

STRUGGLES FOR LAND AND LIVELIHOOD

Redistributive Reform in Agribusiness Plantations in the Philippines

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ABSTRACT: Scholars, policy practitioners, and political activists alike have had difficulty grappling with the complex dynamics that have unfolded over the past decade and a half in Philippine banana plantations in the context of the 1988 agrarian reform law. While some focus their attention exclusively on land redistribution issues, others concentrate on the modalities of contract farming and still others emphasize trade union issues — all to the neglect of underlying agrarian dynamics. Relatively few have attempted a more integrated examination of developments in this sector of the Philippine economy. The still-limited availability of studies of land-reform-related experiences in agribusiness plantations outside the Philippines further constrains our understanding of the issues arising in Philippine plantations. This article tries to build on and deepen previous attempts at understanding the complex and confusing dynamics involving the banana elite, the state, and various segments of organized farmworkers and to fill in an important gap in the literature, using an integrated, rights-based, and process-oriented historical-institutional approach. It cites two reasons for an unexpectedly contingent land reform process in commercial banana farms in the Philippines: (1) the surprisingly unsettled character of the prevailing political-legal institutional environment within which land and livelihood struggles are playing out, and (2) the diverse perceptions among farmworkers of the meaning and purpose of, and opportunity for, land reform.

The meaning and purpose of land reform policies in the world today evidence a variety of understandings. The contested nature of land reform in practice has informed the rise of three broad types of land reform at the policy level: (1) con-

servative land reform policies focus on distributing public lands through “colonization” or resettlement programs in order to avoid expropriation and redistribution of private lands; (2) revolutionary land reform policies, both socialist- and capitalist-oriented, favor the expropriation of private lands on a significant scale; and (3) liberal land reform policies occupy the terrain in between, incorporating features of both the conservative and revolutionary types of land reform, in terms of the kind of land and farm households covered.¹ Despite significant differences between each of the three broadly distinct policy types, they all share at least one notable similarity. All three resist extending land reform to highly productive, capital-intensive, agribusiness plantations, or “commercial farms.”² These types of farms have been excluded from land reforms in most developing countries; see, for example, the cases of white commercial farms in Zimbabwe,³ commercial crops for export in the Kerala (India) land reform,⁴ and the redistribution of productive lands in Brazil.⁵

A policy consensus in favor of excluding the commercial farm sector from land reform is driven by a seemingly rock-solid combination of economic and political arguments. From an economic perspective, it is believed that land reform should be avoided in cases where there is already a relatively high degree of efficiency in land and labor utilization, as in commercial farms. From a political perspective, it is believed that land reform is unlikely to occur in such cases anyway because the entrenched power of commercial farm owners effectively prohibits it. In short, this consensus holds, land reform in commercial farms is neither desirable nor possible.

The legitimacy of this consensus, however, rests more on faith and untested assumptions than it does on evidence. While it is often implicitly assumed that farmworkers who stand to benefit from land reform in the commercial farm sector favor breaking up plantations into individual family farms, little empirical evidence is offered to support this assumption. The same is true for the persistent assumption that the power of key actors in the economic field alone determines their power in the political field, automatically producing an inherently insurmountable power imbalance for proponents of land reform and thereby ruling out redistributive land reform. Recent experience in the Philippines, however, shows that land reform in commercial farms is moving in directions unanticipated by the consensus described above, suggesting a need to reopen the discussion.

The Philippines is a good place to start rethinking the prevailing consensus because the dynamics unfolding there involve conflicts over divergent land reform paths that integrate political process and economic outcome issues. Both economics and politics turn out to be relevant in unexpected ways.

This article tries to identify and explain key factors that determine the pace and direction of land reform struggles in the Philippines. It focuses on the interaction of farmworkers’ land reform strategies with those of the commercial farm elite and a heterogeneous state. The article shows how land reform strategies of farmworkers in commercial farms in the Philippines are driven by a combination of economic efficiency considerations, political opportunity calculations, and social justice concerns. Maintaining economic efficiency in the post-land re-

form period is important to farmworker beneficiaries and does figure in their considerations even before land reform occurs. Political opportunities for land reform can and do arise even in the “hard” case of highly productive, capital-intensive commercial farms, making the choice for farmworkers whether or how to try to exploit them. Social justice concerns, under certain conditions, play an important role in encouraging and shaping farmworkers’ legal land rights claim-taking initiatives.

The article begins with some theoretical background, before moving on to a brief overview of aspects of the Philippine national setting that relate to land and livelihood struggles in commercial farms. This overview includes the continuing importance of Philippine agriculture, the persistent problem of local authoritarian enclaves, and the Philippine land reform law in general and with regard to commercial farms in particular. The article then identifies key issues in land reform struggles in commercial banana farms and outlines the variable pattern of outcomes that these struggles have produced to date. Three broadly distinct “paths” emerge: the landlord/multinational corporation (MNC) path; the beneficiaries’ cooperative path; and the family farms path, with both the landlord/MNC path and the family farms path containing their own variants as well.

Theoretical Background

The core principle that has guided land reform in theory and in practice worldwide, is best summarized by Cristóbal Kay (in the Latin American context, but with global relevance):

The *latifundio-minifundio* [i.e., large-scale/small-scale] agrarian structure was inefficient. While *latifundios* under-utilized land, *minifundios* were wasteful of labor. Not surprisingly, while labor productivity was much higher on *latifundios* than on *minifundios*, the reverse was true for land productivity.... Given that much rural labor was unemployed or under-employed and land was relatively scarce, it was more important from a developmental perspective to raise land productivity than to increase labor productivity. The economic inefficiency of this agrarian structure, combined with growing social and political unrest in the 1960s and 1970s, placed agrarian reform on the agenda.⁶

The main objective of land reform is to break up inefficient large farms and create smaller plots cultivated by small family farmers (created from the ranks of tenants, farmworkers, and other landless households), who are believed to be more efficient, at least in terms of land utilization. To be sure, different segments of both pro- and anti-land reform actors within the state and in society have interpreted this fundamental guiding principle differently. Yet one finds a pervasive reluctance among scholars and policymakers alike to entertain extending this redistributive principle to the realm of commercial farms. There are two interrelated reasons for this.

Despite the popular association of the concept of land reform with demands for social justice from below, the conventional scholarship on land reform policy is heavily influenced from above, by the economist’s imperative of finding (and then preserving) the most economically efficient formula for the allocation



Farmworkers washing and weighing bananas on a commercial plantation, Davao Oriental. "While it is often implicitly assumed that farmworkers who stand to benefit from land reform in the commercial farm sector favor breaking up plantations into individual family farms, little empirical evidence is offered to support this assumption." (Credit: Peter Krinks)

and use of land resources. As a result the principal targets of state-sponsored land expropriation have been the nonproductive and less-productive lands. The more productive modern plantations have been spared, for the simple reason that they have been considered by state policymakers to be efficient contributors to the process of private capital accumulation in the rural and national economy.⁷ This underlying pattern has persisted up to the present. Even many progressive scholars and policymakers fear that redistributing productive, capital-intensive agribusiness plantations to farmworkers will of necessity undermine the land's capacity to sustain previous levels of capital accumulation and, ultimately, social welfare. Interestingly, in many instances, this "progressive" argument fits neatly with the position and advocacy of landlords and their allies.

Meanwhile, anti-land reform political maneuvers by big landlords have also been highlighted in the land reform literature. The implication is that it is extremely difficult, if not impossible, to implement redistributive reform in capital-intensive agribusiness, since this sector is the established redoubt of an economically astute and politically well connected domestic landlord elite and a multinational corporate (MNC) elite combined: the aristocracy of the "agra-agri" elite, as it were. The clear message one takes from the literature is that the failure of land reform here is inevitable and it would be foolhardy to even *try* to break the mold, so to speak. In this view, neither better state laws nor more social mobilization can create or convert enabling opportunities for truly redistributive land reform in the commercial farm sector. Whether at the point of policy formulation or policy implementation, the commercial farm elite will always succeed in blocking truly redistributive land reform in their own sector.

Together, these two arguments (economic and political) underpin the theoretical exclusion of the highly productive agribusiness plantation sector from land reform. The arguments are mutually reinforcing; together they have produced a highly effective cognitive screen to discourage land reform efforts in practice.⁸ Indeed, only a few initiatives at implementing land reform in highly productive commercial plantations have ever been attempted. Under such conditions, land reform in the context of agribusiness plantations understandably remains relatively under-studied, though a number of specific cases have caught the attention of scholars, such as in Ecuador in the 1950s and 1960s,⁹ Guatemala in the 1950s,¹⁰ and Mexico in the 1920s.¹¹ The case of white commercial farms in Zimbabwe in the latter part of the 1990s is a more recent example.¹² An important insight from these cases is that they all involved complex political conflicts with varying outcomes. This suggests the importance of pro-land reform forces and institutional factors in shaping conflicts and outcomes even in the commercial farm sector.

National Setting

This section provides a brief overview of different aspects of the Philippine national setting that have had special relevance for land and livelihood struggles in commercial farms. This includes the continuing importance and dual character of Philippine agriculture, the persistent problem of local authoritarian enclaves, and the Philippine land reform law in general and with regard to commercial farms in particular.

Philippine Agriculture

In spite of its flagging condition and in the face of persistently dire predictions, agriculture remains important to the national economy of the Philippines, contributing about one-fifth of the nation's GDP and employing more than half of the total active labor force.¹³ The "low value, high volume" type of agricultural products continues to dominate and influence labor and land-use patterns in rice, corn, coconuts, and sugarcane. To a limited extent, however, high value, low volume types of farm products, such as bananas, pineapples, and mangos, have been able to gain some ground in recent years, while a corresponding rise in the political-economic influence of landlords associated with this latter type of agriculture is evident.¹⁴ Rural social relationships and production arrangements have thus emerged over time within the context of the coevolution of these two broad sectors, and so, for example, wage-based relationships have come to coexist with share tenancy. But each sector is still best understood as an ideal type; in real life, many farms continue to exhibit features of both.

Local Authoritarian Enclaves

National and local elites, many of them rooted in or sympathetic to landowning classes, have long dominated rural politics in the Philippines, despite a rich history of agrarian unrest and peasant mobilization for land reform.¹⁵ Cycles of peasant struggles for land and democracy in the past gained only partial concessions from the state.¹⁶ In the 1930s and 1950s, the central state responded to or-

ganized demands for land reform with a combination of tenancy reform, highly constricted land reform, resettlement, and repression.¹⁷ Later, during the Marcos dictatorship, a strong and dynamic communist underground movement in the 1970s and early 1980s succeeded in placing many social reform issues, including land reform, on the national political agenda. But the movement itself failed to evolve into a viable democratic political alternative for the rural poor.¹⁸

In 1986, the dictatorship collapsed under the weight of a broad-based protest movement and a military rebellion. But national transition from a centralized authoritarian regime to a clientelist electoral regime in the 1980s failed to eliminate what Fox has aptly termed “local authoritarian enclaves,” especially in the countryside.¹⁹ Nonetheless, the series of constrained elections held during and after the Marcos dictatorship together with social mobilizations “from below” did partially erode the political hold of established authoritarian elites in some local areas. Regime transition dynamics also helped proponents of land reform to secure a small but significant foothold in the first post-Marcos national legislature.²⁰ This political opening from above, however slim, combined with a broad mobilization of social forces from below, to make possible an unprecedented national debate on land reform in the immediate post-Marcos period, leading to the promulgation of a controversial land reform policy: the Comprehensive Agrarian Reform Program, or CARP, in 1988.²¹

The Philippine Land Reform Law

Under the CARP, the Department of Agrarian Reform is responsible for redistributing all private lands and some government-owned lands, regardless of crop or farm type. Moreover, the agency is also responsible for implementing leasehold reform in all land under the retention right of landlords or as a transitory mechanism toward eventual expropriation of private lands as well. Covering all agricultural land regardless of crop or farm type, CARP was mandated to redistribute 8.064 million hectares of private and public land to about 4 million rural poor households (tenants, farmworkers, and other landless). To do this, it adopted several land acquisition and distribution schemes, and it is this mixture of modes that reveals its underlying character as a liberal, compromise program.²²

The schemes include Compulsory Acquisition, Operation Land Transfer, Voluntary Offer-to-Sell, and Voluntary Land Transfer. Compulsory Acquisition is used to expropriate land even when landlords oppose the program. Operation Land Transfer (OLT) is the scheme used to acquire and distribute rice and corn lands originally covered by the Marcos land reform (PD No. 27), which was integrated into CARP in 1988. Voluntary Offer-to-Sell (VOS) is the modality employed to entice landlords to support the program by offering a better compensation deal: a 5 percent increase in the cash portion of the land compensation, but with a 5 percent decrease in the bonds portion. The Voluntary Land Transfer (VLT) also aspires to court landlord cooperation, as it provides for the direct transfer of land to farmers under terms mutually agreed upon between farmers and landlords with the government’s role confined to information provision

and contract enforcement.²³ The key difference between VOS and VLT is that the landlord sells land to the state in the former, while in the latter he or she sells directly to the peasants. But both VOS and VLT operate under the threat of expropriation: if a landlord refuses VOS or VLT, the state can acquire the estate via Compulsory Acquisition.

CARP is clearly not a revolutionary land reform program: it does not call for the expropriation of private lands without compensation to landlords and it does not distribute lands to peasants for free. But neither is it a conservative land reform policy, since it goes well beyond mere resettlement. CARP is thus best understood as a liberal type of land reform: it contains some powers to expropriate private lands (and therefore includes opportunities for redistribution), but as a voluntary scheme it is open to evasion by unscrupulous landowners, especially in the absence of public scrutiny and counter-mobilization. And it contains some outright anti-reform concessions to the most powerful segments of the landed elite.²⁴ More importantly for the present discussion is the concession that was given to big commercial farm owners and agribusiness interests. Though not categorically exempted from the land reform law, commercial farms were granted a ten-year deferment, pushing back the advent of reform from 1988 to 1998. Meanwhile, the law allows farmworkers to “lease back” the awarded land to its former owners or companies that used to control it (i.e., “leaseback” scheme). The immediate and more long-term effects of such hefty concessions and their impact on land and livelihood conflicts will be discussed in detail below.

More generally, the liberal character of CARP provided the basis for earlier predictions that the program would not be able to redistribute significant amounts of land. Land redistribution outcomes were indeed not as high as some had claimed and others had predicted, but they were not as low as some of the program’s critics had projected. By 2004, CARP was able to redistribute 5.5 million hectares of land to 3 million agricultural households, equivalent to nearly half of all agricultural lands and two-fifths of agricultural households. As Philippine land reform scholar James Putzel admits, “the programme has certainly touched a far greater proportion of the country’s land and rural population than its early critics predicted.”²⁵ In addition, 1.5 million hectares of land were reportedly subjected to share tenancy, leasehold reform. The data suggests a significant degree of success, although the real accomplishment level is undoubtedly lower due to the padding of official reports, the stalled installation of beneficiaries on awarded land due to continuing landlord resistance,²⁶ and counterfeit or “fake” redistributions carried out under the guise of VLT or VOS, among other factors.²⁷

The Land Reform Law in Commercial Farms

The powerful lobby mounted by agribusiness companies and landlords for the exclusion of commercial farms from land reform during the policymaking process of CARP thus resulted in a compromise — one that was heavily (but not completely) weighted against potential farmworker beneficiaries. The ten-year deferment and allowance for leaseback were bad enough. But a serious lack of

state accountability to farmworkers from the outset compounded the situation. During the ten-year deferment period, companies were supposed to pay Production and Profit Shares (PPS) to the farmworkers, set at 3 percent of yearly gross sales plus 5 percent of yearly net income, on top of wages and benefits. Reportedly, few did. Most stubbornly continued to push for the exclusion of commercial farms from land reform throughout the deferment period (and beyond), while underpaying the PPS due the workers and also taking steps to exclude certain kinds of workers by tightening social control inside the plantations. The latter was accomplished by ridding them of potential “troublemakers” — that is, anyone who might be interested in or capable of organizing autonomously to claim legal land rights once the deferment period ended. During the ten-year deferment period from 1988 to 1998, an estimated two-fifths of the workforce — some twenty thousand farmworkers — was retrenched in the Davao banana plantation belt alone.²⁸

Some commercial farm elites, however, began to approach the issue from a different perspective, by looking for provisions within the program to exploit in their favor, revealing strategic differences between domestic and transnational elite actors in the commercial farm sector. While the domestic landed elite’s permanent agenda remained prevention of and resistance to any redistribution of land-based wealth and power, the MNCs took a new tack and began to push for expropriation and redistribution of the plantations that they previously had controlled through lease agreements.²⁹ One of the first agribusiness subsectors to subscribe to land reform in this sense was the rubber sector. Saddled with perennial business problems that included strong competition from other Southeast Asian countries, several rubber plantations in southwestern Mindanao soon profited from CARP’s VOS provision, which enabled them to unload flagging ventures for a substantial price. Meanwhile, the fruit multinational Del Monte took advantage of the leaseback provision to forge a long-term leaseback agreement with unsuspecting farmworkers, who were locked into receiving a meager rental payment of PhP1,500 per hectare per year (equivalent to US\$25 in 2004) — an agreement that earned praise from the government.³⁰

For its part, Stanfilco, the plantation division of Dole-Philippines, experimented with yet another formula. Rather than a leaseback arrangement, it sought to steer farmworkers’ cooperatives into contract farming, where it could then wrangle terms of production and exchange relations favorable to the company (and unfavorable to the farmworkers). In the case of the 1,024-hectare DAPCO banana plantation in Davao del Norte, for example, at least initially, Stanfilco cleverly managed to secure a 25-year contract to buy bananas from farmworker-beneficiaries at the ridiculously low price of \$0.60/box (13 kilos). This was far below its \$2.80/box buying price from other medium-size banana producing companies during the same period and from adjacent locations. Subsequent (however belated) protest actions by autonomous farmworkers’ organizations later managed to force Dole-Stanfilco to revise the terms of the contract to \$2.60/box.³¹

Yet another case involved Dole-Philippines in a 9,000-hectare pineapple plantation in the southern province of South Cotabato. Here, Dole attempted



Child worker on a plantation in San Jose Campostela that produces for Dole. "Dole...took an early lead in exploiting the changing institutional context under CARP implementation and has pushed hard since to expand its hegemony in the production, processing, and marketing of bananas...." (Credit: David Bacon)

to secure an extremely low lease rent agreement of PhP1,500 per hectare per year (\$25) with the farmworkers' cooperative that had taken over ownership of the land in 1989. Militant trade unions countered the antireform attempt, resulting in a higher lease contract of PhP3,200 per hectare per year, which the government later declared a model that others should emulate. But over the next nine years (1989-98), Dole proceeded to retrench more than thirty-five hundred of the agrarian reform beneficiaries who had stayed on as farmworkers on the plantation they now owned collectively. The retrenched beneficiaries thus became jobless but could not retrieve their awarded lands, since these had been locked into a collective land title controlled by a cooperative with unsympathetic leaders. In addition, the retrenched workers were threatened now with being "de-listed" from the land reform beneficiary roll for being, according to Dole and their farmworker allies, "nonworking beneficiaries" (a status prohibited under CARP).

Dole thus took an early lead in exploiting the changing institutional context under CARP implementation and has pushed hard since to expand its hegemony in the production, processing, and marketing of bananas, to the point of antagonizing its traditional elite allies in the sector. The case of Hijo plantation in Davao del Norte shows how Dole-Stanfilco attempted to forge new contracts with some segments of farmworker-beneficiaries, the latter still under collective "transitory" contracts with the former landowner (a prominent member of the domestic landlord-capitalist elite), but looking for better terms once these expired. The attempt sparked an eruption of violence inside the plantation between different factions of farmworkers backed by competing elite interests,

even as the case was being fought out in the judicial and administrative courts and mediated by national and local officials. Several farmworkers died in the violence.³²

By the time the ten-year deferment period finally ended, on 15 June 1998, elite preemptive actions of varying sorts had narrowed the options ostensibly available to many still-active farmworkers, and threatened to block retrenched workers' future access to legal land rights. And yet, nearly seven years into the post-deferment era, it is still too early to tell where the plantation sector is heading in terms of land ownership and farm operations arrangements. The actual pace and direction of ongoing land and livelihood conflicts are proving not to be as predetermined as might have been expected. Instead, they are turning out to be still contingent upon the strategic interactions of the key actors involved, namely, individual plantation owners and agribusiness companies, a motley collection of government officials at varied levels (often working at cross-purposes), and competing plantation-based associations of farmworkers and their allies.

Key Issues in Land Reform Struggles in Commercial Banana Farms

The three-way struggle between the state, the commercial-farm elite, and farmworkers is best seen in the political processes still unfolding in the country's banana plantation belt on the southern island of Mindanao. The production of cavendish bananas, concentrated in Mindanao's temperate Davao peninsula region, is the most lucrative sector in Philippine agriculture.³³ Established in the mid-1960s, this sector gained ground by supplying the Japanese market, which today accounts for 85 percent of Philippine banana exports. The sector is jointly controlled by MNCs and local landed elites through the Pilipino Banana Growers and Exporters Association (PBGEA), which operates like a cartel, controlling price levels of labor, land lease rates, and farm input and output markets.³⁴ Individual members are extremely influential, with connections reaching up to the highest levels of the political system.³⁵ The importance of the banana sector in the local economy is also enormous: many local jobs and existing enterprises are directly or indirectly related to it. By 2000, the sector was utilizing about sixty thousand hectares of land and directly employing more than thirty thousand farmworkers.

Landlord Evasion and Onerous Post-Reform Contracts

Fifty years ago, J.K. Galbraith remarked that discussions of land reform "proceed[ed] as though this reform were something that a government proclaims on any fine morning — that it gives land to the tenants as it might give pensions to old soldiers." But land reform, as he went on to say, is a "revolutionary step" that "passes power, property, and status from one group in the community to another.... The world is composed of many different kinds of people, but those who own land are not so different... that they will meet and happily vote themselves out of its possession."³⁶ Against pro-market advocacy of a "willing seller-willing buyer" approach that entails integration (rather than sequencing) of land redistribution and post-land transfer farm development processes, Gal-

braith's words are an important reminder.³⁷ Land-based agribusiness elites, foreign or domestic, cannot be expected to readily submit to redistribution of their wealth and power via land reform. Initiatives that appear to do so are best regarded with skepticism. Since 1988, elite antireform manipulation in the Philippines has masqueraded as pro-reform acquiescence, especially in the commercial farm sector where landowners used the ten-year deferment period to set in motion all manner of evasion schemes (examined below).

Exclusion via Land Use Conversion (The Lorenzo Solution)

The most straightforward approach to evading expropriation was to secure a government decision legally excluding a plantation from the program. Though not many landlords were able to use this scheme successfully, a few, better-connected landlords did. The Lorenzo conglomerate, for example, was able to exclude all its banana plantations, estimated to be about seven thousand hectares and affecting about seven thousand worker households across the Davao peninsula, from land expropriation via dubious legal maneuverings, including land use conversions. The Lorenzos were the only landlords known to have been completely successful with this type of evasive maneuver. And when Luis Lorenzo Jr. became secretary of the Department of Agriculture in 2002, he sought to aid his fellow landlords by calling for a halt to land redistribution under CARP. "Additional land acquisition under the land reform program," he said, "should be put on hold until the original owners have been properly and fairly paid, and until the land reform beneficiaries have been provided with all the tools (including training and market access). This is to ensure the farmers can properly nurture the land to produce goods that will help them secure a better life."³⁸ In cases where expropriation is legally unavoidable, negotiation for partial coverage has become an attractive option. Take the case of the Floirendos, still the biggest landlord family in the banana sector in terms of total amount of owned and controlled land, owner of the massive Tagum Agricultural Development Corporation or TADECO (among others), and a former crony of the ousted dictator Ferdinand Marcos. The Floirendos own more than three thousand hectares of land, and seem to have successfully "negotiated" with the government to subject to expropriation only a small portion of their privately owned lands.

Long-Term Government Lease (The DAPECOL Solution)

The Floirendos have owned or controlled some eighty-five hundred hectares of banana plantation land. Thirty-three hundred hectares were owned privately, while 5,212 hectares — known as the Davao Penal Colony (DAPECOL) estate — involved government-owned land acquired through a dubious long-term lease from the Department of Justice (DOJ).³⁹ As late as 2004, the Floirendos were paying PhP1,500 per hectare per year in lease rent — far below the prevailing rate of PhP30,000 per hectare per year for the same period.⁴⁰ CARP exempts penal colony land if tilled by prisoners, but in DAPECOL, only a very few inmates work in the banana plantation part-time. This arrangement responds to two conflicting imperatives. Some inmates must work as farmworkers to provide legal justification for the continuity of the lease contract, but inmate labor cannot be used on a large scale due to protests from Japanese banana buyers. The DOJ

repeatedly refused the request made by the Department of Agrarian Reform (DAR) to turn over the estate for redistribution, and in 2003, the Macapagal-Arroyo administration extended the DOJ's lease contract with the Floirendos for another twenty-five years.

VOS/VLT with Overpricing (The Hijo Solution)

Attempts to evade expropriation have also involved overpricing the land. In mid-1998, PBGEA members were offering a standard price of PhP750,000 to PhP1 million per hectare (\$12,500 to \$17,000 in 2004 dollars). This asking price was three to four times higher than the average value according to the official assessment of the Land Bank of the Philippines (LBP), pegged at PhP275,000.⁴¹ It was also way beyond the national average of not more than PhP50,000 in compensation to expropriated landlords outside the rice and corn sector, and twelve to seventeen times more than the price of the government's first major expropriation in the banana sector.⁴² Still, individual landlords have gone even further, as in the case of the 1,388-hectare Hijo plantation (Davao del Norte). There, land ownership was redistributed in the early 1990s to farmworkers through VOS. Before the VOS contract was signed, long-term contract farming arrangements with the beneficiaries were secured, enabling the landlords to continue to control a significant portion of the farm surpluses created in the plantation (while also transferring the risk of directly operating a plantation to the new farmworker-owners). But contesting the value of the expropriated land priced by the LBP at PhP296,665 per hectare, the landlords later filed an appeal at the regional trial court's "special agrarian court" (rather than the DAR-tied Agrarian Reform Adjudication Board). In 2002, a judge decided in favor of the landlords and ordered the government to pay PhP1.67 million per hectare instead. This represents an additional PhP2.3 billion to be spent by the national government on one plantation alone. The LBP refused to pay the enormous sum. An appeal was still pending at the time of this writing, amidst protest from peasant and farmworkers across the country.

VLT (The Floirendo and Marsman Solution)

Finally, in situations where outright evasion or partial coverage is not feasible, landlords have happily turned to the "voluntary land transfer" (VLT) scheme, a mode of land acquisition and distribution akin to the current market-led agrarian reform.⁴³ Two examples help to expose the real nature of VLT schemes when contracted between two parties of highly unequal class and status. The first again involves the Floirendos. While initially overpricing their private land at PhP750,000 per hectare, they later decided to sell directly to the farmworkers through VLT for PhP92,000 per hectare — more than PhP650,000 below the original asking price.⁴⁴ The devil of course was in the details of the leaseback agreement forged with farmworkers' groups under their control, the terms of which were so lopsided that even many loyalist farmworkers eventually refused to go along with it. The Floirendos would pay PhP5,000 per hectare per year in land rent to the farmworker-owners under an onerous 60-year contract (e.g., ownership of the awarded land would revert back to the Floirendos if any farmworker ever opted out). The family was able to negotiate this post-land transfer contract at the same time that they negotiated the VLT agreement. That

the two sets of negotiations were undertaken simultaneously helped to ensure the pre-imposition of extremely lopsided terms of post-land transfer production and exchange relations, securing the Floirendos' perpetual control over the land and the farm surpluses derived from its use.⁴⁵ The second example involves the Marsman Company, whose president is former secretary of the Department of Agriculture Roberto Sebastian. Sebastian likewise took the VLT route with his 1,024-hectare plantation. But instead of choosing a leaseback arrangement, Marsman would donate the land to the farmworkers, in exchange for sixty years' free use.⁴⁶

Such schemes clearly represent sophisticated attempts to evade effective redistribution of land, wealth, and power, while perpetuating elite control over plantation operations through onerous post-reform contracts.⁴⁷ All have required (among other things) active suppression or violation of farmworkers' basic rights, including freedom of expression and association and the right to free and fair contracts, since to accomplish them landlords must control the organizations claiming to represent farmworkers. But clearly, landlords' evasive maneuvers have evolved and prospered with a high degree of government direct and indirect assistance. Such assistance has included local DAR and other line agency officials' direct involvement in the necessary "social preparation" (e.g., participating in landlord-initiated and highly controlled CARP "information sessions" inside their plantations, setting up controlled officialist cooperatives with which the landlords can successfully negotiate, and formally administering landlord-dictated VOS and VLT procedures). It has also entailed moments of glaring inaction vis-à-vis petitions for Compulsory Acquisition and formal complaints of landlord harassment against farmworkers unwilling to accept lopsided terms, for instance, when filed by autonomous farmworkers' organizations.

Finally, the highly contentious issue of post-reform arrangements also highlights the critical importance of democracy within farmworkers' organizations. The failure to effectively deal with this issue underlies the tendency seen throughout the commercial farm belt for farmworker organizations to split over the question of what kind of post-reform arrangements will prevail. This issue also reveals the relative lack of government policy and regulation (including regulation guidelines) regarding the making and breaking of contracts. Beyond constitutional provisions in favor of "free and fair" contracts, little exists to actually shape contracting in the real world. In the end, farmworkers are left on their own, with government officials either refusing to step in or stepping in on the side of landlords.

Farmworker Exclusion

Another way in which the banana elite has sought to control the land reform process and steer it away from real redistribution is by trying to exclude potential claim-making farmworkers from the formal proceedings, both before and after they have begun. The contentious issue of including some farmworkers while excluding others has plagued most land reform efforts the world over, but especially in settings of land scarcity. Among the usual losers are seasonal

farmworkers who, in many instances, also happen to be women.⁴⁸ Land reform policies in general impact men and women differently, with women typically disadvantaged.⁴⁹ In the Philippine land reform process in commercial banana farms, women and seasonal farmworkers (a mostly female workforce) have also faced systematic exclusion.⁵⁰

In the early years of CARP, female farmworkers whose spouses were beneficiaries were not recognized as having a distinct right to own land, with disastrous results. In one notorious case involving a 1000-hectare rubber-coffee plantation in southwestern Mindanao, land was redistributed to nearly five hundred beneficiaries — all male. The women farmworkers (mostly coffee pickers) were completely excluded. When the all-male beneficiary cooperative took over operation of the plantation, they appropriated the work traditionally performed by the women as well, excluding women completely from the reform process. Eventually the women mobilized to rectify the situation by turning the case into a national controversy, which led not only to a reversal of their personal fortunes, but also to a revision of the CARP rules on women beneficiaries.⁵¹

The issue of unjust farmworker exclusion was next raised in the context of the massive retrenchment of regular farmworkers that had occurred before actual formal land reform proceedings began and throughout the ten-year deferment period. As noted earlier, at least two-fifths of the workforce (or twenty thousand farmworkers) is estimated to have been retrenched and replaced with more docile new hires between 1988 and 1998, in an effort by plantation owners to purge land and production and profit shares claim-makers and to launch company-controlled farmworkers organizations.⁵² Often with the help of local DAR officials, the owners then turned to forging joint venture agreements with the newly formed, officialist cooperatives of would-be farmworker-beneficiaries under their control, whose leaders could be traced back to the previous generation of company unions, as in the cases of the DAPCO, Hijo, and Marsman plantations.

For their part, however, and despite their precarious economic circumstances and an extremely hostile local political situation, the region's retrenched farmworkers slowly became organized and eventually launched autonomous, plantation-based associations to reclaim their legal rights under CARP to the land they once worked. They were assisted in this endeavor by seasoned organizers from a national community organizing NGO called the PEACE Foundation.⁵³ Later, many of the original regular farmworkers who had somehow escaped retrenchment also decided to throw their lot in with their retrenched colleagues; together, they helped in the formation of these alternative associations. Together, plantation by plantation, they began pushing for state recognition as legitimate organizations of rightful agrarian reform beneficiaries, an assertion that was reflected in the naming of their organizations. Hence, for example, there arose the United Floirendo Employees Agrarian Reform Beneficiaries Association Incorporated (UFEARBAI), Hijo Employees Agrarian Reform Beneficiaries Association Incorporated (HEARBAI), and Marsman Employees Agrarian Reform Beneficiaries Association Incorporated (MEARBAI), and so on. In the formal land acquisition and distribution proceedings that began after the

deferment period ended, it was the farmworkers — both active and retrenched — who belonged to these alternative autonomous organizations who became the main target of elite exclusionary maneuvers.

There would have been no conflict among potential beneficiaries had there been enough land for every potential beneficiary. However, there are at least two potential beneficiaries for every hectare of banana land, and the ideal beneficiary-land ratio in the context of the banana sector is 1:1. Hence, the issue of prioritizing (or de-prioritizing) some farmworkers became critical. Early on, the companies successfully lobbied for the formal exclusion of retrenched farmworkers from land reform. In May 1998, a month before the deferment expired and in the waning weeks of the Ramos government, the DAR issued an administrative order (AO) on implementation of CARP in commercial plantations whose land acquisition and distribution had been deferred. While AO 6 (series of 1998) did order the expropriation of all deferred commercial plantations, the same guideline automatically excluded all retrenched farmworkers (nearly half the original, pre-1988 workforce in the banana sector) from benefiting.⁵⁴

This outcome was exactly what landlords like the Floirendos had sought. But they underestimated the reaction of those affected and the subsequent response of the new Estrada government. Thousands of retrenched farmworkers mobilized at the local and national levels, to campaign hard against AO 6 and for a new set of guidelines that would take the principle of “length of service” (regardless of current status) as the basis for prioritization in the land reform beneficiary selection process. Determined to be heard, UFEARBAI in particular launched militant actions in Manila that lasted for several months, and eventually succeeded in pressuring the government to replace the old guidelines with new ones based on their recommendations.⁵⁵ In December 1998, a new DAR national leadership (under former rebel leader Horacio Morales) issued AO 9 (series of 1998), declaring that prioritization of beneficiaries would be based on the principle of “those who worked the longest in the farm regardless of their employment status at the time of actual land reform process.” This was a huge victory and marked a strategic assertion of a progressive social justice interpretation of land reform over a conservative non-redistributive interpretation.

The issuing of AO 9 constituted a crucial “reform of the agrarian reform,” but it bears keeping in mind that no law implements itself, and neither has the implementation of AO 9 been automatic. For one, although retrenched workers cannot be automatically excluded, they are not automatically included or given priority. Under the official program, “who gets what” must still be thrashed out using specific DAR administrative procedures in what is called “beneficiary identification and selection, but what is aptly referred to informally as “inclusion-exclusion.”⁵⁶ The inclusion of retrenched workers can still hinge on the outcomes of labor-related cases, which are heard and decided by labor tribunals under the Department of Labor and Employment (DOLE), which seem not to be predisposed to favorably recognizing the link with a workers’ labor case and his or her land rights claims under CARP. Meanwhile, beneficiary identification and selection procedures are still managed by local DAR officials, who are extremely vulnerable, if not especially open, to the powers of influence wielded by the ba-

nana elite. Under AO 9, farmworker land reform-claimants have had to fight tooth and nail to ensure that state-society antireform alliances do not twist or hijack the administrative proceedings and achieve exclusion that way. The possibility of exclusion has thus also heightened the need for representative organizations that are capable of increasing their political clout vis-à-vis landlords in the contentious process of determining who can benefit from the government program.

Unfulfilled Company Obligations

To avail themselves of the ten-year deferment, companies were obliged to pay farmworkers what are called “production and profit shares,” or PPS. In 1988, most companies (through the PBGEA) submitted to DAR their own computation on how the PPS provision would be carried out. But they were able to secure the deferment despite having submitted computations that were reportedly grossly understated.⁵⁷ This opened up two separate but interrelated windows of protest and claim-making by farmworkers. First, *within* the parameters of the PBGEA computations, farmworkers have been pushing for a proper accounting of PPS compliance. Based on PBGEA’s computations alone, it was determined, companies did not comply sufficiently and farmworkers were grossly underpaid. Second, their claims have also pushed *beyond* these parameters, since they claim that the basis used by PBGEA was dubiously low to begin with.

Many companies gave yearly production and profit shares that ranged from PhP500 to PhP5,000. Table 1 shows the PPS payments made by some banana

Table 1: Production and Profit Sharing Compliance, 1988-98 of Selected Companies in Region 11 (in Pesos)

1987-88	1989	1990	1991	1992	Differential 1989-1991	1993
TADECO (P & P Shares/No. of Farm workers)						
14,031,967	12,111,388	12,328,527	12,543,441	16,648,946	7,138,128	20,091,136
10,573	9,079	7,080	7,447	9,601		9,573
WADECOR						
131,071	1,853,093	1,381,602	1,285,047	2,702,339	632,234	1,497,513
1,136						
MARSMAN ESTATE						
3,957,669	3,496,723	3,256,068	4,090,046	5,097,784	2,003,529	6,267,913
	1,589	1,256	1,513	1,460	1,460	1,313
SORIANO FRUITS						
608,849	491,778	444,214	410,902	448,209		784,513
332	421	277	243	242		213

Notes: The first row pertains to the Production and Profit Shares in pesos, while the lower row pertains to the actual number of farm workers receiving the yearly P & P shares. Source: “Summary of Production and Profit Sharing Compliance, Region 11, as of 31 December 1998,” Department of Agrarian Reform Region 11, Davao City.

companies. (The compliance data for 1998 are not clear, since records are not available, even though payment should have continued until the concerned farms were land-reformed.) By contrast, conservative estimates place the real amount that should have been paid at between PhP12,000 to PhP20,000 per worker per year. Over the ten years, therefore, it is estimated that banana companies underpaid farmworkers by more than PhP3 billion. Had it been paid, this amount could have gone far toward paying for the cost of land expropriation, as well as the cost of the transition period when operational control of the plantations is transferred to farmworkers. In 1999, UFEARBAI filed a legal case before the DAR Adjudication Board to compel government and plantation owners to reopen the computation of and payment for PPS, but the case was dismissed for “lack of merit.”

In addition to the underpayment of PPS, the other major issue of companies’ unfulfilled obligations involves unpaid separation pay. The consummation of land acquisition and redistribution proceedings brings to an end the employee-employer relationship between companies and farmworkers, regardless of what replaces it. Under the law, farmworkers are thus entitled to separation pay. Instead, companies have fiercely resisted making such payments, and are using this issue to impose their will in land reform proceedings and to coerce farmworkers into signing onerous post-land reform “joint venture” contracts, as was the case of Dole-Stanfilco in the 1,024-hectare DAPCO plantation, for example.⁵⁸ Claim-making farmworkers contend that the amount that should have been paid is enormous and, together with the PPS payments, could have

in Pesos)

Differential 1989-1991	1993	1994	1995	1996	1997	Total
38,128	20,091,141 9,566	15,578,598 7,729	18,895,617 7,384	27,590,107 7,315	25,408,542 6,303	182,366,402
32,234	1,497,571	812,113	1,645,649	2,571,823 410	2,396,134 380	16,908,678
3,529 1,460	6,267,936 1,327	6,575,965 1,370	7,238,014 1,298	6,057,291 1,125	6,782,247 1,222	54,823,272
	784,515 266	655,791 295	726,728 254	678,508 268	706,080 309	5,955,574

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led to a significant redistribution of wealth and power in favor of the farm-working class. From the perspective of many farmworkers,⁵⁹ these immediate social welfare and social justice issues are rolled into one and are worth fighting for.

Individual Splitting

Another issue that has played a key role in shaping the pace and direction of struggles for land and livelihood in commercial banana farms in the Philippines is what is known as “individual splitting.” Should the beneficiaries of agrarian reform in commercial farms be allowed to divide the land into individually owned holdings and to decide for themselves how to use their respective parcels? The corporate banana elite and many government officials share a deep bias against “splitting” (subdividing) commercial farmland for redistribution to individual title-holders. But for the farmworker-beneficiaries, their control of the land, and thus security of tenure and livelihood, remains extremely tenuous unless individual titles over specific plots of land are awarded. A good illustration of both the dangers of collective titling and the benefits of individual splitting involves DAPCO’s 1,024-hectare plantation in Davao del Norte. In 1965, the owners of the plantation signed a 30-year lease agreement with Stanfilco, the plantation division of the global giant Dole, where the latter paid the DAPCO landowners US\$700 per hectare per year in lease rent.

In the wake of CARP’s promulgation, the DAPCO landowners sought to take advantage of the deferment granted to them in 1991. Yet by then the DAR had also begun searching for an opportunity to publicly demonstrate its resolve to implement land reform on MNC-controlled plantations. Meanwhile, Stanfilco was also eager to shift out of direct farm management and into contract growing arrangements wherever possible, and it saw CARP as the opportunity it had been waiting for. As a result, over and against the landowners’ desire to defer the issue (and evade redistribution), both DAR and Stanfilco began to support DAPCO’s unionized workers in their efforts to reorganize themselves into an agrarian reform beneficiaries association and mobilize in favor of land redistribution. In 1993, farmworkers, through the Stanfilco Employees’ Agrarian Reform Beneficiaries Association (or SEARBAI), formally challenged the deferment permit on the basis of the DAPCO-Stanfilco lease contract’s forthcoming expiration in 1995.

The DAR easily decided in their favor and determined to subject the plantation to expropriation come the end of the lease contract. By January 1995, a collective land title was issued to the workers and a new contract, this time between Stanfilco and SEARBAI, was made. Thus resolved, the DAPCO case was widely hailed by the DAR as the best model for agrarian reform in other plantations. However, the subsequent turn of events soon revealed the model’s darker underside and its uneven impact on different segments of farmworkers. In fact, historically, the relationship between Stanfilco and the farmworkers at DAPCO was as contentious and conflict-ridden as company-worker relations elsewhere, and SEARBAI had been formed partly in response to a series of retrenchment campaigns that had been undertaken by Stanfilco. Many of the farmworkers had previously belonged to a union called NAMASTAN (United

Workers of Stanfilco), which had been the chief target of the company's efforts to pacify the workforce. Prior to 1993, nearly fifty NAMASTAN members, including its chair, had been laid off after a strike, and Stanfilco worked to ensure their exclusion from the land reform process.

Unfortunately for the retrenched workers, however, it was NAMASTAN's third wave of leaders who were more sympathetic to Stanfilco that assumed the leadership of SEARBAI in 1993, when direct negotiations with the company got underway. In late 1994, a memorandum of understanding (MOU) between the company and SEARBAI leaders was inked. The MOU committed the farmworker-beneficiaries to a lengthy 25-year contract with Stanfilco. As described above, the company proposed to buy from the association at a fixed rate of PhP 22.50 (\$0.60 in 1994 dollars) per 13-kilogram box of bananas — an extremely low price by the industry standards. Stanfilco had also explicitly stated that it would not give separation pay if the farmworkers did not agree to the MOU, even though Philippine law required them to make the payments. Finally, the MOU excluded nearly forty farmworkers, many of whom had led the earlier strikes and been laid off on the eve of expropriation.

At this point in the proceedings, SEARBAI's membership stood at 482. Upon learning of the MOU's contents, many of the rank-and-file members who had not been privy to the negotiations were surprised and outraged. They decried both the lack of consultation and the onerous terms eventually agreed upon by their leaders and the company, which the workers claimed, would substantially reduce their incomes. The workers could not be placated, and eventually the disagreement led to a split in the organization.

Borras and Franco / Struggles for Land



"The production of cavendish bananas [pictured above], concentrated in Mindanao's temperate Davao peninsula region, is the most lucrative sector in Philippine agriculture." (Credit: Peter Krinks)

tion, which came to be called SEARBAI-1, defended the MOU. A second segment, known as SEARBAI-2, rejected it, and proceeded to file a complaint with the DAR Adjudication Board calling for its nullification. This latter group also raised the issue of the exclusion of other workers, and repeatedly called into question the legitimacy of SEARBAI-1's leadership.

From mid-1995 to the end of 1996, three successive cooperative elections were held through SEARBAI-1's initiative; SEARBAI-2's candidates won each time. SEARBAI-2's apparent influence among the workers soon prompted Stanfilco to negotiate with it, and a new agreement was forged, in hopes of settling the matter. Meanwhile, SEARBAI-1, put on the defensive, petitioned the DAR to split the plantation between the members of the two cooperatives, signaling its acquiescence to the new covenant forged between SEARBAI-2 and Stanfilco.

Despite some improvements, however, the new MOU, in turn, failed to address key issues that had originally motivated many workers to reject its predecessor, including the exclusion of a number of workers and the cutback of wage and nonwage benefits. Feeling betrayed again, most of the now twice-excluded farmworkers, joined by SEARBAI members who were still not satisfied with the terms of the second MOU, began to coalesce and work out a common course of action. A common sentiment soon emerged in favor of individual splitting as insurance against any onerous contract that Stanfilco and the SEARBAI leadership might try to impose. Lacking political-legal experience, the workers soon sought the assistance of some rights-advocacy NGOs. This emerging coalition of forces was later further strengthened by an unexpected alliance with one of the DAPCO plantation's former owners, Antonio Javellana, who provided critical political and logistical support and insider information about the banana industry and elite practices. Angered by the extremely low official valuation of the land, Javellana initially joined forces with this third segment of workers out of a desire to get even with both the company and the DAR. But he soon came to respect the group's unorthodox position, and eventually became their main guru in terms of much-needed technical knowledge and business management skills. Thus emboldened, this third segment of disenfranchised workers, now calling themselves ALDA (an acronym of the surnames of the leaders of the four groups that constituted their ranks), launched a series of land occupations beginning in early 1997. Within two months, ALDA managed to bring more than a fourth of the plantation area under its control, forcing the company's operations to a grinding halt.

Meanwhile, Stanfilco, together with SEARBAI-1 and -2, secured a temporary restraining order against ALDA. The restraining order was enforced by a formidable combination of police, military, and paramilitary groups, but they were unable to completely dismantle the ALDA barricades or end the land occupation. The standoff was covered extensively in the local and national media, and even gained some international exposure as well. In time, the intense and sustained media spotlight greatly added to the pressures already building on the government and the company to negotiate with ALDA. Initial talks resulted in the official recognition of all three groups as legitimate beneficiaries of land re-

distribution, with each group allotted a corresponding portion of the plantation. But until a new round of talks was held, ALDA would remain tied to the larger collective via the old MOU, although it was made clear that ALDA would seek individual titling. Rather than dampen their campaign, the partial resolution of the conflict at this point gave the ALDA group some much-needed breathing space and a better position from which to intensify their post-land reform struggle.

After a year, their struggle erupted again. Despite the sufficient amount of time they had, the DAR had clearly failed to act on ALDA's petition to disengage from the old MOU. Meanwhile, the group's fury had been deepened by the discovery that other buyers were willing to pay US\$2.80 per box compared to Dole's US\$0.60, which also prompted the two SEARBAIs to join ALDA in petitioning for a higher buying price. When further negotiations went nowhere, the three groups decided to go on a joint farm strike. United in action, all the workers refused to pick bananas for several weeks, seriously disrupting operations and causing Stanfilco to lose a substantial amount of money. Eventually, the DAR was forced to issue a "disengagement order" on the old MOU that benefited all three groups. This in turn left Stanfilco little choice but to renegotiate at a much higher buying price of US\$2.60 per box. The two SEARBAIs quickly agreed and resumed normal operations.

But ALDA refused the offer, demanding instead US\$2.80 per box and the insertion of a "reopening clause" in the contract as a safety valve in case the contract needed to be reviewed later on, especially since the term of the Stanfilco contract was for twenty-five years. The group had been emboldened in their dealings with Stanfilco by an offer for a contract (with better terms) made by another buyer. Again, the DAR did not act on ALDA's petition, prompting the group to pitch camp in front of the DAR regional office in Davao in early 1998. The protest campout lasted for weeks, with no positive action coming from the DAR. Frustrated, desperate, and increasingly angered, with their families going hungry, the striking workers hauled truckloads of bananas from their farm and dumped them at the main gate of the DAR office compound, blocking all access. The action, which became known as *tambak saging* (banana dumping), got extensive local and national media attention, infuriated the DAR, and even prompted the city government to intervene.

Within three days, DAR gave in to ALDA's demands. And so in May 1998, nearly five years after the land reform process had begun, the ALDA beneficiaries won the right to sell to whomever they chose, giving them unprecedented leverage in negotiating contracts, and enabling them to break free from Stanfilco's control. Then, in late 1999, the DAR granted ALDA's demand for individual splitting — an unprecedented breakthrough in the commercial plantation sector. Afterward, the group shifted from producing cavendish bananas for export to producing a local variety (*lakatan*) for the domestic market, and from farming collectively under a collective land title to individually owned and farmed plots. Some workers marketed their produce individually, while others started to experiment with cooperative marketing schemes. More changes have transpired since then, including among the non-ALDA groups, with respect to

operations and marketing. But by 2004, the situation had stabilized around a basic strategy that combines individually owned plots with cooperative operation in input and output markets, although still with a close marketing tie-in with the MNCs.

Variable Paths

The expropriation process in Philippine commercial banana farms has proceeded in a complex, often confusing manner. However, some basic outcome patterns can be discerned. For their part, the land-based domestic banana elite has generally resisted full expropriation, but it has acceded to partial expropriation when deemed unavoidable. In such cases, the elite endeavored to perpetuate effective control over the land in the post-reform era by other means. MNC actors, meanwhile, took the opportunity opened up by CARP to partially break from their traditional alliance with domestic landlords, in order to establish more lucrative, direct business engagements with farmworker-beneficiaries in the post-reform era. Many commercial farms have taken paths thus defined.

Nevertheless, while the political-legal odds have been stacked against them, autonomous organizations of farmworkers, led mainly by those who were re-trenched during the deferment period, have arisen to fight for their rights in both policymaking and policy implementation phases of the larger land reform process. In some cases, despite the antireform manipulations by members of the banana elite, such segments of farmworkers have been able to assert their right to develop their own farms and enterprises, most of these farmworkers opted to continue with plantation-type farming. Therefore, rather than a single, predetermined outcome of land reform struggles in Philippine commercial banana farms, three broadly distinct paths (based on Weberian ideal types) have emerged over time (see Table 2, next page).

Landlord/MNC Path

The first broadly distinct path of CARP-sponsored agrarian reform involves the continuity of effective commercial-farm elite control over both the land acquisition and distribution process, and the form and organization of post-transfer production, processing, and marketing, through leaseback or joint venture contracts. The farmworkers who are identified and selected as agrarian reform beneficiaries are retained as workers in post-reform operations that remain plantation-type, and where the former landlords and MNCs now act as direct plantation operators and/or as buyers. Within this overall path, however, two slightly different variations have also emerged. In one version, the farmworker-beneficiaries own the land collectively, through one or more cooperative land titles, e.g., by virtue of their status as regular farmworkers and their membership in a recognized agrarian reform cooperative. This is the case in the former Floirendo plantation WADECOR⁶⁰ and the Marsman plantation in Davao Norte, and in the DARBCI plantation in South Cotabato. In the other version, the farmworker-beneficiaries own the land individually, through individual titles, but their effective ownership is undermined by VLT-based, long-term leaseback contracts that are locked in place. This is the case in the various Lorenzo planta-

Table 2. Variable Paths of Land Reform in Commercial Plantations

Path	Form/Organization of Production and Processing	Form/Organization of Marketing	Dominant/Effective Control	Examples
Landlord/MNC Path No. 1 Cooperative Land Title/Landlord/MNC Operation	Plantation-type; beneficiaries as workers	Plantation-type; Landlords/MNCs as buyers	Landlords/MNCs	WADECOR Marsman DARBCI
Landlord/MNC Path No. 2 Individual Land Titles/Landlord/MNC Operation	Plantation-type; beneficiaries as workers	Plantation-type; landlords/MNCs as buyers	Landlords/MNCs	Lorenzo farms; Dole expansion in No. Cotabato
Cooperative Path Cooperative Land Title/Cooperative Operation	Plantation-type; beneficiaries' cooperative as managers; beneficiaries as workers	Plantation-type; Landlords/MNCs as buyers	Elite cooperative officials/MNCs/ Landlords shared control	Hijo Checkered
Family Farms Path No. 1 Individual Land Title/Individual Operation	Individual farm operation, but same farm technology and product	Individual; Landlords/MNCs as buyers	Dominant control by landlord/MNC buyers	Some DAPCO beneficiaries
Family Farms Path No. 2 Individual Land Title/Cooperative Operation	Plantation-type; beneficiaries as family producers and workers; cooperative cooperation	Plantation-type; via beneficiaries' cooperatives	Shared control by individual farms and coop and corporate buyers	Some DAPCO beneficiaries

Pictured to the right is a banana-packing operation on a commercial banana plantation in Davao Oriental, Philippines.

(Credit: Peter Krinks)

“Since the late 1980s Filipino farmworkers in the commercial farm sector have mobilized to undertake land reform, with varying outcomes. Some of these mobilizations have led to actual redistributions of land, wealth, and power, albeit to different degrees. These outcomes show clearly that while actual redistribution may be difficult, it is not impossible.... Despite a diminished role for land in the actual value added in production, processing, and marketing in capital-intensive plantations, control over land remains important to the capacity and autonomy of farmworkers’ households in seeking to secure, construct, maintain, defend, and sustain their livelihoods.”



tions, and is emerging to be the preferred mode in the Dole expansion areas in North Cotabato.⁶¹

Cooperative Path

The second path of CARP-sponsored agrarian reform also involves continued commercial-farm elite control over both aspects of the process, but this time that control is shared substantially with the farmworker-beneficiaries, through recognized agrarian reform beneficiary cooperatives. This is the cooperative path. Here, the land is owned collectively (through the cooperative), plantation operations are run by the agrarian reform beneficiary cooperatives (with officials as plantation managers and the rank-and-file members as workers), and the buyers are now the former landlords and MNCs. At first glance, little appears to be different between this path and the first version of the landlord/MNC path outlined above (in which the farmworker-beneficiaries own the land collectively). Yet closer inspection reveals that the cooperatives in this case do in fact play a significant role in and have primary accountability for plantation operations. This relative operational autonomy has been both conditionally given (in exchange for highly restricted contract growers’ terms) and hard-won (through

workers' struggles for more operational control). The best examples of this second path include the Hijo and Checkered Farms plantations.

Family Farms Path

Finally, the third broadly distinct path of CARP-sponsored agrarian reform in the commercial banana farm sector is the family farms path, distinguishable from the other two by its combination of individual land titles with either individual or collective operations. Here, the pre-reform form and organization of plantation operations (from production and processing to marketing) is radically transformed, with individual family farms now existing and playing an important role in operations. Two sub-variations have emerged here as well. In the first, individual small family farms are formed, but then produce the same product for marketing by corporate buyers. This pattern emerged in parts of the former DAPCO plantation,⁶² but has so far proven to be fairly problematic and unstable due to the continued control over marketing by elite corporate buyers. In the second variation, individual small family farms are formed and these engage collectively in production, processing, and marketing operations, although actual control of marketing is shared with corporate buyers. Though still very limited, experience with this type of arrangement has initially offered some promising results that many farmworker-members of UFEARBAI and UNORKA-Mindanao — still undergoing the reform process — hope to emulate in the future. The individual titling anchors the former farmworkers' newfound control as beneficiaries, while the cooperative operations strategy appears to provide much-sought-after systematization in work and strength vis-à-vis actual and potential buyers. This path has been pioneered by one segment of farmworkers in the former DAPCO plantation,⁶³ but serves as inspiration for many more members of UFEARBAI and UNORKA-Mindanao whose struggles for land and livelihood rights are still ongoing.

Conclusion

Since the late 1980s Filipino farmworkers in the commercial farm sector have mobilized to undertake land reform, with varying outcomes. Some of these mobilizations have led to actual redistributions of land, wealth, and power, albeit to different degrees. These outcomes show clearly that while actual redistribution may be difficult, it is not impossible. Notably, most pro-reform mobilizations of farmworkers have neither sought nor led to the breakup of preexisting plantations into independently operating individual small family farms. Even where individual splitting of the land has occurred, the former farmworkers have chosen to continue with the plantation-type organization, while trying to consolidate and expand their formal share of the value that is added in commodity production, processing, and marketing. Despite a diminished role for land in the actual value added in production, processing, and marketing in capital-intensive plantations, control over land remains important to the capacity and autonomy of farmworkers' households in seeking to secure, construct, maintain, defend, and sustain their livelihoods.

Notes

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1. For similar typologies on land reform, refer to James Putzel, *A Captive Land: The Politics of Agrarian Reform in the Philippines* (London: Catholic Institute for International Relations; New York: Monthly Review Press; Quezon City: Ateneo de Manila University Press, 1992); and Rehman Sobhan, *Agrarian Reform and Social Transformation* (London: Zed, 1993).
2. For general relevant background material, see Henry Bernstein, "Land Reform in Southern Africa in World-Historical Perspective," *Review of African Political Economy* 96 (2003): 21-46.
3. Michael Bratton, "Ten Years after Land Redistribution in Zimbabwe, 1980-1990," in *Agrarian Reform and Grassroots Development: Ten Case Studies*, ed. R. Prosterman, M. Temple, and T. Hanstad (Boulder, Colo.: Lynne Rienner, 1990), 265-91; Evert Waeterloos and Blair Rutherford, "Land Reform in Zimbabwe: Challenges and Opportunities for Poverty Reduction among Commercial Farm Workers," *World Development* 32, no. 3 (2004): 537-53.
4. Ronald Herring, "Explaining Anomalies in Agrarian Reform: Lessons from South India," in Prosterman et al., *Agrarian Reform*, 49-76.
5. Based on Brazil's 1988 Constitution, land reform can only be applied in non-productive lands. This restriction is something MST (Movement of Landless Rural Workers) and possibly other groups have been trying to contest by invading and occupying productive lands in addition to idle and marginal lands. See George Meszaros, "Taking the Land into Their Hands: The Landless Workers' Movement and the Brazilian State," *Journal of Law and Society* 27, no. 4 (2000): 517-41; Anthony Hall, "Land Tenure and Land Reform in Brazil," in Prosterman et al., *Agrarian Reform*, 205-32.
6. Cristóbal Kay, "Latin America's Agrarian Transformation: Peasantization and Proletarianization," in *Disappearing Peasantries? Rural Labor in Africa, Asia and Latin America*, ed. D. Bryceson, C. Kay, and J. Mooij (London: Intermediate Technology Publications, 2000), 127.
7. This is in both capitalist- and socialist-oriented land reforms; see, for example, Henry Bernstein, "Taking a Long(er) View," *Journal of Agrarian Change* 22, no. 3 (2002): 433-63.
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12. Sam Moyo, "The Political Economy of Land Acquisition and Redistribution in Zimbabwe, 1990-1999," *Journal of Southern African Studies* 26, no. 1 (2000): 5-28; see also Eric Worby, "A Redivided Land? New Agrarian Conflicts and Questions in Zimbabwe," *Journal of Agrarian Change* 1, no. 4 (2001): 475-509; Bernstein, "Land Reform in Southern Africa."
13. Some background information in this section is drawn from Saturnino M. Borras Jr., "Can Redistributive Reform Be Achieved via Market-Friendly Land Transfer Schemes? Lessons and Evidence from the Philippines," *Journal of Development Studies* 41, no. 1 (2005): 90-134.
14. See Cristina David, "Agriculture," in *The Philippine Economy: Development, Policies, and Challenges*, ed. A. Balisacan and H. Hill (Quezon City: Ateneo de Manila University Press, 2003), 175-218; Saturnino M. Borras Jr., "Agrarian Reform in the Philippines: Relatively Vibrant Land Redistribution amidst Less-Than-Dynamic Agricultural Transformation," in *Power in the Village: Agrarian Reform, Rural Politics, Institutional Change and Globalization*, ed. H. Morales Jr. and J. Putzel (Quezon City: University of the Philippines Press, 2001), 245-322; "Transnational Corporations and the Philippine Banana Export Industry," in *Political Economy of Philippine Commodities*, ed. Randolph David, Temario Rivera, Patricio Abinales, and Oliver Teves (Quezon City: Third World Studies Center, University of the Philippines, 1983), 1-134; Eduardo Tadem, Johnny Reyes, and Linda Susan Magno, *Showcases of Underdevelopment in Mindanao: Fishes, Forests, and Fruits* (Davao: Alternate Forum for Research in Mindanao [AFRIM], 1984); Gary Hawes, *The Philippine State and the Marcos Regime: The Politics of Export* (Ithaca: Cornell University Press, 1987).
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16. Kerkvliet, *The Huk Rebellion*; Jennifer C. Franco, "Philippines: Fractious Civil Society, Competing Visions of Democracy," in *Political Change in Asia: The Role of Civil Society*, ed. M. Alagappa (Stanford: Stanford University Press, 2004); Putzel, *A Captive Land*; Jeffrey Riedinger, *Agrarian Reform in the Philippines: Democratic Transitions and Redistributive Reform* (Stanford: Stanford University Press, 1995); Rosanne Rutten, "High-Cost Activism and the Worker Household: Interests, Commitment, and the Costs of Revolutionary Activism in a Philippine Plantation Region," *Theory and Society*, no. 29 (2000): 215-52.
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 20. Franco, *Elections and Democratization*; Jennifer C. Franco, "Challenging the Dinosaurs: Local Election and Political Change in San Narciso," *Conjuncture* 10, no. 2 (1998): 1-5, 9, 10 (available on-line from the Institute for Popular Democracy [Quezon City], see www.ipd.ph); Jennifer C. Franco, "Philippine Electoral Politics and the Peasant-based Civic Movement in the 1980s," *Rural Development Studies* 10, no. 2 (1994): 1-107 (Philippine Peasant Institute [Quezon City]).
 21. See Putzel, *A Captive Land*; Riedinger, *Agrarian Reform in the Philippines*; Hayami et al., *Towards a Land Reform Paradigm*; Francisco Lara Jr. and Horacio Morales Jr., "The Peasant Movement and the Challenge of Democratization in the Philippines," in "The Challenge of Rural Democratization: Perspectives from Latin America and the Philippines," Special Issue, ed. J. Fox, *Journal of Development Studies* 26, no. 4 (1990): 143-62.
 22. For more comprehensive background on the various modalities, see Putzel, *A Captive Land*; also Saturnino M. Borrás Jr., "State-Society Relations in Land Reform Implementation in the Philippines," *Development and Change* 32, no. 3 (2001): 545-75.
 23. A landlord interested in complying with the CARP law via VLT is expected to discuss and come to an agreement with the potential beneficiaries about the transaction terms: land price, mode of payment, and set of beneficiaries. Upon agreement, the parties submit their VLT proposal to the Department of Agrarian Reform (DAR) for judgment. If the proposal is approved, the transaction is deemed a successful CARP land redistribution outcome and officially reported as such. By contrast, the process must be restarted, and may or may not take the VLT route, if the proposal is not approved; see Borrás, "Can Redistributive Reform."
 24. For instance, rather than redistributing land, some corporate farms were permitted to undertake stock distribution instead (Stock Distribution Option, or SDO). The most notorious example is Hacienda Luisita, the 6,000-hectare plantation owned by the family of former president Corazon Aquino. See Putzel, *A Captive Land*, 332-35; Danilo Carranza, "Hacienda Luisita Massacre: A Tragedy waiting to Happen," 18 November 2004, mimeo.
 25. James Putzel, "The Politics of Partial Reform in the Philippines," in *Agrarian Studies: Essays on Agrarian Relations in Less-Developed Countries*, ed. V.K. Ramachandran and M. Swaminathan (New Delhi: Tulika, 2002; London: Zed, 2003), 219.
 26. See Jennifer C. Franco, "On Just Grounds: The New Struggle for Land and Democracy in Bondoc Peninsula," in *On Just Grounds: Struggling for Agrarian Justice and Citizenship Rights in the Rural Philippines*, ed. Jennifer C. Franco and Saturnino Borrás Jr. (Quezon City: Institute for Popular Democracy; Amsterdam: Transnational Institute, forthcoming 2005).
 27. Borrás, "Can Redistributive Reform."
 28. *MFDC Accomplishment Report, January 1988-April 1999* (Davao: Mindanao Farmworkers' Development Report); see also Romulo de la Rosa, "Agrarian Reform Movement in Commercial Plantations: The Experience of the Banana Sector in Davao del Norte," in Franco and Borrás, *On Just Grounds*.

29. These lease agreements were with the government in some public lands, as well as with landlords in the case of some private lands.
30. See Putzel, *A Captive Land*, 342-45.
31. See Saturnino M. Borrás Jr., *The Biringka Strategy in Land Reform Implementation: Autonomous Peasant Movements and State Reformists in the Philippines* (Quezon City: Institute for Popular Democracy, 1999). For a relevant analysis of contract farming schemes in Mindanao, see Sietze Vellema, *Making Contract Farming Work? Society and Technology in Philippine Transnational Agribusiness* (Maastricht: Shaker Publishing, 2002).
32. See Jennifer C. Franco, "Post-CARP Banana Split Turns Deadly: What Went Wrong at Hijo Plantation," *Conjuncture* 11, no. 3 (1999): 1-2, 7; Jennifer C. Franco and Norman Acosta, "The Banana War: Part Two, Conclusion," *Conjuncture* 11, no. 10 (1999): 12-15; Salvador Feranil, "The Politics of Agrarian Reform in Philippine Commercial Banana Plantations: The Case of Hijo Plantation in Davao" (MA thesis, Institute of Social Studies, The Hague, 2001).
33. The sector is capital-intensive and technology-dependent, and it requires a modern business management system. Value-added is created at all levels of production, processing, and marketing. Its foreign currency earning capacity is enormous. The average annual gross value of harvested bananas in a hectare of land is worth \$12,500 (2004 price level), compared to rice and corn's \$500 to \$1,000 per hectare. The sector's estimated yearly gross sales are about \$0.5 billion.
34. Various interviews with the late Antonio Javellana and George Mercado, who were among the banana elite players, as well as with government officials and NGO activists.
35. In fact, three banana elite players have become secretary of the Department of Agriculture (DA) during the post-Marcos period, namely, Dole's Senen Bacani (Aquino administration), Marsman's Roberto Sebastian (Ramos administration), and Luis Lorenzo Jr. of the Lorenzo conglomerate (Macapagal-Arroyo administration).
36. Cited in Peter Dorner, *Latin American Land Reforms in Theory and Practice* (Madison: University of Wisconsin Press, 1992).
37. See Klaus Deininger, "Making Negotiated Land Reform Work: Initial Experience from Colombia, Brazil and South Africa," *World Development* 27, no. 4 (1999): 651-72, but see Borrás, "Can Redistributive Reform."
38. Luis Lorenzo Jr., "Mindana-one," Opinion section, *Philippine Daily Inquirer*, 26-27 March 2001.
39. Established under U.S. colonial rule in the 1930s, DAPECOL originally encompassed 33,000 hectares. Over time, portions were hived off and "sold" at ridiculously low prices to private individuals, including Don Antonio Floirendo, a former car salesman from Davao. For a complete list of those who were able to buy big chunks of land from the DAPECOL over time, refer to Saturnino M. Borrás Jr., Manuel Quiambao, and Danilo Gatche, "The Difficult Challenge of Agrarian Reform and Rural Development in Commercial Plantations" (Quezon City: UN FAO-SARC/TSARRD Programme; Office of the Secretary, DAR, Project Development Institute, 1999); for historical background, refer to Abinales, *Making Mindanao*, and Eric Gutierrez and Saturnino M. Borrás Jr., "Landlessness and Misdirected State Policies," *Policy Studies Series 8*, East-West Center-Washington, 2004; available on-line at www.eastwestcenterwashington.org. During the Marcos dictatorship, Floirendo forcibly ejected hundreds, perhaps thousands, of settlers in communities in and around this area. Entire villages were reportedly burned to clear the area for banana plantation expansion. TADECO then rehired the ejected settlers as well as migrants as farmworkers. Based on various interviews with the leaders of the three groups of the set-

- ler-claimants; see details in Borrás, Quiambao, and Gatche, "The Difficult Challenge."
40. Based on various interviews with key banana players, including Antonio Javelana and George Mercado. Also consulted were the pre-1996 documents of the lease agreements between the DAPCO landlords and Stanfilco.
 41. Interview with the land valuation officer of the Land Bank of the Philippines Region 11 branch, Davao City, 2002.
 42. In 1994-96 the 1,024-hectare DAPCO plantation (Davao del Norte) was priced at PhP65,000 per hectare.
 43. See Borrás, "Can Redistributive Reform Be Achieved."
 44. *Ibid.*
 45. See Jennifer Franco, "Making Property Rights Accessible: Movement Innovation in the Political-Legal Struggle to Claim Land Rights in the Philippines." Paper prepared for the "Making Law Project" of the Institute of Development Studies (IDS), Brighton; and forthcoming in *IDS Working Paper Series* (2005); see also de la Rosa, "Agrarian Reform Movement."
 46. Marsman, "Briefing Kit and Collated Documents with Regard to the Proposed Land Donation and Land Use in Marsman Banana Plantation as submitted to the Presidential Agrarian Reform Council dated August 2002." Unpublished document, available at the PARC Secretariat, Quezon City, 2002; for additional historical background, see Putzel, *A Captive Land*.
 47. Refer also to Putzel, *The Politics of Partial Reform*.
 48. Second-generation "problems" and political conflicts have occurred in many post-land redistribution settings, like the conflict, for instance, between the land reform beneficiaries and the farmworkers in Kerala. See Ronald Herring, "The Political Impossibility Theorem of Agrarian Reform: Path Dependence and Terms of Inclusion," in *Changing Paths: The New Politics of Inclusion*, ed. P. Houtzager and M. Moore (Ann Arbor, Mich.: University of Michigan Press, 2003); N.C. Narayanan, *Against the Grain: The Political Ecology of Land Use in a Kerala Region, India* (Maastricht: Shaker Publishing, 2003).
 49. For relevant theoretical background with empirical evidence from Latin America, see Carmen Diana Deere, "Rural Women and State Policy: The Latin American Agrarian Reform Experience," *World Development* 13, no. 9 (1985): 1037-53; Carmen Diana Deere and Magdalena Leon, *Empowering Women: Land and Property Rights in Latin America* (Pittsburgh: University of Pittsburgh Press, 2001); see also Naila Kabeer, "Resources, Agency, Achievement: Reflections on the Measurement of Women's Empowerment," *Development and Change* 30, no. 3 (1999): 435-64; Bina Agarwal, "Gender and Land Rights Revisited: Exploring New Prospects via the State, Family and Market," *Journal of Agrarian Change* 3, nos. 1 and 2 (2003): 184-224.
 50. In recent years, the Philippines has witnessed the proliferation of "labor contractualization" as companies shift from direct hiring to hiring through labor contractors. In this way, companies no longer have to deal with union issues and obligations to labor. The commercial farm sector has not been spared from this trend. Yet the state and even many nonstate actors in the current land reform process consider only regular and actively employed farmworkers as legitimate beneficiaries of land reform, excluding seasonal farmworkers even after the struggle of retrenched farmworkers to gain recognition. The social justice dimension of land reform risks being compromised if land reform excludes seasonal farmworkers (and even other landless poor households living around plantations), who are among the poorest of the poor in the commercial farm sector.
 51. Luz Rimban, "Women Being Winnowed Out of Agrarian Reform," *The Manila Times*, 3-4 March 1997. Since then, CARP formally recognizes the distinct right

of women to have their own land regardless of whether their spouses are already declared as beneficiaries. While it is not an automatic guarantee, the revised policy has altered the terrain on which peasant women can launch their claim-making initiatives in land reform. To what extent the exclusion of women from the land reform process in the banana sector has been a problem is a matter that needs empirical investigation.

52. de la Rosa, "Agrarian Reform Movement."
53. Philippine Ecumenical Action for Community Empowerment. Its local network in the plantation belt is the Mindanao Farmworkers' Development Center (MFDC).
54. For example, Enrico worked in a Floirendo banana plantation in Davao for twenty years: 1974 to 1994. Since he was not actively employed during the time of land reform implementation in 1998, he would not, under AO 6, become a land reform beneficiary. Meanwhile, in late 1996, Pablo was employed by the same Floirendo banana plantation where Enrico once worked. Since Pablo was actively employed from 1998 onward, when land reform would have been implemented, he would have, under AO 6, become a land reform beneficiary despite having worked in the company for only slightly more than a year. But even before the 1998 expiration of the deferment period in the banana commercial farms, some plantations were already redistributed. In these early redistribution efforts, the retrenched farmworkers were categorically excluded. Thus, there are cases when only a fraction of farmworkers got the benefit of the reformed plantation and have boasted of having become rich under the new circumstances, but clearly at the expense of expelling a sizeable number of their fellow farmworkers. This is, for example, the case of Checkered Farm in Davao del Norte. See Gladstone Cuarteros, "Upgrading Possibilities for Philippine Banana Co-operatives" (MA thesis, Institute of Social Studies, The Hague, 2001); but see also Borras, Quiambao, and Gatche, "The Difficult Challenge," and contrast the latter with Joel Rodriguez, "Agrarian Reform in Commercial Farms: Designing an Appropriate Institutional Response," *MODE Research Papers* 1, no. 3 (2000): 1-40.
55. They pitched camp in front of the DAR central office, picketed the DOJ head office, voiced their issues in the national media, and solicited support from progressive members of Congress. Allies at the national level, particularly UNORKA and other national NGOs, assisted with the logistics of the campaign. Their combined forces pressured national officials to act in their favor. In July 1998, Horacio Morales Jr. took office as DAR secretary. After several months of collective actions by farmworkers as described above (locally and nationally), the Morales DAR gave in.
56. See Franco, "Making Property Rights Accessible."
57. Based on various discussions with the late Antonio Javellana, as well as with leaders of UFEARBAI; refer also to de la Rosa, "Agrarian Reform Movement."
58. See Borras, *The Bibingka Strategy*.
59. Based on discussions with members of UFEARBAI and UNORKA-Mindanao since 1998.
60. See Franco, "Making Property Rights Accessible."
61. See Borras, "Can Redistributive Reform."
62. See de la Rosa, "Agrarian Reform Movement"; Borras, *The Bibingka Strategy*.
63. See de la Rosa, "Agrarian Reform Movement."

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