The attempt to devolve more authority to LGUs has often only tended to favor local elites, who have used their influence to back candidates sympathetic toward their interests into positions of power at the local government



The 511 hectare Carmelray Industrial Park in Canlubang, a short distance from the Luzon South Expressway. On Luzon whole barangays (traditional political units) are being displaced to make way for industrial estates or subdivisions, and an estimated 9,000 farms have been destroyed in southern Luzon between 1988 and 1991.

level. These groups have generally proved to be effective lobbyists in favor of land conversions. Moreover, there is often no farmer or agricultural representation on these local legislative bodies. Under Article 93 of the code's implementing rules and regulations, no distinction is made between urban or rural workers, but both are classified together and allocated one representative along with other sectoral groups such as women, the urban poor, indigenous cultural communities, and the disabled.³⁴ The result has been a spate of hastily pushed through land reclassifications and the loss of land by farmers. The former secretary of DAR, Benjamin Leong, estimated that approximately 371,000 hectares might be indiscriminately reclassified to nonagricultural use through this means.³⁵

Legal Opinions

The provisions of CARL have also been affected by a series of legal opinions issued by the Department of Justice (DOJ) that have bearing on the reclassification and conversion of land to nonagricultural purposes. DOJ Opinion No. 44 Series of 1990 rejected the contention of the secretary of DAR, Florencio Abad, that the department's authority to approve or disapprove applications for land conversions predated the passage of CARL on 15 June 1988. In particular, it was the DOJ's opinion that all lands classified for industrial use by

33. Section 2a, Title 1, Book 1 of Republic Act 7160 1991 states: "It is hereby declared the policy of the State that the territorial and political subdivisions of the State shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals. Towards this end, the State shall provide for a more responsive and accountable local government structure instituted through a system of decentralization whereby local government units shall be given more powers, authority, responsibilities, and resources." Jose Nollado, *The 1991 Local Government Code With Basic Features* (Manila: National Book Store, 1991), p. 1.

34. Arnell Bautista, *Rules and Regulations Implementing the Local Government Code of 1991, with Related Laws and Concept of Decentralization* (Manila: National Book Store, 1993), pp. 57-58.

35. Ochoa, "Diminishing Farms," p. 3.

town planning authorities and approved by the Housing and Land Use Regulatory Board before that date were exempt from redistribution under CARL.³⁶ Moreover, the Department of Justice subsequently reiterated this interpretation in connection with the estate of the late Alfonso J. Doronila, which had been reserved for town site purposes under Presidential Proclamation No. 1637, though to date no such development had taken place. DOJ Opinion No. 181 Series of 1990 expressed the view that lands not devoted to agricultural use were outside the coverage of CARL, including those lands converted to nonagricultural use by government agencies other than DAR prior to 15 June 1988.³⁷

The question is not simply one of social justice, though this remains a matter of primary importance, but is also one with profound environmental implications for an archipelagic nation with a rapidly increasing population and limited land area.

In fact, many landowners have used the expedient expressed in DOJ Opinions Nos. 44 and 181 to try to evade the coverage of agrarian reform, claiming that their lands had been converted to nonagricultural purposes before 15 June 1988. It was precisely on the basis that the previous decision was the cause of the "mounting application for exemption from agrarian reform" on the part of the landowners that the present secretary of DAR, Ernesto Garilao, sought to have DOJ Opinion No. 44 "reviewed, revised or overturned." However, the Department of Justice reaffirmed its previous decision in DOJ Opinion No. 136 Series of 1993.³⁸

Finally, there are also a number of recent Supreme Court decisions that would appear to bolster the various existing judicial mechanisms for evading the provisions of CARL, or even to advance the means by which agricultural land can be reclassified without the approval of DAR. In the case of *Natalia Realty, Inc., et al. vs. DAR, et al.* (G.R. No.103302, 12 August 1993), the Supreme Court ruled that lands converted to nonagricultural use prior to 15 June 1988 were outside the coverage of CARL, citing DOJ Opinion No. 181 Series of 1990 in support of its judgment. More serious still is the Supreme Court decision in the case of *Province of Camarines Sur vs. Court of Appeals and San Joaquin* (G.R.No.103125, 17 May 1993). The court decided that local government units do not have to secure DAR approval for the conversion of agricultural land to nonagricultural use before

instituting expropriation proceedings under the power of eminent domain, nor, it declared, is there any provision in CARL expressly subjecting such expropriation to the control of DAR. Moreover, the Court ruled that the power of expropriation is "superior to the power to distribute lands under the land reform program."³⁹

Land-Use Policy

Attempts at circumventing the provisions of CARL through reclassification of agricultural land to nonagricultural use and the equivocal opinions and rulings handed down by the Department of Justice and the Supreme Court have only been exacerbated by the absence of a formal land use policy. There is clearly a pressing need for comprehensive land use policies, now more than ever, if the demands of CARP and the requirements of rapid industrialization as envisaged under Philippines 2000 are ever to be successfully reconciled.

Present government land-use policy is guided by two orders, Administrative Order No. 20 (AO20) and Executive Order No. 124 (EO124), that effectively provide the basis for an interim policy on agricultural land-use conversion. Under AO20 of 7 December 1992 agricultural lands that are either irrigated, programmed for irrigation by the Department of Agriculture and the National Irrigation Administration, or are covered by irrigation projects with firm funding commitments cannot be subject to land-use conversion.⁴⁰ The intent of EO124 is more ambitious, being an attempt to rationalize and consolidate the various laws governing land conversions for the priority projects recognized under the MTPDP. The order first identifies these priorities (regional agri-industrial or industrial centers, tourism development areas, and sites for "socialized housing"), and then sets out the institutional mechanisms and procedures to be followed for evaluation and conversion of these sites. In particular, Sections 3 and 4 provide for the conversion of agricultural to nonagricultural land in excess of the 15 percent limit specified under Section 20 of the Local Government Code and for the conversion of irrigable land under certain circumstances.⁴¹

The government has also begun the process of framing a national land use policy. It has formulated a National Physical Framework Plan (NPFP) that attempts to resolve potential conflicts over land use and provide for the partial protection and preservation of prime agricultural lands through the adoption of the Department of Agriculture's Charter on the Network of Protected Areas for Agriculture. Under the charter

39. *Draft Briefing Paper on Land Use Conversion*, (Manila: Kaisahan Tungo Sa Kaunlaran Ng Kanayunan At Repormang Pansakahan, 1993). I would like to gratefully acknowledge the assistance of Attorney Ma. Corazon Gaité, chief legal officer at Kaisahan Tungo Sa Kaunlaran Ng Kanayunan at Repormang Pansakahan, for bringing my attention to these Supreme Court rulings.

40. "Interim Guidelines on Agricultural Land Use Conversion," *Administrative Order No. 20* (Manila: Office of the President, 7 Dec. 1992).

41. "Establishing Priorities and Procedures in Evaluating Areas Proposed For Land Conversion in Regional Agri-Industrial Centers/Regional Industrial Centers, Tourism Development Areas and Sites For Socialized Housing," *Executive Order No. 124* (Manila, Office of the President, 8 Sept. 1993).

36. "Department of Justice to Florencio Abad," *Opinion No. 44 Series of 1990* (Manila: Department of Justice, 16 Mar. 1990).

37. "Department of Justice to Benjamin T. Leong," *Opinion No. 181 Series of 1990* (Manila: Department of Justice, 19 Oct. 1990).

38. "Department of Justice to Ernesto D. Garilao," *Opinion No. 139 Series of 1993* (Manila: Department of Justice, 22 Sept. 1993).



Touted as a model for the country's industrialization, the Calabarzon Project has wrought grim losses for thousands in the Southern Tagalog Region. It has been estimated that between 1990 and 2000 about 100,000 rural families will lose their farmlands due to the Calabarzon Project. This cartoon and the next one are by Roey Cancio and are reprinted here courtesy of Farm News and Views (Manila).

agricultural lands are evaluated by soil quality and availability of infrastructure, and classified accordingly as highly, moderately, or conditionally restricted from conversion.⁴² While the NPFP has been granted national policy status under Presidential Proclamation 65, it remains as a mere guideline without the force of legislative enactment. Presently (as of December 1993), an act, House Bill No. 9892, is before the Philippine Congress to establish a land use policy and land use policy administration.

Social and Environmental Effects

The consequences of the conversion of agricultural land to nonagricultural usage are not limited to the attempts by landowners to evade the provisions of CARL or grow rich through speculating on rising land values. The scale of land conversions has caused significant social disruption, leading to the displacement of thousands of farmers and adding to the number of the rural landless. Nor, of course, are the consequences of land conversion solely of a social nature, but they also have serious ecological effects that involve a further erosion of the already precarious balance between humanity and the environment in the Philippines and threaten the ability of the land to support its present population.

Social Dislocation

The scale of displacement is difficult to estimate, but it seems that hundreds of thousands of rural Filipinos will be forced from the land over the next decade to swell the ranks of the urban squatter populations. Peasant groups estimate that in the Visayas 70 percent of Cebu's total farming population will be affected by conversion, while the situation on Mindanao is still worse. Reports from Northern Mindanao indicate that as many as 64,000 farmers tending 84,000 hectares of coconuts in Misamis Oriental will be driven from the land,

that the Cagayan de Oro-Iligan Industrial Centre will displace a further 30,000 families, and that 23 percent of the population of Lanao Norte will be directly affected.⁴³

On Luzon, whole *barangays* (traditional local political units) are being displaced to make way for industrial estates or subdivisions. In Santa Rosa, Laguna, 552 families occupying five hectares are being driven off the site to make way for an industrial complex being established by Andasol Finance Corporation, while thousands more residents of Santa Clara, Batangas, face having their homes demolished to make room for the establishment of an international port.⁴⁴ Moreover, the construction of the Dikey Road System around Laguna Lake is expected to displace 8,000–10,000 people living within the 10 kilometer distance from Taguig to Taytay and a further 70,000–80,000 over the next ten

years of the project. In all, it has been estimated that between 1990 and 2000 about 100,000 rural families will lose their farmlands to schemes connected with the Calabarzon Project.⁴⁵

Social dislocation is not only likely to occur through land conversions but is also a probable outcome of government attempts to promote agricultural efficiency and economies of scale. The agri-industrial policies favored under MTPDP promote large-scale farming and provide few incentives or benefits for small farmers unless their lands are consolidated into cooperatives. Moreover, the prioritization given to cash crops such as coffee, cut flowers, and other high-value products dependent on agri-chemical inputs over corn and rice cultivation may result in many farmers being unable to make the necessary shift in agricultural practices, and thus also lead to their eventual displacement.⁴⁶

Environmental Degradation

Ecologically, too, the scale and rate of land conversion to make way for fast-tracked industrialization as envisaged under the MTPDP has had an increasingly severe environmental impact in general and on those areas that have experienced the brunt of recent development in particular. Land conversions have not only resulted in the loss of farmlands, but have also led to the further depletion of the nation's forest cover already devastated during the Marcos years.⁴⁷ In his study of land use problems in the Laguna Lake Basin, Vicente Ladlad calculated that forest areas declined from 79,250 hectares in 1965 or approximately one-fourth of the watershed area to only 17,875 hectares in 1988

43. *Ibid.*, annex A.

44. Boniol, "Flashpoint: Calabarzon," p. 8.

45. Evangelista, "The Yellow Brick Road," p. 6.

46. *Philippine Peasant Institute Briefing Paper* (Manila), vol. 2, no. 3 (Aug. 1993), p. 8.

47. Marites Dafiguilan Vitug, *Power from the Forest: The Politics of Logging* (Manila: Philippine Center For Investigative Journalism, 1993), pp. 18–32.

42. Ochoa and Descanzo, "Converting Lands, Wrecking Lives," p. 7.

or less than 5 percent of the watershed area, and that the forest cover may be even smaller today. He concluded that this dramatic decline cannot be separated from land-use conversions as dislocated farmers, unable to find employment in the new manufacturing and service industries, have often no other alternative but to practice swidden cultivation on marginal lands in upland areas where the remaining timber stands are located.⁴⁸

In the Southern Tagalog region two major environmental hazards can be directly attributed to the Calabarzon Project: the deterioration in the ambient air and water quality of the areas surrounding power plants, especially the Calaca I coal-fired thermal power plant operated by the National Power Corporation; and the rising levels of toxic and hazardous industrial waste contamination of Laguna Lake and its tributaries, which are increasingly being tapped as water sources for Metro Manila and the new residential zones to its south.

The Ramos administration has identified the need to solve the nation's notorious energy shortages as an important part of its bid to make the Philippines a newly industrialized country by the end of the decade. The administration has initiated seven fast-track power projects and ten base-load power plants as part of the National Power Corporation's plan to increase power generation by 4,668 megawatts by the end of President Ramos's term in office. Five of these projects, with a generative power of 1,100 megawatts, are in the Calabarzon region.⁴⁹

Many of these are coal-fired thermal power plants like the 300 megawatts Calaca I plant commissioned in Batangas in 1984, which has been identified as a significant source of environmental pollution. Both national and international monitoring bodies have drawn attention to the levels of atmospheric pollution caused by coal dust particles and sulphur dioxide emissions and to the contamination of ground water sources. Local residents have complained of respiratory problems, foul odors, depletion of marine resources in nearby Balayan Bay, and loss of crop fertility. The plant was even served with a court order in December 1990 to halt operations because of its excessive sulphur dioxide emissions, but the order was lifted by secretary Fulgencio Factoran on the grounds that its compliance would only add to the difficulties experienced in generating sufficient power for the Luzon grid.⁵⁰ Plans are now well under way for phase two of the project, which involves the construction of another coal-fired thermal plant at Calaca, due for completion in October 1995, which will double total power output to 600MW and constitute one of the largest infrastructural undertakings in support of the Calabarzon Project. The National Power Corporation also has further plans to expand the generating capacity of the Luzon grid by establishing three more coal-fired thermal power plants: a 600 megawatts plant at Masingloc, Zambales; a 600 megawatts at Sual, Pangasinan; and a 700 megawatts plant at Pagbilao in Quezon.⁵¹

A more pressing environmental problem related to the Calabarzon Project, however, is the increasing levels of toxic and hazardous industrial wastes being discharged into Laguna Lake. There are presently in excess of 1,200 factories ringing the lake's shore, of which about 700 utilize water for industrial processes. However, only about half this number have any form of wastewater treatment, and almost all dump their waste water into the rivers that empty into the lake. Pollution is generally of two types: high organic and nutrient discharges that compete with fish and other aquatic animals for oxygen, and emissions containing toxic and hazardous substances, nonbiodegradable organics, or organo-chlorines.⁵²

Opposition has come from the region's farmers and fisherfolk whose livelihood and environment are being taken away from them just at a time when they had dared to hope that their legitimate claims to own the land they have tilled for generations might be recognized under CARP.

Until recently water quality in the lake was judged to be of a poor Class C, unsuited for domestic consumption but still suitable as a fisheries resource. However, the poisoning of an estimated 200,000 fish at the mouth of the Tunasan River between Muntinlupa and San Pedro, Laguna, in August 1993 was found to be the result of industrial pollution caused by four firms, including the multinational Pepsi Cola Philippines Inc.⁵³ The full implementation of the Calabarzon Project is expected to double or even triple the number of factories locating in the area, while plans to tap the water for domestic supply are likely to lead to the biological and eventual physical destruction of the lake, which is only about 2.8 meters deep on average.

A general sense of the lack of priority given to environmental considerations under the JICA Master Plan can be gauged from the relative budgetary allocations awarded to the various components of the scheme. The Calabarzon Project has eight main components, two of which involve the environment: the Marikina Watershed Development Management and the Laguna Basin Environmental Monitoring projects. These projects have secured the lowest budgetary allocation, some U.S. \$92 million compared to the largest projects like power generation and the expansion of export processing

48. Vicente Ladlad, *Land Use Problems in Urbanizing Regions: The Case of Laguna Lake Basin* (Manila: Philippine Peasant Institute, 1993), pp. 20-21.

49. *Calabarzon Watch* (Los Baños), Feb. 1993, pp. 2 and 7.

50. Aloysius Baes, "Project Calabarzon and Environmental Degradation," *National Midweek* (Manila), vol. 7, no. 2 (Dec. 1991), pp. 11-12.

51. Paolo San Gabriel, "Napocor Pursues Operation of Calaca Plant," *Malaya* (Manila), vol. 11, no. 41 (26 Feb. 1992), p. 18.

52. Baes, "Project Calabarzon," p. 12.

53. Sheila Samonte and Hernani de Leon, "LLDA Finds Four Firms Guilty in Aug. 11 Laguna Lake Fishkill," *Business World* (Manila), (19 Aug. 1993), p. 11.

zones that are scheduled to receive some U.S. \$543 million in investment from private and public sources.⁵⁴

Opposition

The social and environmental consequences of developments in the Calabarzon region have not been unanimously greeted with expressions of support. While the consequences of land conversion and environmental degradation have so far had little impact on the electorally important population of Metro Manila, opposition has come from the region's farmers and fisherfolk whose livelihood and environment are being taken away from them just at a time when they had dared to hope that their legitimate claims to own the land they have tilled for generations might be recognized under CARP. For some, opposition has cost them their lives, not least when the army opened fire on 15,000 peasants demonstrating in support of land reform on the Mendiola Bridge leading to Malacañang on 22 January 1987, killing 19 people.

In the Calabarzon it has been the bulldozer more often than the bullet that has come to symbolize the conflict between the tiller of the land and the industrial entrepreneur, though the effect has frequently been just as deadly. Bulldozers have been hired to plough over cropland, destroy dikes, smash irrigation systems, fill in distributary canals, and level other agricultural improvements in an attempt to drive farmers from the land and disqualify them from making claims for redistribution under CARL. And more direct forms of coercion and intimidation are often employed in tandem with the bulldozer, as landowners have availed themselves of the services of local Civilian Armed Forces Geographical Units (CAFGUs), leading to allegations of human right violations.⁵⁵

All these elements are present in what has come to be known as the Langkaan land occupation case in Cavite.⁵⁶ Farmers associated with the Ramos Estate (no relation to the president) in Langkaan *barangay* opposed to the owner's attempt to have the land converted from farmland to commercial and residential use in 1990, formed a pressure group, the Buklod ng mga Magbubukid Lupaing Ramos (Buklod), and launched a mass occupation of the estate. The farmers' intent was to plant as large an area as possible with crops to substantiate their claims that the land was being used for agricultural

purposes. Faced with repeated destruction of their crops, farmers and their families erected barricades to prevent bulldozers from gaining access to the estate. Despite harassment and threats to the lives of their leaders from hired thugs, the farmers have successfully maintained their occupation and even extended the area under cultivation. The estate has subsequently been deemed to fall within the coverage of CARL and served with Compulsory Acquisition Notices.⁵⁷ The significance of the Langkaan land occupation stems from the example it has provided to many other farmers in Cavite who, like Samahan ng mga Magsasaka sa Kapdula and Samahang Magsasaka ng Bacao were inspired by Buklod's action to organize in defense of their interests.

Conclusion

A succession of Philippine governments adopted first Import Substitution Industrialization (ISI) policies and then Export Oriented Industrialization (EOI) policies without achieving the desired goal of significantly raising the living standards of its people. In 1965 the Philippines had a higher per capita income than Singapore; now it has the second lowest in the Association of Southeast Asian Nations (ASEAN), above only Indonesia (although after Vietnam subsequently joined the association this changed to the Philippines having the third lowest per capita income). The Ramos administration purports to have adopted agri-industrialization (including land reform) as the path for national development, yet serious questions remain as to whether this constitutes a markedly different intent or approach than the EOI policies adopted under Marcos. Moreover, governments in recent years have become increasingly reliant on Japanese planning to determine the development of critical areas of the nation's economy without, perhaps, giving due consideration to the possible effects of that aid. While the Philippines ranks among the top ten (mainly top five) recipients of Japanese bilateral aid from 1970 to 1990,⁵⁸ the planning and implementation of this assistance remains highly centralized in Tokyo, where policy makers generally regard land reform as involving too many short term political risks.⁵⁹

Central to the realization of a development policy based on agri-industrialization must be the successful completion of agrarian reform. Even the dragon economies of Northeast Asia—Japan, Taiwan, and South Korea—that Ramos so wants to emulate, have clearly demonstrated the crucial role played in any industrialization drive by a rural sector empowered through land reform and other programs designed to redistribute economic and political power more equitably within society. Yet the Ramos administration appears to be jeopardizing

54. "Calabarzon Threatens Environment," *Manila Chronicle*, vol. 1, no. 49 (7 Mar. 1992), p. 11.

55. Benjamin Cruz, "Human Rights Violation Ruled in Cavite EPZ Expansion," *Business World* (Manila), 28 May 1991, p. 1.

56. Langkaan was also the site of the first major land conversion case to receive wide media coverage since the enactment of CARP under President Aquino. The National Development Corporation in conjunction with the Japanese Marubeni Corporation applied to have 230 hectares of private agricultural land converted into an industrial estate in 1990. The action was questioned by the DAR secretary, Florencio Abad, on the grounds that it violated the provisions of CARL regarding the conversion of agricultural land. Eventually the matter was allowed to be settled by the farmers themselves, the majority of whom decided to sell to the Marubeni Corporation. The Marubeni dispute, however, led to the repeated Congressional deferment of Abad's appointment as DAR secretary and to his eventual disillusionment and resignation from office.

57. "Langkaan Land Occupation" (Manila: unpublished *Philippine Peasant Institute Briefing Paper*, no date).

58. *Japan's ODA: Official Development Assistance, 1992, Annual Report* (Tokyo: Ministry of Foreign Affairs, 1993), p. 74.

59. Robert Orr, *The Emergence of Japan's Foreign Aid Power* (New York: Columbia University Press, 1990), pp. 84 and 131. See also: Dennis Yasutomo, *The Manner of Giving Strategic Aid and Japanese Foreign Policy* (Lexington, KY; and Toronto, Canada: D. C. Heath and Co., 1986); and Alan Rix, *Japan's Economic Aid* (New York: St. Martin's Press, 1980).

its own favored development path by permitting, or at least not taking sufficient measures to stop, the rate and scale of land conversions. It is land reform that is the promise of the future; and land reform, moreover, also appears to be a necessary prerequisite of the very industrialization program that the Ramos administration so earnestly desires.

Nowhere is this ambivalence over priorities more apparent than in the Calabarzon, a region of fertile agricultural land but also the area selected under the MTPDP to spearhead the nation's drive toward industrialization and NIC status. Loop-holes in the law and a series of legal opinions issued by the Department of Justice have been used to circumvent the spirit and often the intent of agrarian reform, allowing thousands of hectares of agricultural land to be converted to nonagricultural usage. Nor is there much evidence that the new industrial centers and parks being established in the region will provide the backward and forward linkages required to stimulate local production and employment opportunities. Instead, data indicate that the scale of land conversions has caused significant social disruption and the displacement of thousands of farmers, who either drift toward the cities to swell the already overcrowded squatter settlements, or head for the hills to practice swidden cultivation on marginal agricultural lands. In the process, the precarious ecological balance of many regions is being adversely affected as pollution levels rise and the ambient quality of forest, air, and water resources are further depleted.

Land conversion, however, is only an aspect of a much larger question about the future of national development that confronts not only the Philippines but other states in the region and across the world. Rapid industrialization is neither the most equitable nor the most environmentally sustainable path to national development, especially, it seems, for nations with large rural populations. Agri-industrialization, that is, a policy designed to facilitate structural adjustments in both the agricultural and industrial sectors of the economy through encouraging linkages between the two, may offer an alternative approach if sincerely attempted. The present administration in the Philippines pays lip service to this concept in planning documents such as *Philippines 2000*, but then by its actions promotes rapid



Not only in the areas of the Calabarzon Project but throughout the Philippines land-use conversions are carving up and depleting farmlands under the guise of rapid industrialization. This strategy for national development is neither the most equitable nor the most environmentally sustainable path, and nations, particularly those like the Philippines with large rural populations, would do well to consider alternative strategies that take into account the need to protect and develop agriculture as well as industry. The graphics accompanying this article were provided by Greg Bankoff.

industrialization, usually at the expense of agricultural interests. The losers, of course, as they so often have been in the past, are rural Filipinos. The present scope and pace of land conversions mean that peasants who once dreamed of owning the land are now often denied even the chance to till it.

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