

Evaluating the Philippines Land Reform

—from the viewpoint of just distributive rules—

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Introduction

I will begin with explaining the framework of my study: What I am interested in is to find a systematic distributive rules for a modern economic society. In my previous study, I have drawn a rough sketch of this system of distributive rules. My final interest is in finding the changing directions of present economic rules as a system, and I am trying here to find a way

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to deal with a part of such a question, the distribution of original resources, namely land or agrarian reform¹⁾

I Just rules (framework of my analysis)

Perhaps it may be best to start with explaining my analytical framework as a whole, that is the idea of 'just distributive rules'.

Justice is often used meaning fair application of given rules. But It also includes the question of how to reach the supposedly-given rules at first. What I study here is the latter. Here, I suppose there is only one way today to reach such a rule, that is through an agreement of free and equal people²⁾.

When we consider on rules generally, we have to first have a clear idea about the objects of rules. In recent history of capitalism, at least after the great depression of 1930s, we have held both growth and *a type of* distribution as our society's economic goals or guidelines. Here the latter goal has

1) Modern economy, which is becoming more interwoven, is at a stage perfecting the rules concerning the fundamental structure as the mutual basis. It may probably be a new task in a society where fundamental human rights have been assured. It has been carried out gradually, and we are where it is necessary and possible to complete the basic rules covering the total system of economic world.

2) Different from the former, this question has only been partially thought of by e.g. A. Smith in his wage-price theory, since the beginning of civil society except for the socialist critics. Even those critics, represented by K. Marx, who proposes an alternative distributive plan for a society, which is a capitalist or market system based upon private ownership of productive resources and whose price system, together with the system of private ownership of productive goods, gives birth to an enormous income differentiations, is also defective, lacking the full analysis of the role of fairness in a civil society. J. Rawls proposes a system of rules as such a fair distributive rule, but it has a hypothetical ideal structure as he admits, based on unrealistic premises such as veil of ignorance. (*A Theory of Justice*, 1971, Harvard univ. press.)

been taken often as equalizing incomes, but this has not been as clear a statement as the former.

The problem here is that we have often confused equality with fairness, the latter of which actually seems to be the real goal in the distributive field today.

And so, the question about distribution is not with the result but with the framework of performance or rules in a society. (To be noted is that in the result of the distributive field, of course, is a serious problem of poverty, too. But in my analytical framework this question should be dealt with in a different sub-framework in the total system of distribution. What is imminent there today is the problem of fairness, or fair chances of participation in the economic cooperation.)

What's important here is that the problem of fair distribution is concerned not only with the social result of cooperation, or the benefits but also with the premise of it, or the chances of production itself. In this sense, fair distributive rules come both before and after production itself, and so is concerned with the whole system itself. In this sense, the question of justice is positioned before the question of "efficiency", which is often put side by side with the former question.

The question of just or fair distributive rules, I think, consists of three sub-questions: first, how to distribute the original resources (or initial resources, whichever), second, how to distribute the products to each participant's contribution, which is the problem of finding the actual accurate scale of each contribution, and third, how to or on what motives distribute the products to the needy, who are unable to work but need to be fed.³⁾

3) For some more argument on this point, see my previous paper, "Economic System and Distributive Rules", 1991, *Yamaguchi J. of Economics, Business Adm. and Laws*, vol. 40-1/2.)

Today, at the end of 20th century, after experiencing the making and the results of so many rules in a civil society, we seem to be at a stage now facing the task of completing such an agreement of cooperative rules as a total, comprehensive system. At least we are where we have noticed the defects of the given system of rules and facing a task to reinforce it. (It is felt through witnessing the failure of the old type communist systems and also the fragile performances of capitalist system countries, as shown in the serious unemployment in many European countries or the serious cleavages between the rich and the poor in and among many countries.)

Fortunately, we now know our system of civil society is not yet a perfect one, has not yet been completed, which gives us a hope and chance to re-make or strengthen it. Our misfortune, the defects of our system can still be turned into our fortune for the future, if we wish.

One rough idea for the general character of such a change of rules for the near future is a change for 'equalization to a certain degree'. We could say equalization proceeded a lot from feudal age to civil society, and perhaps, although with some hesitation, in the civil society itself. Such a reasoning is based on that there seem to be promoting factors for it. I think the basic factor that influences this problem is the equalization of productive abilities of each human being because of the changing character of productive abilities. As productive force grows generally, we come to need various abilities, from physical to mental, and to cooperative ones, and perhaps even more, which phenomena work to equalize the productive

Some problems in these three fields are the distributive question of housing land or the rights of the original inhabitants to the land in the first rule, the long discussed question of the origin of profit or surplus value or the choice between the seniority system and the yearly salary system or the question of actual scaling of the contributions of each worker in the second, and the trade-off question of welfare and labour motive or the possible limit to welfare in the third field.

force of each participant. As long as our higher standard of living depends on the social, total cooperative force, such an equalizing tendency of one's productive force works to equalize each participant's position, demand, and so his 'right'. That will work to establish first a fair distributive rule of the factors of production, namely the original resources and the benefits of production. And the third problem of distribution, the welfare distribution will also have a changing tendency of equalization, firstly because of the inevitable possibility of each one's falling into a disabled position at any age, and secondly because of possible growing sympathy for the needy through growing association, as expressed in a phrase 'the world as one'.

Thus, the equalization proceeds, but here we should not be mistaken: it only goes to 'a certain degree'. It never goes further, because people's productive ability can become similar but not identical. Differences never disappear, which condition will demand some unequal distribution according to each one's differentiated contribution and inequality, which would be felt 'fair'.

However, in all these prospects for the future, what does count now for the coming decade or two will be the task of establishing the former part of the fair framework, namely the fair distribution of productive factors and products to his contribution. Before we worry about the inequality that might not be solved for ever, we have enough to do for making our present system more equal, fit for our changing demand.

Being conscious or not, in a civil society, people have for a long time sought for such an agreement of just rules. Even the eminent scholars of economics, A. Smith, K. Marx and J.M. Keynes, all paid much attention to this kind of problem, a problem of establishing the basis of social or economic cooperation, on which to be built concrete and sophisticated structures. A society can never continue to exist without people agreeing to such dis-

tributive rules of social burden and benefits. The process of making such a consent and acts concerned with it are usually given an adjective of just or unjust.

〈what changes the rules〉

In establishing such rules, people naturally try to make them most advantageous to oneself, which is a most natural behaviour based on their self-interest. (Although it is natural, to foresee the actual goal demanded by each one is not so easy. The problem is that self-interest often seems to include some kind of altruism or sympathetic behaviours. Some of them may be explained by 'self-interest by detour', but some of them seem to need more complex explanations.)

Just a quick look at this question. As productive force of humans grows, people come to act more in a group. The size of such a group grows bigger, from family to village, county, state, countries, and so on. This makes people seek for the interest of his group in the rule-making process, too. This interest-seeking of one's own group and the spiritual enlargement of that group he feels belonging to through growing association of humans might be the factors to make this self-interest concept quite complicated.

Getting back to making a just rule, when different interest-groups of people try to make the most advantageous rule for themselves, what would be the answer, or the socially accepted rule? That is, I think, a rule established on the equilibrium of powers of the concerned groups. When a rule is chosen through whatever procedure, as long as it is accepted by the different groups of people, it is a stable, and so a just rule. When a rule is chosen through majority rule, if the minority decides to upset it, -although there may happen a serious conflict-, there is born a possibility of a new

rule being established. And if this new rule comes to be accepted in a stable manner by other participating groups, then it becomes the just rule at this new stage, in my sense.

Thus, questions of finding just distributive rules is reduced to a search for this equilibrium at each stage and to examine if it corresponds to the present or proposed new rule.

Such a question of rule making as a total system has been left aside for a long time, which may probably be because we have been busy enough understanding the mechanism of market system. But as it approaches to its maturity, we notice there is something new or something more we can do for it. In this sense, it's high time we pay due attention to the total system of economic rules.

An addition to the above argument. Although a rule established on an equilibrium surely is a just rule in this connotation, we may add another content to the meaning of 'just', which concerns with its stability or durability. When one can take into consideration the durability factor, he will surely compare the early-but-short-endurance plan with the late-but-long endurance one. That depends first of all on how much he has the will and ability to compare them, but such a factor will be paid more attention in making future rules.

Here, to be noted is that analyzing this equilibrium needs analyzing quite a few factors concerned with it. Generally, they include two main factors: one is the understanding of the purpose-subject of participants or groups and the other is the understanding of their powers to accomplish it. The former often includes the question of giving how much weight to self-interest and group-interest or to one's own group-interest and a bigger group-interest surrounding it. The latter, the power problem includes the number of votes, the degree of education or even violent force.

In the framework above, I take up here a question of a distribution of original resources, namely the land reform of the Philippines. This reform attracts me firstly because we can witness a new rule being made and tried and secondly because it is a new experience, different from some other Asian ones in the past carried out under foreign pressures. In the latter sense, it may be called a purified-breeding of land redistribution rule by the interested groups genuinely or mostly inside a country.

And according to my analytical framework above, the viewpoint of analyzing this case is as follows: I think it not important to ask if the present policy 'succeeds or not' by its own purpose, but it important to set first the standard of success or failure itself. By what standard can we judge whether it succeeded or not? My idea for this question is that it is given in the form that if the reform carried out corresponds to the 'possible just rule' or not. And so we need to know what this just rule is and how present reform is related to it.

According to such a viewpoint, the focus of consideration here will then be put on if the present reform is based on the equilibrium of concerned groups. It will logically pose another question at the same time, that is what is the very rule on the equilibrium itself.

This is without question a difficult task but I hope the following analysis might have some significance in this and related fields, especially for the question of a new direction of the social and economic systematic rules of today.

(A short History of Land Reform)

Land reform or agricultural land redistribution in the Philippines is proposed by two reasons: one is a regional one, to make order in rural districts and the other is a national one, to help provide enough food and sur-

plus for industrialization.

For the first reason, started the redistribution of friar estates in the beginning of 20th century, pressed by the frustrated peasants.⁴⁾ Since then, the Philippines has experienced so many land reforms, most of which were just a pause to pacify the grievances of the peasants.

After World War II to 1960s, the government leaders tried to add another goal, productivity growth in agriculture for industrialization, but the landowners' resistance was still strong enough to hinder the laws from actually being implemented. This means a stagnation in rural districts, little money for industrializing fund and little market for industries. Thus, it inevitably leads to the failures of ISI or EOI. Such an economic structure is quite fragile to the world's business fluctuations, and seen from recent macro economic performances, a policy of inducing foreign investment alone seems not working enough for the steady economic growth for a country, who lacks a stable inner market. Thus, land reform seems to be the fundamental key issue both for social peace and industrialization⁵⁾

In this sense, "land reform is ..one of the main prerequisites for the

4) "Towards the end of the late thirties, the land was mostly absorbed by large landowners and partly reverted to the Church." (Jesucita L. G. Sodusta, "Land Reform in the Philippines", *Southeast Asian Affairs*, 1981, Singapore, p. 258.

5) The U.N. report of 1976 says "most of the developing countries intended to achieve industrialization as fast as possible. Such a developmental approach was partly responsible for the neglect of the major sector of the economy, namely, the rural sector." (U.N., *Progress in Land Reform, 6th report*, 1976, p.5. Hereafter abbreviated as *Land Reform*.) R. David says that as land occupies the central part in the production structure in the Philippines, an overall land reform must be the nucleus for growth strategy, and it is to change peasants or small farmers to rural entrepreneurs. (Randolf S. David, in *World Weekly*, (*Sekai Shuho*), 1992, 3. 5, Jijitsushinsha, p.125.) In rapidly growing Asian countries like Taiwan and South Korea were carried out land reform in the 1940s to 50s.

general improvement of agricultural productivity.”⁶⁾ Most of all, “insecurity of tenure rests largeley in the lack of incentives for the cultivator to invest in his holding”.⁷⁾ Land reform could do away with these constraints.

And here, the peasants and those who had to drift to the cities are probably those who suffer most under such poor macro economic performances.

Although, the main issues for the past decade, from Marcos to Aquino and Ramos seem to be anti-dictatorship and democracy, land reform seems to continue to be the basic and probably the most serious problem as mentioned above, wished by the majority of the Philippine people.

Urged by such strong demands or violent resistance, Marcos implemented the first effective land reform in 1972,⁸⁾ and it is being carried through in an enlarged dimension by Aquino and Ramos administrations, too, by the Comprehensive Agrarian Reform Plan, CARP.

II LAND REFORM: the facts

Firstly, let's take a quick look at the performance of this land reform so far. We first look at what possibilities the Act allows.

One favorable point for the peasant side in the Act is that, different

6) Resolution of the General Assembly, 1960, NO.1526 (XV), U.N., *Progress in Land Reform, 4th report*, 1966, p.167. The same line is repeated in its 1976 report. “The present report. views the equitable access to resources, particularly to land in the rural areas of the developing countries, as pre-requisite for economic and social development.” (*Land Reform*, 1976, p.2)

7) *Land Reform*, 1976, p.11.

8) But the seed and fertilizer revolution “helped only those cultivators who has the necessary resources.. i.e., the landowning and entrepreneurial class.. forced tenants off their small plots, thereby increasing the number of unemployed.” (*Land Reform*, 1976, p.12.)

from Marcos' reform plan which included only rice and corn land, it includes almost all the land, hence it is called 'comprehensive' in the Act.

But it has several unfavorable articles, too, as follows. First is that redistribution of private land is placed second after public land, most of which is placed in "phase II and III", which is carried through in the latter half of the planned 10 years. This is against the farmers' wish at the time when the debate started in the Congress in 1987.

Second is the big retention limit for the landowners. (5 hectares for the landowner and 3 for each child in due conditions.)

Thirdly, 'just' compensation is assured in the 1987 Constitution, which tends to fix the repayment fee quite high for the beneficiaries.

It's stipulated that quite a few factors are to be considered in determining the level of just compensation such as the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, and the assessment made by government assessors. (sec. 17) Furthermore, when not agreeable to the proposed price, the landowner can appeal to the court.

Fourth, corporate farms are exempted from redistribution of land to each worker and can continue to be operated by lending the land from the collective farm workers and distributing some amount of stocks or products in turn. (chapt. 8) Although it's effect is not yet clear, this article could be possibly used as an excuse for sabotaging land redistribution.

Fifth, necessary fund is to be given through sales of the Assets Privatization Trust and ill-gotten wealth and foreign aid. (chapt. 14) In the Philippines reform experiences, shortage of fund has always been the main restraint for the previous reforms, and possibly still could be in the recent tight budget conditions these years.

With these vague articles, the reform started in July 1987, to be com-

pleted in 1997. Half the period has passed since then.

Now let's look at the related figures about the reform performances so far.

First, the whole land planned to be redistributed is 10.3 million hectares, of which public land is 7.3, most of which is non-agrarian, and private land is 3 million, all agrarian, which is of course the most favorable for cultivating and redistribution.

Table 1 Distributive Performance 1987 to 1991 (men : beneficiaries)
(miha : million hactares)

plan	land	beneficiaries	already distributed	land left for reform
object land owners regist. men	10.3 miha 6.08 miha 490,000	possible 3.9 mill registered men 1.07 mill ha 3.21 mill	men 40,000 ha 1.92 mill	
agrarian land (3.82mill ha) private (3.02 mill ha)				
(rice, corn (0.73 mill ha))		average ~1.4 men 520,000 (planned)	ha 450,000 men 340,000	ha 280,000 men 190,000 *
other (2.29 mill ha)		men 0.76 mill	ha 60,000 men 30,000	ha 2.23 mill men 0.73 mill
non-agrarian land public (6.48 mill ha)		men 2.35 mill	ha 0.96 mill men 0.37 mill	(5.52 mill ha) men 1.98 mill
		remaining beneficiaries men 0.7 mill		
lease hole operation (0.57 mill ha)		men 0.55 mill	ha 0.37 mill men 0.24 mill	

(source) Based on Toshio, Hirodo, *A Report on The Republic of the Philippines' Comprehensive Agrarian Reform Plan: Its Outline and Performance*, 1992, pp.5-6. (mimeographed) * Mr. Hirodo was dispatched from The Ministry of Agriculture, Forestry and Fisheries of Japan to the Ministry of Agrarian Reform of the Philippines since 1989 to 1992.

Second, we have 1.07 million landless people registered for the the possible beneficiaries. If we divide the above 3 million hectares private land by this number, we get about 3 hectares for each beneficiary, which number coincides with the upper limit of distribution in the law.

The biggest problem is that although redistribution has been proceeding in numbers of hectares and beneficiaries for the past several years, they are mostly with the public land and private one which the landless people probably wish most is scarcely redistributed. This of course owes to the phasing of this plan as mentioned above, the policy of public land first. The private land redistribution has only completed less than one fifth of the plan for the concerned 1st phase, and the rest amount of three quarters for the coming phase is still going on from 1992 to 1997.

For these figures are posed three questions, first of which is if the number of registered beneficiaries is large enough. The planned number was three times as many.

Second question is if the beneficiaries are content with the distributed public land which is mostly not tilled yet, and it is apprehended by many if the farmers can really manage to cultivate it and settle there. The government is said to be supporting the farmers, but some observe it quite insufficient.⁹⁾

When the cultivation of the divided public land is not satisfactorily carried out, the beneficiaries' disappointment will make their eyes turn to the private land again, making another conflict with the landowners again.

At the end of 1991, we had 700,000 registered beneficiaries left and 730,000 planned private land beneficiaries left . The most favorable way seems to redistribute this amount of corresponding land, 2.23 million

9) Hirodo, op. cit., p.42.

hectares to those registered beneficiaries.

But as private land comes into focus of this reform year by year, resistance by the owners is being expected,¹⁰⁾ and if the beneficiaries hate long procedures at the court, they may have to give up private land acquisition and can't help turning away to easily obtained public land.

Here, fund problem may restrain the redistribution process in two aspects: one is on the government side; which is the shortage of acquisition fund, and the other is on the beneficiaries side; by restraining the government's support to the farmers from the LBP.¹¹⁾

III LAND REFORM: An Interpretation

Hereafter, I focus my attention to the question of to what direction this reforming process is meant to proceed from now on. There I try to analyze this problem in my framework proposed in section I, framework of just distributive rules.

As is observed above, the present land reform can either be favorable or unfavorable to the peasants at this moment, which seems to depend much on the government's attitude hereafter.

When the government or the concerned foreign partners decide their attitude to this question of whether to help accelerate the plan, or what part of it, the main factor to be paid attention to should be the power relations in the country, which is concerned with the serious problem of social unrest. And it's almost needless to say that social unrest means jeopardizing

10) Hirodo, op. cit., p.32.

11) High purchase prices have always been the crucial factor. On account of it, the lands used to have in many cases found their way back to large owners in a few years. (*Land Reform*, 1966, p.26.)

all the present reforms, both agrarian and industrial.

The main groups when we look at the power-relation problem are the peasants group, landowners group and the government. Congressmen are recognized as the two groups' representatives. We also have related groups, such as city workers and foreign governments, foreign financial institutions and NGO groups.¹²⁾

As for the government, they quite often try to act for the strongest group in the political market. As for its attitude toward land reform, the following statement would still be valid that "Until 1971, .. it was only the perceptions of the political elite about future peasant reactions that affected policy. .. broader calculations of self-interest, i.e., how elite interests are influenced by peasant reaction".¹³⁾

POWER RELATIONS

Generally speaking, private groups seek for their own interest. They don't care if it decreases the other groups' interest or not. The only group that is said to 'care' about the interest of the whole society is the government. But depending on the situations, it can also behave for the interest of some particular group, too. When a country faces a mutual enemy or a

12) Lower house is more on the locally owned plantations owners' side and the Upper house, on the multinational corporations', it is said. Most senators prefer rural stability for commercial and industrial development. (Yujiro, Hayami, Ma. Agnes R. Quisumbing and Lourdes S. Adriano, *Toward an Alternative Land Reform Paradigm A Philippine Perspective*, Manila, 1990, pp.75, 76.)

13) Wurfel, David, 1983, in *Second View from the Paddy*, Ateneo de Manila univ., p.10. In Hayami, 1990, p.80. Hayami says liberal democratic goals played a part in so-called social justice-oriented legislation, but in my understanding, the power structure is the determinants and justice is always nothing but only its outcome.

mutual goal, the government will act as the neutral leader, who usually has the necessary political knowledge and power more than any other groups. But in the absence of such a mutual goal, it can often focus its attention to enlarging the benefit of some particular groups, too.

As was mentioned before, although the government has for a long time tried to implement land reform both on utilitarian and fair motive at the same time, -as expressed as efficiency and equity-, it has been becoming clearer that the real problem now is in the latter, fair distributive problem, and the efficiency factor should be given a secondary position.

What counts most in the purpose of land reform at this stage is self-interest rather than utilitarian gross interest. Furthermore, by judging from the co-relation between the unceasing rural unrest and repeated and gradually-intensified land reform plans, it is the interest of the peasant group that determines the reforming course.¹⁴⁾

Such a fundamental relationship has been blurred in the past decade. One reason is that the political issues were focused then on the turnover of the oppression of the dictatorial government, which issue put every other problem secondary. People expected almost everything in the newly democratised government, including land reform.

The new Constitution of 1987 was rather a compromise for the peasants and the landowners. It expressed a comprehensive land reform, but included as was seen articles possible to be favorably used by the land-

14) 1953 reform of The Agricultural Tenancy Law and The Land Reform Act was an answer to the peasants' revolts. They were "significant enough to prompt legislators to institute tenancy laws... resettlement program and other minor reforms." And one interpretation for such a minor character of the reforms is that because "peasant demands were moderate, the government's moderate reforms in the 1950's were effective in counteracting the Huk rebellion." (Hayami, op. cit., 1990, p.49)

owners were not quite united, facing a drastic political change. But the absence of such an initiative in the administration led the poor farmers to the demonstration, which unfortunately resulted in a disaster of Feb. 1987.

The Cabinet Action Committee's plan, which was set up right after this collision, and a House bill in the convened Congress showed much support to the farmers' demand, but the finally adopted Act in the Congress was quite different, not necessarily favourable for the peasants.

In such a movement seems to be reflected the expectation and at the same time gradual disillusionment of the peasants' side. And so, the Act and its performance are based on a delicate balance between the peasant farmers and the landowners, which can easily be lost by the farmers' disappointment.

The critical factor for land reforms has been social unrest for decades. The root cause, namely the serious poverty on account of landlessness does not dissolve without satisfactory land redistributions, without which the rural unrest will still continue, although the shapes of the resistance may change and may add a more parliamentary character to the old violent types. The reforming process depends on the future reactions of the concerned groups, particularly that of the peasants, and so on the degree of satisfaction of them.

Three factors affect the future peasants movement or reactions. First is the strengthening individualism or weakening paternalism in the villages, faced with which the peasants can't help depending on themselves, and thus demanding more their own land.¹⁵⁾ Second is the government's grow-

15) As for an analysis of the old peasant type, see e.g. Akito Tsukada, *Village Community in the Philippines*, a Baccalaureate thesis at the International Christian Univ., 1978. He emphasizes the mal-effect of the old human type (reciprocity or paternalism and quasi-family relationship within rural communities) on

ing recognition of this reform's importance for the country's growth path. And third is the farmers' disappointing experiences of previous reforms like green revolution or past land reforms of compromising type. They all make the people recognize the present reform as the only critical factor for solving their fundamental problems now.

In a predominantly agrarian society, a redistribution of land means a redistribution of wealth, income, status and political power, which is in short, "a revolutionary change in the social structure". Such a group interest "far outweighs in importance any governmental or neutral desire to improve the quantity or efficiency of agricultural production", and "may have long-run beneficial results which far outweigh a temporary loss of agricultural production."¹⁶⁾

Adding to that, self-confidence and the necessary powers are growing on the peasants' side. Confidence has grown in the political democratiza-

any newly-tried social change. A break-through seems to be in the following. The growth and the changing attitude of the middle class can work for the peasants' side, too. "The steady growth of a professional middle class whose interests are not necessarily identical with those of landlords is another factor with slowly unfolding consequence." (*Land Reform*, 1966, p.6)

16) *Land Reform* (1966, p.4) refers to "greater equality in output and greater social equality (greater equality of human dignity)".

Although rural farmers seem to be less advantaged in representing their political will in the decision making processes, they will gradually proceed to form a new framework for the next stage of land reform in the Philippines. Hayami (1989, op. cit.) thinks much of how much the political groups are organized. (p.14.) In his words, it surely forms an equilibrium in a political market, but it is inefficient and unjust yet. (ibid., p.15.)

In my words, an unjust system to the stronger group cannot be sustained long, and is not suitably called socially just. Fukushima argues stability or equity of the Philippine society cannot be expected either from up or bottom on account of its high authoritative tendency. (Mitsuo, Fukushima, in *Asian Affairs* 1992, The Institute of Developing Economies, 1992, p.295.) But authoritative tendency is only an alternative, chosen so as to maximize one's own utility. It is

tion at Aquino and Ramos administrations.¹⁷⁾ Such a confidence will push the present land reform movement. The peasants' movement has been partly led by the CPP and its military branch NPA.¹⁸⁾ It has given much effect on the government's policies, but it has also kept many people out of the political movement. If the present reconciling process between the CPP and the government succeeds, it might have the effect of letting more people join the land reform movement, uniting and reinforcing it.¹⁹⁾

Considering these factors, it seems that the major determining factor of the future process of the present land reform is the growing degree of the peasants' demand on the on-going reform, at least in the time span of a decade or two.

IV Conclusion

The present reform, although it has had some defects, could become one quite favorable to the fundamental demands of the peasants or landless people, which at this moment depends firstly on the performance of private

a conscious act, which can change depending on the circumstances. An interesting remark is that the landlords already felt that they might finally lose in this fight in witnessing the 1954 Agricultural Tenancy Act passed. (Sodusta, op. cit., p.259-260.)

- 17) Though Aquino administration is evaluated to have been late in implementing land reform, "it should surely be appraised for protecting democratic institutions in a period of turmoil." (*Nihon Keizai Shimbun*, 1993, 2. 20.)
- 18) Hayami, op. cit., 1990, p. 49.
- 19) The growth and changing attitude of the middle class can work for the peasants' side. "The steady growth in power of a professional middle class whose interests are not necessarily identical with those of landlords is another factor with slowly unfolding consequence." There might appear "growing appreciation...that sound industrial growth must be supported by a steady progressive agricultural base." (*Land Reform*, 1966, p.6.)

land redistribution, and secondly, on the support for the public land cultivation and settlement.

For the posed questions in the beginning of this paper, followings will be the answers to the first and second questions: what is the just distributive rule of land for the present Philippines? And is the present reform performance different from it?

Perfect implementation of the Act, especially of private land is the answer to the first, and *the present reform can work for either side of the two groups right now* at this stage is the answer to the second.

These seem to be the tentative answers to the land reform in the Philippines. When we could make a closer research into the farmers' degree of content, we'd be able to obtain a deeper insight of this problem.

Policy recommendations: A Supplementary Comment

A way to the perfect implementation of the present reform plan comes of course from the internal efforts of the peasants' side, and also from the understanding of such an inevitable reform movement by the landowners' side. Also the government can work to help these movements. Although such possibilities are all up to their own decisions and acts, there is some room on the foreign side, too, a part of which is through financial assistance.²⁰⁾

20) The U.S.A. once recommended the acquisition and sale out of the land owned by large owners in 1950 in exchange for her economic assistance to the Philippines. In 1952, in Hardie report was recommended that the acquisition of all the land of absentee landowners and owners owning above 4 hectares within two years, which was denounced as interference into internal political affairs by the President of the Philippines. (Tsutomu, Takigawa, Land Reform in the Philippines, (Filipin ni okeru tochikaikaku), in *Land Reforms in Foreign Countries*, (*Shogaikoku ni okeru Tochikaikaku*), 1964, published by Secretariat of the Prime Minister, p.156.)

Although Japan, one of the major assisting countries in this district, has been assisting the land reform, it doesn't seem to quite fit for the point of the reform.²¹⁾ The assistance has been targeted at the development of the redistributed public land. But putting almost all the weight on public land is not quite a help for a reform favorable to the peasants as analyzed above.

I am afraid to say, Japanese efforts, if they continue to be put mainly in this field, are actually playing a role of helping the landowners' side by soothing the peasants' demand for private land redistribution by accelerating the reform in the easily released public land, which, in my reasoning above, is not the proper or just land reform on the present power equilibrium at this stage, which may become the cause for the resurgence of a new agrarian unrest.

In the postwar period, the U.S. offered development assistance and Japan paid reparation money. Assistance on multilateral basis has been added to bilateral ones through Paris-club since 1971 and Multilateral Assistance Incentive since 1989, the latter of which is aimed at the reconstruction of the Philippines' democracy and economy, proposed by the U.S.. Japan has occupied a significant part in these assistances. Also, Japanese foreign investment has grown quite fast in recent years.)

Japanese recent assistance policy to the agrarian reform in the Philippines was decided after sending a mission in the end of 1987, which focused its effort on helping small farmers. Japan was reported to be planning to send a research mission for the reconstruction of the Philippines economy again. (*Nihon Keizai Shimbun*, 1993, 3. 12.)

- 21) Some even reproach such Japanese assistance. In a statement by the NPA commander in April, 1990, is stated that rural development projects assisted by Japanese ODA is a serious threat to farmers lives. (*Southeast Asian Handbook, (Tonan Ajia Yoran)*, The Research Institute of Southeast Asia, Tonan Ajia Chosakai, 1991, section 8, p. 36.)

Following statement would explain how the people feel for the "assistance" when it only works for the advantaged ones: "how the Negros people would have felt when they face the reality that they could have no piece of land for rice or vegetables for their children, witnessing vast land which produces sugar or schripms to be sent to 'affluent' Europe, America and Japan. (Japan Negros Campaign Committee, *News no.18*, Nov. 16, 1992)

The policy recommendation here for foreign countries should be to help accelerate the private land redistribution through possible measures. One of them would be in the financial assistance. As the stage of private land redistribution has just started, and there the landowners' demands for higher land prices are expected, financial assistance for such a field will help the land release a lot.²²⁾

And also as such a high acquisition price means a high repayment burden on the beneficiaries' side, financial assistance for these small farmers, as through to the LBP, would be a much help, too.

22) The article in RA 6657 stipulates as a funding source "portion of amounts .. from all sources of official foreign aid grants and concessional financing from all countries to be used for the specific purpose of financing production credits, infrastructure and other support services required by this Act". (Section 63)(In Hayami, op. cit., pp.184-5.)