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Agrarian Reform and the External Debt: Pressing Issues

Agrarian Reform:
Preliminary Notes
and Observations

Ronald D. Holmes

An Analysis of Land Transfer
Through Collective Land Ownership:
The Case of NDC-GUTHRIE
Joint Venture Projects

Prudenciano U. Gordoncillo

Social Issues Committee
Forum on Agrarian Reform

An Overview of the
External Debt Problem

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Economic Development,
Inflation and the LOI/MEP

Purita F. Neri

Agrarian reform has always been a key policy area for Philippine presidents from Ramon Magsaysay to Corazon Aquino. Yet, after more than thirty years and four land reform programs (1955, 1963, 1971, and 1972), only 400,000 hectares of private land, or 5% of 8 million cultivated hectares have been distributed to about 175,000 families, or about 7% of the landless. In implementing the Comprehensive Agrarian Reform Law (CARL), the Aquino government claims to have distributed 132,000 emancipation patents compared to the 21,000 granted by the Marcos administration during its fourteen-year rule. The fact remains however, that 2.5 million out of 4 million peasants are landless tenants or farm workers on land that they do not own.

The credibility of CARL was seriously damaged by the Garchitorena scam and similar valuation anomalies that were unearthed in quick succession. The government's response was to appoint a new Secretary for the Department of Agrarian Reform who promptly pledged to distribute at least 250,000 hectares of private agricultural lands to farmers by the end of this year. Several other problems however, continue to saddle land reform particularly in terms of support services, compensation, prioritization of lands, funding, etc.

Due to the raging controversy and the unsettled questions about agrarian reform, the Social Issues Committee of the Philippine Social Science Council decided to focus on this topic in the first consultation forum it held on April 17, 1989 at the Concepcion Seminar Room of the PSSCenter. The participants were Jaime Tadeo of the Kilusan ng mga Magbubukid sa Pilipinas (KMP); Dr. James Putzel from Oxford University and Visiting Research Fellow at the UP School of Economics; Ms. Heidi Cruz of the Philippine Peasant Institute (PPI); Congresswoman Hortencia Starke of the Landlord Bloc in the House of Representatives; and Cong. Rolando Zamora, Chair of the Conference Committee on Agrarian Reform. The Department of Agrarian Reform sent a representative but un-

fortunately he backed out at the last minute. The proceedings of the two-hour discussion are reproduced in this issue. The lively exchange of views focused on the dynamics of power and influence in the passage of the bill; the landlord-peasant conflict as a continuing theme in Philippine history; and possible policy alternatives.

There are two contending schools of thought that attempt to explain the rationale of agrarian reform. In his article, Ronald D. Holmes explains the conflicting views of those who argue that agrarian reform is for the attainment of increased agricultural productivity through the dismantling of feudal economic structures and those who believe that it should seek to achieve profound social transformation through the equitable redistribution of productive resources. A graduate student in Political Science at the University of the Philippines, Holmes is writing his thesis on the political economy of agrarian reform.

Discussions on agrarian reform hardly refer to collective ownership as a method of land redistribution. This scheme was used by the Department of Agrarian Reform in transferring 24,000 hectares of land to the farmworkers of multinational corporations. Prudenciano Gordocillo of the Institute of Agrarian Studies of UP Los Baños, analyzes the process and mechanism used in transferring these lands from the Guthrie Plantations, Inc. and the Guthrie Estates Inc. to the farmers' cooperatives. He also recommends alternative measures to the lease-back agreement and suggests more orientation and information seminars about setting up cooperatives, the basic organization involved in this land transfer design.

This issue of the newsletter aims to provide additional data to the growing body of information about agrarian reform and hopes to contribute to the efforts of finding a viable solution to the problem of equitable distribution of land, the primary resource of production, to achieve not only agricultural growth but social restructuring as well.

Socorro L. Reyes, Ph.D.
Chair, Social Issues Committee

Dr. Reyes also chairs the Political Science Department of De La Salle University. She is one of the two guest editors for this double issue (July - December 1989) of the PSSC Social Science Information.



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Unless so indicated, the views expressed by the authors of articles in this publication do not necessarily reflect the policies of the Philippine Social Science Council, Inc.

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AGRARIAN REFORM:

Preliminary Notes and Observations

*by Ronald D. Holmes**
De La Salle University

As a project, agrarian reform programs have been looked upon as of prime importance for they aim to eliminate the age-old problem of landlessness. Landlessness, in itself, has been viewed as a primary factor in inducing popular revolutionary movements towards agitating for social change. A solution to this problem therefore, would restrict the growth of the movement, given that its linkage with the underprivileged sector (the landless farmer or agricultural worker) would be cut off.

Such view however, has time and again failed to concretize itself. A lot of factors has contributed to the failure of programs which result out of such assumptions. The most

fundamental among these is the fact that agrarian reform is not just a program to solve the insurgency problem. Its aims are primarily within the realm of economic development, or at the most, societal transformation.

This paper attempts to give a theoretical discussion of two competing and contradictory views about the value of agrarian reform. The question of reform as a means for economic development and/or as a means of attaining social justice would be the central focus of the succeeding discussion. Primarily, the paper adopts a political economic approach in analyzing the importance or non-importance of a reform program following any one of the above mentioned framework.

Economic Development and Agrarian Reform

As a means of economic development, the agrarian reform program seeks to increase agricultural productivity by doing away with feudal structures which restrict the growth in production. Such antiquated structures have to be eliminated in order to set the stage for modernization, with capital formation in the rural areas becoming the primary factor that can lead towards urban industrialization.

For most technocrats in government, with an increase in agricultural productivity, the capital needed to generate more employment, and to create and improve on industries, will be at hand. Intensive development in the agricultural sector is seen as the stepping stone towards extensive development in the industrial part of the economy. A study has noted that the prospects for sustainable growth in the agricultural sector are hampered by the highly skewed distribution of landholdings which constitute a barrier to social and political stability as well as to the dual goals of equity and efficiency.¹

As an example, the previous land reform program (PD 27) and the present agrarian reform program

(CARL) both aim towards what has been defined as balanced agro-industrial development strategy (BAIDs)². Under BAIDs, renewed emphasis is directed towards agribusiness production for export, selective import-substitution of non-traditional crops, and semi-processing of agricultural raw materials.³ Such program was meant to facilitate capital formation in the countryside and its subsequent appropriation to the industrial sector.

Aside from its export-orientation, the program provides support services which lead to a complete integration of the agricultural sector to the capitalist sphere of production and exchange. The facilities of credit, marketing, irrigation, cooperatives, and agricultural extension do not exactly deter the continued penetration of capitalist relations and the subsequent displacement of the peasantry from the agricultural scene. As it has been seen in other countries, who have implemented the same scheme under the framework of economic development, the support services have resulted to uneven development and the dislocation or proletarianization of the peasantry.⁴

The orientation therefore, leads towards an increased penetration of capitalism in the rural areas resulting

to the perpetuation of the underdeveloped stage that most Third World countries experience. Continuously, the agricultural sector is vulnerable to changes in demands for specific products in the world market. Other than this, the concentration of vast tracts of land for corporations (foreign and local) reduces the farmer to a status of an agricultural worker, alienated from this landholding, and being exploited within the capitalist relation of wage. The redistribution scheme therefore, does not come with noble motives; it aims to increase the penetration of capitalism in the countryside, transforming landlords to industrialists, continuously siphoning out the resources for the benefit of a foreign market, and bringing the peasants into continued misery (either as subsistence producers or agricultural workers), all in the name of modernization.

Added to the economic consideration on the appropriateness of a comprehensive land reform program is its political motives. Government leaders in developing countries have oftentimes viewed a redistributive program with much caution. Such however, does not apply to a land redistribution program. Like the landlord, government leaders (and their planners) view land as of prime importance and value. However, unlike the

1 Ma. Agnes R. Quisumbing, "Agrarian Reform in the Philippines", *Development Research News* (Vol. V, no. 3, May-June 1987), p.1

2 Under the previous regime, the BAIDs strategy was devised as a new variation of the export-oriented strategy where the emphasis was placed on producing non-traditional crops for export. Under the new program, the DAR has envisioned the CARL as a means of facilitating the same dollar earning scheme, improving therefore the country's foreign reserves and facilitating capital transfer from the agricultural to the industrial areas.

3 National Peasant Situation (ECD Study Series, 1985, p. 10)

4 Such is the case of peasant displacement in Taiwan and South Korea. With land reform (land consolidation), the more affluent sector of the peasantry (rich peasant) eased out the small and even middle peasant from agricultural production. The remaining small producers live in conditions of subsistence, with an increase in non-farm employment as a means of their own reproduction.

landlord, the economic considerations of land's utility tempers the political bias of the government leaders. In simple terms, landlord interest, although of value to the ruling class, can and must be sacrificed for a greater goal - modernization. Such is the basis for government's favorable attitude towards land redistribution.

An added factor to government's favorable position to implement a comprehensive agrarian reform program is the fact that even the foreign institutions and corporations which "assist" in economic development move for the operationalization of the program. The World Bank and the International Monetary Fund have repeatedly echoed their willingness to fund programs related to land redistribution, or more appropriately, rationalization and deregulation of the agricultural sector.⁵

At present also, the political mileage which the political leaders previously enjoyed out of landlord support, is but a thing of the past. Crucial to the leaders' continued dominance is not the continuance of the overt support given by the landlord class, but rather, the political mileage that they can get out of a popular program such as land reform. Given this therefore, and the economic consideration (modernization), land reform has been viewed as a cornerstone of government's economic development program, an indispensable one at that.



Land Reform and Societal Transformation

Another view, although less dominant, about land reform, is looking at the program as a means to facilitate social change. The program is seen not merely as a means of redistributing physical resources (land) but more importantly of providing the requisite elements towards a more democratic and humane society. More than the distribution of wealth, a land redistribution scheme can aid societal transformation through a reconfiguration of power—economic and political. Such reconfiguration would not happen if land is continuously held by a class which hinders societal transformation.

The means by which land redistribution can facilitate societal transformation is clear. First, it will eradicate the traditional basis for power of the landlords—their landholdings. Second, it will empower the peasantry to realize its objectives, not only of producing for subsistence, but contributing to the country's economic development through cooperative or collective work. Third, it will deter the continued penetration of capitalism, thereby, eliminating the useless dependence on foreign capital and the international market, a hallmark of the agricultural sector in most Third World countries. Lastly, it will serve to attain true social justice.

Empowerment of the affected sector—peasantry, however, does not result only out of land redistribution per se. A set of support mechanisms should also be implemented to arrest the possibility of continued domination of the peasant class by traditional landlords, or newly formed rural capitalists. Cooperative or collective systems of agricultural production have to be set in place to eliminate the individualist nature of agricultural producers. The cooperative and collective will be the venue for continuous political education which would facilitate a heightening of the peasants' consciousness, and lead towards a concerted effort for societal transformation.

The implementation of a land redistribution program given this perspective should therefore have a set of short and long-term objectives.⁶ Included as short-term

5 The concept rationalization and deregulation should be taken within the context of increasing capitalist penetration of the countryside. See Rene Ofreneo, *Capitalism in Philippine Agriculture* (Foundation for Nationalist Studies, 1987), for further discussion.

6 Amit Kuyar Ghose, *Agrarian Reform in Contemporary Developing Countries*, p. 20.

objectives are the distribution of landholdings (preferably collective or cooperative farms), improvement of the means of production (seed varieties, mechanization, irrigation), and the development of a more appropriate marketing and credit network in line with the farmers' interest. All of these would lead towards a revitalization of the peasantry. As a long-term objective, the program should aim towards a change in the economic system with resultant changes in the political and socio-cultural dimensions of society.

Between Justice and Development

Within the social formation of countries such as ours, the choice between the two contradictory positions is obvious. Given the need to maintain the dominance of the ruling class, the need to improve the appropriation of surplus value, the creation and expansion of an accumulation fund, and the protection of the interest of the foreign capitalist, the prospects for gearing towards a conciliation of economic development and social justice is dim.

This situation should however not be taken as a subject for cynicism. Rather, the existing condition requires independent initiatives to be taken. Alternatives to the government-implemented program are necessary in order to deter or inhibit a complete deterioration of the peasantry and the further integration of agriculture in the circuit of capital characterized by uneven development and unequal exchange. The initiative should come from the sector most affected - the peasantry.

In this regard there is still an area for hope; the peasant movement, although still relatively limited, is gaining ground. The recent moves towards exercising the right to initiative on the part of a broad alliance of peasant organizations, as represented by the proposed People's Agrarian Reform Code (PARCODE) is a positive step towards a protracted goal. Other than this, concrete alternatives have been implemented. From the land reform program of the underground national democratic group, to farmlots program of agricultural

workers union (Negros - NFSW: FGT), to land occupation by local peasants affiliated with mass-based national peasant organizations. These alternatives, although nominal in terms of scope, have facilitated a heightening of the peasants' consciousness and an intensification of their resistance to capitalist exploitation.

In the end therefore, the choice would not be within the power of the dominant class; it will be the oppressed who would put a stop to oppression.

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An Analysis of Land Transfer Through Collective Land Ownership: The Case of NDC-GUTHRIE Joint Venture Projects

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I. INTRODUCTION

As provided for in Section 8 of the Comprehensive Agrarian Reform Law (R.A. 6657), all lands of the public domain leased to Multinational Corporations (MNCs) shall be acquired immediately for distribution to qualified beneficiaries of the Program. In compliance therewith, on September 27, 1988, the National Development Corporation (NDC) transferred to the Department of Agrarian Reform

(DAR) a total of 33,500 hectares of lands leased to MNCs namely: DOLE Philippines of Polomolok South cotabato; Del Monte Philippines of Bukidnon; and NDC-Guthrie of Agusan del Sur. Subsequently, DAR designed a scheme to transfer about 24,000 hectares of said NDC lands to the farmworkers of the MNCs. The scheme effected the transfer of landownership collectively to the farmworkers organized into cooperatives.

Since the scheme is a radical

departure from the land transfer process adopted in the previous land distribution program, it is imperative that the entire scheme be analyzed in the context of its applicability to similar agrarian situations and its implications to the basic principles of CARP.

Using the Rapid Area Appraisal Technique, a team conducted the assessment in February 1989. The technique employed key-informant/respondent interviews and field observations.

II. PROFILE OF NDC-GUTHRIE

Of the 24,000-hectare NDC lands transferred to farm-workers, about 4,249 hectares and 4,081 hectares were leased from NDC by NDC-Guthrie Plantations Incorporated (NGPI) and NDC-Guthrie Estates Incorporated (NGEI) respectively (Table 1). Subsequently, about 7,366 hectares were transferred to the farmers cooperatives.

Both NGPI and NGEI which are devoted to palm oil production are joint-venture projects of NDC and Kumpulan Guthrie Berhard (Malaysia) at 60-40 in favor of NDC. Hence,

NDC is an investor of the projects and at the same time the lessor of the lands. While both enterprises are distinct in their operations, they are under one management. The two share a common executive management staff. NGEI sells its palm kernel to NGPI which in addition to its palm kernel plantation also operates the crude palm oil mill.

TABLE 1. Profile of NDC-Guthrie

Description	NGPI	NGEI	Total
Area Transferred	3,348	3,918	7,266
Number of Beneficiaries	996	830	1,826
Location	Agusan del Sur	Agusan del Sur	
Principal Crop	Palm Tree	Palm Tree	
Total Cultivation (NDC Lands)	4,249	4,081	8,330
Total Employees	1,003	852	1,855
Lease Rate/Ha.(NDC)	1,000	1,000	
Capitalization (Million ₱)	159	160	319
1988 Assets (Million ₱)	530	322	852
Incorporation Date	01/04/80	01/04/83	
Officers			
Chairman President	Antonio Henson Hector Quesada	Antonio Henson Hector Quesada	
Parent Company	NDC - 60% KGB (Kumpulan Guthrie) Berhard - 40%	NDC - 60% KGB - 40%	

III. THE "COLLECTIVE LAND DISTRIBUTION SCHEME"

A. *The Land Transfer Process*

Technically, the entire process of transferring the lands to the farmworkers was no different from the previous land transfer process under P.D. 27. Basically, the process follows the sequence:

1. identification of the land and beneficiaries;
2. land survey;
3. approval of survey plans;
4. generation of the Certificate of Landownership Awards (CLOA);
5. registration of the CLOA;
6. registration of the Deeds of Awards; and
7. distribution of CLOAs.

However, each CLOA, unlike before, no longer corresponds to a single beneficiary and to a single parcel. A CLOA may comprise several parcels for several beneficiaries: 58 CLOAs for 996 beneficiaries and 154 CLOAs for 830 beneficiaries were generated and distributed in NGPI and NGEI respectively.

One of the crucial aspects of the scheme which most of the critical issues could be attributed to is the time constraint. Dubbed "OPLAN MNC", the scheme was initiated in September 1988 and was programmed so that President Aquino would be able to distribute CLOAs to farmworkers of MNCs by the 12th of December 1988.

The DAR-Provincial Office, in order to meet the deadline had to initiate unusual measures. As in the case of CLOA generation, the Provincial Agrarian Reform Officer (PARO) of Agusan del Sur had to hire contractual employees without proper clearance from higher authorities; otherwise, working with the normal bureaucratic delay, the task could not have been accomplished. Further, the contractual workers, towards the end of the deadline, had to work 24 hours a day in 3 shifts for 3 weeks barely beating the deadline!

B. *The Cooperative*

As argued earlier, the land transfer process was technically no different from the previous procedure. Much of the critical issues about the scheme revolves around the cooperative.

1. *Identification and Selection of Beneficiaries*

Since the land was to be transferred to the beneficiaries as a cooperative, the first task was to identify bonafide beneficiaries to qualify as members of the cooperative who would eventually own the land. In the case of NGPI and NGEI, the identification of the beneficiaries was based on the following general criteria:

- a. not less than 15 years of age;
- b. no landholdings in excess of 3 hectares;

- c. regular farmworkers/employees of the company; and
- d. do not have the authority to hire or fire workers.

In effect, the NGPI Multipurpose Cooperative Inc. and NGEI Multipurpose Cooperative Inc., as organized, included the "Kapatag" and Supervisors at the same time excluded the seasonal farmworkers and non-plantation workers who are qualified beneficiaries of the Program by virtue of Republic Act 6657 or the Comprehensive Agrarian Reform Law. The deliberate exclusion of seasonal farmworkers and other potential beneficiaries could be attributed to the time constraint. It was perceived that identification of seasonal farmworkers and other potential beneficiaries would take so much time that the December 12 target date could not be met.

DAR, however, as provided for in the By-Laws of the cooperative, has the power to remove members found not to be qualified and include qualified beneficiaries. Nevertheless, the scheme generated tension and misgivings among those who were not included in the cooperative.

2. *Cooperative Organization*

The organization of the cooperative was done in

collaboration with the Bureau of Cooperative Development (BCOD). Due to time constraints, the organization of the cooperatives had to be worked backwards. The registration of the cooperatives was done without the required training for the cooperative members. Training could be done after the registration. The merit of the arrangement was based on the perception that the concept of cooperativism is not new to the farmworkers/employees of NGPI and NGEI because consumers cooperatives operate in the two enterprises.

However, the farmers' cooperative that is primarily, at this point in time, acting as a lessor of the lands cultivated by NGPI and NGEI, is something new, different and even abstract. These perceptions could be attributed to the lack of knowledge of the members as to the directions of the cooperative and the farmers' desire to hold on to something concrete as evidence of their being beneficiaries of the program or as members of the cooperative. Moreover, the beneficiary who was used to individual landownership found it strange to be a member of a group who owns a large tract of land but could not identify which parcel is his.

An inherent weakness of the scheme is the fact that the cooperative formation was made as a requirement for land distribution. Therefore, in order to sustain and strengthen the cooperative, DAR, the cooperative and the management should closely monitor the organizations, conduct information campaigns and hold training/seminars of cooperative members. Further, such activities could be useful in preventing adverse consequences of cooperative organized not on the basis of felt-need but as a precondition for the awarding of lands.

3. *The Cooperative Structure*

Except for the number of cooperative members - 996 for NGPI Multipurpose Cooperative Inc. and 830 for NGEI Multipurpose Cooperative Inc. - both share a common organizational structure. The two cooperatives are governed by a nine-member Board of Directors elected through secret balloting by a general assembly. The operations will be handled by the following set of officers: 1) President; 2) Vice-President; 3) Treasurer; 4) Auditor; and 5) Secretary. The Board of Directors elect from among themselves the President and Vice President of the Cooperative. The rest of the officers were elected by the general assembly. Likewise,

members are selected by the general assembly to comprise the following committees: election, audit and inventory; education and training; and credit.

One striking feature of the cooperative structure pertains to the members: their rights, obligations and membership status.

As provided for in the cooperatives' By-Laws, membership ceases upon resignation from the corporation. This has to be reviewed considering the basic principles of the CARP. Resignation from service to the corporation could easily be due to company pressure, health, etc. These are not strong grounds to strip farmworkers of the benefits of CARP.

The cooperative was organized primarily as a recipient of the NDC lands. But its articles of incorporation outline the cooperative's economic activities more than its activities as lessor of the land. The economic enterprises include production, procurement of inputs, marketing and credit. Since the membership of the cooperative is determined solely by DAR on the basis of the farmworkers' classification as beneficiaries of the CARP, then those members of the community who are

not qualified as beneficiaries of CARP are, by structure, prohibited from engaging in said economic activities on a cooperative basis with the beneficiaries of the Program.

Further, based on the project set-up, the members of the cooperative should share benefits proportionate to the value of the land equally shared by the members. Based on the ratio of beneficiaries to total area transferred, the NGPI beneficiaries are entitled to about 3.36 each and 4.72 each for NGEI. This is not consistent with the provision of R.A. 6657 which stipulates an award ceiling of 3 hectares per beneficiary.

farmworkers and the assistance in terms of providing the physical infrastructure of the company during screening of beneficiaries and the financial assistance extended to farmworkers/beneficiaries in accumulating the needed paid-up capital for cooperative organization.

Likewise, BCOD provided the critical support in the establishment of the cooperatives, while the Land Management Bureau (LMB) provided support staff to hasten the land survey. The Register of Deeds (ROD) gave the landownership data to validate claims of non-ownership of lands and the local governments also furnished support for the scheme.

One of the sectors that somehow provided constraints in the implementation of the scheme is the labor union. The labor unions resistance - unions from both NGPI and NGEI - was attributed to the apprehension that the establishment of the cooperative would divide the workers; thus, weakening the union both in terms of number and in programs. Some of the projected activities of the union would be done by the cooperative. At the initial stage, the union managed to convince some of the potential beneficiaries not to apply by alleging that cooperativism is a communistic strategy. This, however, was neutralized and subsequently eliminated by the intensified information drive by DAR.

C. *Participation of NGOs and Other Sectors*

While DAR took the lead in the implementation of the scheme, the success in terms of CLOA generation and distribution would be equally attributed to the support provided by some of the sectors involved in the implementation. It is worthwhile, though, to look not only at the sectors that positively contributed to the scheme but also at these sectors which somehow constrained the implementation of the scheme.

The full cooperation of NDC-Guthrie Management provided the smooth track in the implementation, particularly the provision of the vital documents pertaining to the land, the

D. *Institutional Arrangement: Lease-Back Arrangement*

One of the critical arrangements that the cooperative has to contend with is the lease-back agreement. As in the case of NDC-Guthrie, the lease-back option was a precondition to the entire scheme. The management would not have cooperated in the scheme if the lands were not to be leased back. Hence on the side of the beneficiaries, there was no option.

Corollary to the lease-back option is the lease rental. The indicator that determines the amount of lease rental is the rent reduction provision of R.A. 6657 which stipulates that rental should not exceed 25% of the net farm income. The lease-back rental should not be considered in the context of the land rent reduction provision of the law because said provision was designed to discourage non-owner-cultivatorship. The lease-back rental should seek the most advantageous terms for the beneficiaries.

IV. CONCLUSIONS AND RECOMMENDATIONS

While it is true that the scheme was successful in terms of generation and distribution of the CLOAs on time, there are a lot of critical issues that need to be assessed in the context of the general principles of CARP.

1. The membership of the cooperative should not be confined, for any reason - much more for reasons of

expediency - to regular farmworkers and employees of the company. This approach could address some of the weaknesses of the scheme as implemented in NGPI and NGEI.

- a. Opening the cooperative to seasonal farmworkers of the company and non-company workers who by law are qualified beneficiaries of CARP could prevent misgivings of said workers and strengthen the gains of the Program because these sectors are more deserving beneficiaries than the "Kapatos" and supervisors. The latter are not the people clamoring for access to land in order to uplift their socio-economic well-being. Further, they view the benefits of the scheme only as an additional bonus.
- b. Similarly, opening the membership to other farmworkers and non-corporation workers would eliminate the problem of beneficiaries being entitled to share benefits of awarded lands in excess of 3 hectares. Further, this would allow members of the cooperative who would be separated from the corporation to enjoy the benefits as beneficiaries of CARP.

- c. In the context of the cooperative as an economic unit, opening the membership to non-corporation workers could benefit those in the community who may embrace the idea of cooperative as a means towards socio-economic upliftment.
2. If the cooperative organization is a pre-condition for land distribution - as in this case - then more time should be allowed for cooperative training and education to minimize, if not avoid, draw-backs of cooperative organizations that are not based on felt-need.
3. It is alright to view land transfer through the cooperative as a strategy to maintain the present organization of production of NGPI and NGEI. However, the same could be achieved through other options. Probably, other forms of business organizations could be explored should cooperatives prove to be not feasible.
4. Options other than the lease-back agreement could be explored. Equity transfer or partnership could be an alternative option which would likewise ensure the maintenance of the present organization of production.
5. The lease-back rental may not be viewed from the context of the lease rental

- provision of RA 6657 primarily because the intent of said provision is to discourage non-owner cultivatorship. The lease-back rental should explore the most advantageous terms for the beneficiaries. Said terms could be achieved by employing the opportunity cost concept or the next best use principle.
6. Finally, in terms of replicability, the scheme could be effective in accelerating generation and distribution of CLOAs in similar agrarian situations. However, it must be stressed that a reasonable time frame be allowed for the entire process particularly if the cooperative approach is the viable option. Further, DAR should take extreme caution in implementing the Program with the end view of generating an impact by showing an accelerated CLOA distribution and a sustainable gain of the Program. There is the great danger that the long term goals of CARP may be jeopardized by the objective of generating impact of the Program via accelerated CLOA distribution. Furthermore, it must be stressed that the people will view the success of CARP not in terms of the number of CLOAs distributed but on the socio-economic effects of the Program.

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Social Issues Committee Forum on Agrarian Reform*

"Land reform in the Philippines is an effective component of the counter-insurgency program of the Corazon Aquino government."

"CARP... is a program that is very much designed as a response to the landowners' lobby."

S. Reyes:

I would like to welcome all of you to this consultation forum on the implementation of the Comprehensive Agrarian Reform Law (CARL). This is the first in the series of fora organized by the Social Issues Committee (SICoM) under the PSSC. The Committee is composed of the heads of the various social science associations, most of whom are represented here and whom you already heard from. For this year, the SICoM has decided to adopt the theme of "Towards Greater PSSC Involvement in Policy-Making and Implementation". Among the policy areas that will be the subject of the

forum discussions aside from agrarian reform are: environmental issues, decentralization, education, population and people's rights.

The fora will be held every other month but the SICoM also decided to be flexible enough to respond to the hottest issues of the day such as price rise, wage hike, and the Letter of Intent and other topics which arise. The objectives of these consultations are: 1) to provide a forum for social scientists, government, representatives from NGOs and other interested parties to interact and share their views about current issues, 2) to furnish inputs and suggest new policy directions for consideration

by legislators and government planners, 3) to evaluate the status of existing programs and recommend measures to strengthen them or rectify errors and 4) to document and publish the forum proceedings for distribution to all concerned individuals and groups. As much as possible, SICoM wants a balanced, solid presentation of policy issues and it makes an effort to invite people with competence in their area and representing divergent perspectives. Our purpose is not so much to reach a consensus as it is to hear all possible points of view to serve as basis for our own informed and principled individual decisions.

* (The reader is requested to refer to the inside front cover editorial, third paragraph, for background notes on the forum.)

Our panel this afternoon represents the various sectors and a wide range of views. From the House of Representatives, we have Congresswoman Hortensia Starke who is quite known to everybody and who had a very active participation in the passage of the CARL. We also have Congressman Ronaldo Zamora and a representative from the office of Sen. Hersherson Alvarez. For the implementing agency of CARL, the DAR, we have invited somebody from DAR and if this forum started a little bit late, it is because I had a very interesting discussion with him. He showed up but left as soon as he peeped in the room, so we have no representative from DAR. The discussion of agrarian reform will not be complete without the participation of Mr. Jimmy Tadeo, KMP Chairman, who never fails to awe his audience with his flawless Pilipino and his knowledge of the Bible particularly as it relates to the struggle of the peasants for land and justice. We also have from the Philippine Peasant Institute, Ms. Heidi Cruz and from the academe, we have invited Prof. James Putzel, Visiting Research Fellow at the U.P. School of Economics. He is doing extensive research on the implementation of CARL.

Our topic this afternoon, agrarian reform, has a long history in our country where 2.5 million out of 4 million agricultural families make their living primarily as tenants or farmworkers on land they do not own. After more than thirty years and four land reform programs, in 1955, 1963, 1971 and 1972, only four hundred thousand hectares of private land or 5% of the eight million hectares of cultivated land have been distributed to about 175,000

families or about 7% of the landless.

After more than a year since CARL was passed, it is wise to inquire on the status of implementation.

Had the DAR representative been here. I would have asked him the status of implementation but since he backed out, let me just share to you some data I gathered. In 1988, 26,000 hectares of government lands leased to multinational corporations in Mindanao were transferred to some 24,000 farmworkers in Dole Philippines, Del Monte Philippines and NDC-Guthrie Plantation, Inc. There is also an increase in the distribution of emancipation patents from 21,000 in the 14 years of the Marcos regime to 132,000 emancipation patents during the Aquino administration. This is low, some observers say, compared to what the rebel land reform is accomplishing. The implementation of CARL has at this point brought up a number of issues and problems, and these will be focused on in our forum discussion. May we request Rep. Hortensia Starke to start the discussion.

H. Starke:

Thank you, Dr. Reyes. I have distributed some papers earlier bearing my thoughts or afterthoughts on land reform. The Constitution mandates that the land belongs to the tiller, but it also says that if you do till land, in place of land you can have profit-sharing and sharing of the goods. So these are alternatives which are also in the Constitution. When we discussed the land reform law in the House of Representatives, members of the House were greatly affected by the media and so many rallies. And it ended up with a bill passed in the

House of Representatives which set the retention limit at seven hectares. When the bill reached the Senate, several changes were introduced. For one thing, agrarian reform was made to cover commercial farms. It also provided that implementation of CARL will extend to ten years. But if the gross production is about P 5 million or more, then the owner or the company should pay 3% of the gross income to the workers over and above the wages they are already being paid and other benefits plus 10% of the net profit. These are all explained in the papers distributed earlier. We were given the Conference report at 3:00 in the afternoon two days after our recess. We were told to vote at 4:00 and we had only one hour to read it. Some members of the House stood up to ask if they could at least step over it and vote the next day but the Speaker said no, so we had to vote on it that same afternoon. (As you know, the members of the House were never against land reform but we just wanted to express that we are against a single prescription for everything because that is not intelligent. We are for a selective kind of land reform and we should give justice not only to the beneficiaries but also to the dispossessed people.) Because there was no time to caucus among ourselves, so we voted yes with reservations or conditions. Most of the objection were on these commercial farms introduced by the Senate. Also the retention limit was reduced to five hectares. The impact of this provision will definitely be different for a person who owns 200 hectares and another who owns just 24 hectares. We voted yes but now we hear about amendments being filed by several legislators. One is to extend these commercial farms and

another is to reduce/eliminate the 3% gross income payment or sharing of income. Another proposal is to exempt from the program those farms which are below 50 hectares. In the paper which I have distributed, I have observed that prices have been going up and Sen. John Osmeña has ascribed this to land reform. The banks are no longer lending money to farms except the Land Bank, the Philippine National Bank, and the Development Bank of the Philippines because of certain conditions imposed by the World Bank. Commercial banks and all the other banks are no longer lending to farmers so they are no longer able to cultivate as they did before, thus there is shortage of rice and other commodities.

While our population is growing and our food needs are increasing, some people are discouraged from expanding food production, hence the shortage we are experiencing now. The fear of shortage hiked prices of commodities in Metro Manila. When the traders announced that each kilo will go up to ₱ 16.00, there was panic among the people and they demanded an increase in their wages. All of these are fears. Oil prices in the world market have not increased that much. The moment wages are increased, the price of commodities will go up. All of these are results of government policies. We are now working in Congress to reduce the interest rates so our commodities can compete with the products of other Asean countries.

We must also give the people easy credit. Then we must not tax the people so much. We must have a uniform tax that people will be glad to pay. If government will only charge 10 or 15% tax as they do

in Hongkong, the people might be the one to goad each other into paying taxes like in the Iglesia ni Kristo. But here taxes can go up to 40%, 30% and the people are hungry. These are all government policies, I am giving you my own point of view as legislator.

S. Reyes:

At this point, we would like to inform the audience that the issue on the price rice and the letter of intent will be the issue to be addressed in the second forum. May we hear from Ka Jimmy Tadeo about his views on the implementation of CARL.

J. Tadeo:

Isang magandang tanghali sa inyong lahat. Hindi ko na maiwasang laging banggitin ang aking pangalan dahil ito ay naa-angkop sa paksa. Ang pangalan ko kasi ay hango sa salitang Kastila pero ang kahulugan sa Pilipino ay magsasaka. At ang Tadeo naman ay galing ito kay Santurias Tadeo, pero ang Tadeo ay "anointed by the Holy Spirit" kaya ang kahulugan ng aking pangalan ay isang magsasaka na binabasbasan ng Espirito Santo upang ipangaral sa mga dukha ang magandang balita (Rev. 4:8).

Ang ibig sabihin ng pagpangaral ng mabuting balita sa mga dukha ay pagpapatupad ng tunay na repormang agraryo. Ang una kong tatalakayin ay ano ba ang ating pangunahing problema? Ang una nating problema ay ang batas mismo. Makalilikha ka nga ba ng batas sa isang sistema na makakolonyal at mala-pyudal? Kaya kung makikita natin, di ba ang esensia ng batas ay katarungan? Ang sagot ng School

of Law, sa Pilipinas mo matatagpuan ang batas na ginawa ng naghaharing-uri na walang katarungan. Ang kalagayan natin ngayon ay, yung mga isyung ito, hindi maihihiwalay ang pyudalismo. Ang pyudalismo ay ang social base ng imperialismo. Ang ibig sabihin, kung ito ay social base ng imperialism, puwedeng gawing kongkretong halimbawa ang Negros na siyang kinakatawan sa Kongress ni Congresswoman Starke. Noong panahon ng mga sugar barons, kayang idikta ng US sa mga sugar barons and susunod na presidente. Kung ang kanyang social base ay feudalism, hindi gagawa ng batas na magwawasak sa kanyang base dahil mawawasak ang kanyang political control sa Pilipinas. Kaya makikita natin bilang katunayan mula noong Commonwealth 1930, panahon ni Quezon sa ilalim ng kanyang Republic Act 4054 o ang 50-50 sharing, mayroon lang 10 batas na nilikha at 403 presidential decrees at bilang pagbanggit sa ilan: Nandiyan ang Rep. Act 34 ni Pres. Roxas, ang 70-30; at nandiyan ang 1116 ni Pres. Magsaysay. Noong 1954, nandiyan ang 1199; Agricultural Tenancy Act naman noong 1935. Nandiyan ang land tenure administration ng Rep. Act 1400.

Sa kasalukuyan, sang-ayon na rin sa Agrarian Reform Education Service, tila na-abolish noong 1984, ang kabuuang magsasaka na nagmamay-ari ng lupa o owner-cultivators ay 1.5 million. Ngayon sa kabuuang magsasaka sa buong Pilipinas, sinasabing mayroong 10 milyon pero kasama rito ay subsistence fishermen na mayroong 809,772 sang-ayon sa Bureau of Fisheries; magbubukid ay 9.2 million. Kung 1.5 million yaong nagmamay-ari ng lupa, di nagrepresenta ng 17% sa dahilan na yung 4.2 million na natira doon sa

10 million ay regular and seasonal farmworkers at subsistence fishermen.

Mayroon pang 7.7 million ang walang lupa o 83% sa kabila ng pag-buo ng 10 Acts at 43 Pres. Decrees. Makabubuting banggitin ang naging isang pag-aaral ng Third World Studies Research Fellow na si Eduardo Tadem. Sabi niya, "it would seem that land reform laws were being passed by government only as a response to insurgency." Ngayon makabubuting tingnan natin si Roy Prostermann, expert ng CIA sa rural proliferation sa Vietnam at El Salvador. Anong goal ni Prostermann noong panahon ni Magsaysay sa kanyang madalas na pagpunta rito hanggang sa panahon ni Marcos, hanggang ngayon? Ang kanyang goal: to diffuse peasant unrest and make land reform the instrument of counter-insurgency. Pero tingnan naman natin si Stephen Solarz, New York Democrat, ang Chairman ng subcommittee sa Asia at Pacific Affairs. Ito ang kanyang salita: "Land reform in the Philippines is an effective component of the counter-insurgency program of the Corazon Aquino government." Sa bagay na ito, nowhere in the agrarian reform law can you find any hint at all to set the peasant free from political and economic oppression by the landlords.

Ngayon tingnan natin, ano ba ang CARP coverage nitong 1987 CARL. Binabanggit rito na kasama sa programa ang OLT, voluntary transfer of sequestered at idle, abandoned, government-owned, resettled, lands below 50 hectares and other private lands, na ang beneficiary ay about sa 1.415 M. Narito ang area, pero ang ipali-liwanag namin ay nakagugulat na pagkakaroon ng reduction mula doon sa accelerated land reform pro-

gram noong April 1987. Itong OLT, alam naman natin ito'y kay Pres. Marcos. Ang emancipation patent, ibibigay 'yan pag bayad na ang magsasaka pero sa loob ng 10 taon kay Marcos, umabot hanggang total area ay 2,235 at ang sukat ng lupa ay 1,092. Sa loob ng sampung taon ay nakagugulat ang pagdami ng hectareage pero ito ay napakadaling dayain.

Ang emancipation patent ay binibigay matapos na mabayaran ang lupa. Binago nila ito. Pag ikaw ay nakapaghulog ng 2 taon, ibibigay na sa iyo ang emancipation patent para pagandahin ang imahen nito. Kaya walang katotohanang ang mga ito na nakahihigit pa sa naibigay ng mga rebelde sapagkat 'yan ay isang panlilinlang. Nagtrabaho ako sa Agrarian Reform sapagkat noon pang panahon ni Macapagal, pioneer ako. Gusto kong maunawaan ninyo kung bakit ko yaon nasabi: Joint treaty noong 1964, dineklara ni Pres. Macapagal ang kauna-unahang re-porma agraryo sa buong Pilipinas. Noong 1975 ako'y nagtrabaho sa programa. Inabutan ko ang PD #27, ang tawag namin diyan titulong ibinibigay sa stage mula kay Marcos hanggang kay Corazon Aquino. Doon nila binabawi sa likod ng entablado.

Tingnan nating ang voluntary surrendered land. Ito ang liberated area. Ang landlord may title na pero walang pumupunta sa kanyang rental dahil ito'y hawak ng mga rebelde. Para pakinabangan mo ang lupa mo dahil may titulo ka, i-surrender mo. Tingnan natin ang sequestered sa ilalim ng accelerated land reform program. Ito'y mayroong 50-60,000 hectares. Ngayon 2,500 na lang. Noong panahon ng accelerated land reform program, sinasabi nilang 300,000 hectares land and nawala. Nakakapagtaka. Ang

sabi ni Gerry Bulatao noon, sa Negros lang mayroong 100,000 hectares noong bumagsak ang sugar industry. Napag-usapan ng KMP at DAR noon na ipamahagi ito ng ₱4,000/hectare of land. Mayroong siyang moratorium na five years, pag may pera na siyang pambayad saka ito ibibigay.

Tingnan naman natin ang government-owned, na pinaghati ra resettlement ng government-owned, ito ang public land. Noong accelerated land reform program, ito ang kabuuang 1,350,000. Ngayon bumaba na lamang nang pagsamahin ang government-owned at resettlement 553,000. Nasaan napunta ang 797,000 na programa?

Tingnan naman natin mula doon sa OLT hanggang sa public land, eh hindi mo na kailangan ng batas na ito. Kahit wala nang CARL, kayang ipatupad 'yan. Ito ang sinasabing OLT ng PD 27 sa mga voluntary surrender, resettled and idle sequestered lands and government-owned. Ngayon kung titingnan natin itong private lands above 50 hectares. Pero ang above 50 hectares ay corporate farms kaya wala ring mangyayari dito. Nakalista nga, growers, ima-management service. Contract ito, kaya halos walang nangyayari rito dahil sa retention at lengthened period of implementation. At ang malaking butas na mayroon ka pang 90 days para mailipat na mga kamag-anak mo dito, ay wala na ring matitira dito. Kaya sa kabuuan, kung titingnan natin ang coverage, ay nakakatakot at walang natira.

Tingnan natin ngayon ang findings, isang malaking puntos ng Republic Act 3844 na aking pinaglingkuran kay Macapagal, hanggang sa ipasok ang PD 27. Ang isang pinakamalaking butas nito ang subject to availability of funds. Ang

taktika ng landlord ng ating kongreso, ang lupa, hindi bibigyan ng pondo. Hindi na ako magsasabi, sabi nga ni Sen. Alberto Romulo, ang nangyayari sa CARL wala itong yearly appropriation na 8-10 B pesos. Maliwanang na sinasabi ng Chap. 2 Section 7. Inaasa ito sa asset privatization drive, PCGG, sa aid at sa loan.

Ayon kay Sen. Romulo, kung magtatagumpay ang CARL, kailangan nito ay 8-10 B appropriation nakapaloob sa National Appropriations Act.

Ngayon tingnan naman natin dito sa pag-survey ng lupa. Kailangan mo kasi dito ay tenant-tiller identification, parcel of land, size and location kailangan mo. Nandito ang record. Government surveyors undertake only 15,000 hectares survey, every year of the same 760,000 hectares covered by the Marcos land reform. Only a little more than 200,000 have been surveyed over the last 16 years. Kailangan mo ito para alam mo sa pag-parcel ng land, kung sino ang tiller, kung sino ang tenant at ang tamang sukat. Ang ginawa ng nag-survey sa amin, sa Plaridel matapos gumawa ng mapa, eh di makikita mo ang lupa. Bababa ang mga surveys, aalamin ngayon susukating individual 'yan para makita mo ang tamang sukat. Kay Marcos, 200,000 ang inabot.

Ngayon ito na ang malaking problema. Sa halip na maging peasant-oriented ang mga tauhan, ay nagiging landlord-oriented. Isang halimbawa ang kung paano ang maliit na sasakupin ay dudurugin pa dahil sa pagiging landlord-oriented ng mga tauhan nito. Sa Plaridel ang aming arcang nasasakop ay 100 farmers pinag-aralan na namin ang

buong batas. Hindi kami abugado pero tinuruan namin ang mga magsasaka ng duties and responsibilities nila. Sa dalawang boss ko sa Plaridel, 1 sa Maynila, natuto po ako sa kanila pero ito ang paradox o irony. Noong ako'y nasa Constitutional Commission, inakupahan ng mga magsasaka, limang daang pamilya, ang Agua Team. Humingi ito ng tulong at gumawa ng report ang Land Bank. Nang basahin ko ang report, yaon din. Mayroong pinadalang imbestigador ang DAR; sila ay tumira sa Project Manager, Ginoong Mahan. Doon nga tumira, pinakain, pinatulog. Ang report nila ay baliktad sa report ng Land Bank. Nakita ko 'yan kung ilang kalabaw, gaano ang sukat ng lupa. Ngunit noong gawin nila ang report, baliktad na sa katotohanan. Pinalayas ang limang daang magsasaka sa kanilang lupain, sinunog nila ang kanilang mga bahay. Pinagbabaril sila't pinatay ang kanilang mga kalabaw. Ngayon ano pa ang isang problema nito? Ayon kay Senate President Jovito Salonga ang justice in the Philippines ay negotiable at purchasable. Isa rito sa mga napakalaking problema namin ay laging talo ang aming kaso dahil sa ang mga landlord ay napakalakas ng command.

Ang first component ng land reform ay for the farmers to own the land they're tilling. 'Yon ang napagpasyahan. Pero meron itong isang component. 'Yung tinatawag nating support services. Pero ito ang napakasama. 'Yong appropriations at 'yong technology. Sang-ayon sa isang nationalist scientist ng UP Los Baños, ang nagdidikta ng rice program sa Pilipinas ay ang International Rice Research Institute na pini-finance ng multinational corpo-

rations. When you dominate the rice industry, you dominate the world. Ganito ang sitwasyon natin para makita natin ang support services na wala ring mangyari.

Kinokontrol nila ang binhi ng ating palay. Kapag kinontrol mo ang binhi, kokontrolin mo rin ang environment and technology. Eighty five percent ng ating egg industry imported. Ang atin lang facilities and labor. Ang 60% ng chicken imported; 29-33% ng vegetable imported; 75-85% ng veterinary fertilizer imported. Malinaw ito. Ang means of production hindi hawak ng magbubukid. Mula sa lupa hanggang sa lahat ng means of production kaya napakataas ngayon ng gastusin sa produksyon. Kaya sa ganitong kalagayan, ano ngayon ang patakaran na kontra mismo sa programa: import liberalization. Ngayon pag nag-import tayo ng rice, diyan po ang grand hypocrisy sa Congress. Ang narito sa akin ang document, ang inyong grand hypocrisy.

Bilang pagsunod ng Congress sa iginugugol na subsidy ang role ng NFA, stabilization function, patatagin mo ang presyo ng bigas. So ayon sa kanyang mandate, kailangan niyang mabili ang 24.6% ng total palay production para mo makontrol, matipid at manipulate mo ang presyo. Pero noong panahon ni Marcos 8-15 lamang ang nabili niya, pero ganoon man, masagana ito. Pero ngayon, sa imposisyon ng letter of intent ng IMF-WB, subsidy removal. Ang ginagawa ng Congress, binigyan ang NFA ng ₱3.5 B.

Ang nais po natin sa Mindanao, dumami po ang ani noong 1988. Mula po sa 149,000 metric tons umabot ito ng 13.3 M tons sa pagdami. Nag-utos po si Sec. Domin-

guez na mag-import pa rin tayo ng rice at corn mula sa US pero ang dami ng surplus. Bumagsak ang presyo ng mais mula sa P3.10 hanggang P1.00-1.30, P1.80. Nandito nag-aani tayo ngayon, nag-i-import na naman tayo ngayon mula sa US, mula sa Thailand under Public Law 488. Ang presyo ng palay ngayon, P4.50 to P5.50 bunga ng inyong importasyon, bumaba ng bumaba ang trader to P4.00. Kaya makikita na rin mismo ang programa ay pareho ng nakaraang gobyerno. At ito naman ang isusunod ko sa inyo bunga ng deregulation at privatization at ipakikita ko po sa inyo kung ano ang nangyayari sa buong mundo. Sa Hapon, meron silang \$30 B na subsidy, sa Europe kung bumaba ang presyo ng world price, meron silang subsidies sa magsasaka sa Europe, gayon din sa Canada at sa US. Dito, inaalalis natin ang subsidy, na siyang dahilan ng pagtaas ng presyo ng bigas at ang susunod pa dito ay ang militarization.

Ito po ang kalagayan, hindi na akong magsasabi kundi ang DAR Secretary Philip Ella Juico. Sinabi ni Juico, nang pumunta siya sa Negros, ang Provincial Commander ay laban sa CARL. Nakausap ni Juico ang Provincial Commander at ayon dito ayaw nila sa CARL. Ayaw din namin ng CARL dito sa aming probinsiya kaya nakikita natin na hindi naman kaila sa inyo who bears the responsibility tungkol sa total war policy ni Aquino. Bibigyan ko kayo ng isang halimbawa. Sa H. Plaza, nakipag-usap kami kay Gerry Bulatao, napagkasunduan naming ang lupa babayaran for 10 years, 2-3 cavans per hectare. Alam po ninyo ang nangyari, ginawa ng military, nagtatag sila ng special operation team. Noong magmi-meeting, ipina-

kilala ang mga lider sa Commander. Paano nakakalitaw sa meeting yon, pagkatapos tinodas ang magsasaka. Kaya nagpapaalala ng Republic Act 34 noong panahon ni Pres. Roxas nang ipatupad niya ang 70-30, lahat ng hindi tumupad sa 70-30 na magsasaka, tinawag na subersibo at ikinulong. Ano ba ang pagkakaiba ng civilian guard sa CAGU ngayon, vigilantes o right wing death squad sa countryside? At gusto ko ring malaman sa inyo, dapat sana sa pagpapatupad ng lupang agraryo, katulong mo ang local government at militar. Pero si Gen. Maganto po, ang dating Chief of Police ng Bustos, noong kami po ay nagpapatupad po ng batas agraryo sa Bustos si Maganto ay kakampi ng landlord. Tuwing umaga na pumupunta ang magsasaka, umagang-umaga, nag-iinuman na sila ng landlord. Kaya noon pa man ay nagtagpo na kami, noong siya'y isang Chief of Police. Paano nga naman maipapatupad ang isang programa kung ang local government at military ay kailanman hindi naging kakampi ng magbubukid.

Ang ibig kong sabihin, naito ang isang programang nakakontra sa polisya sa programa ng gobyerno. Paano ito magtatagumpay? Siguro para ang programa'y magtatagumpay, kailangan palitan ang sistema. Tatapusin ko ang aking pagsasalita sa isang tula ni Amado V. Hernandez:

"Kung katulad ng langgam, manggagawa, anak-pawis ay aakit ng daigdig at ng tao, kung sa kanya matututo'y mababago itong mundo sa kabila ng pagsasagaw ng pag-ayos at alon. Nagsama-sama ang mga langgam at nakakatawid sa ibayong pampang na siyang maghahatid sa kanya sa tagumpay at ganap na paglaya."

Magandang tanghali sa inyong lahat.

S. Reyes:

I think at this point we can call a researcher on agrarian reform implementation, Prof. James Putzel. I'm sure you want to raise a few points and would like to contribute some ideas.

J. Putzel:

As an outsider, I always feel awkward speaking on land reform.

I've talked with landowners. I had the opportunity to talk with Congressman Starke, I talked with her people/staff several times not only this year but back in 1987 and last year. And I also talked with government officials, landlords and the country peasant organizations and that process is continuing. So what I have to say is very tentative.

I have looked with some degree at other experiences of agrarian reform outside the Philippines and I guess it is somewhat at that vantage point that I will look and evaluate the reform program in the Philippines itself. I wanted to make maybe three points about the program because Dr. Reyes told me we're talking about recommendations but maybe later on, we could go back to some of those comments.

I think the first point is what condition makes a successful redistributive agrarian reform possible. I think there is one central condition, and that has to do with the true nature and character of the state in any country trying to implement agrarian reform. Where landowners have significant influence within the State, whether it may

be true in the legislative branch, the executive, the financial institutions of government repressive apparatus, then it is very difficult to implement distributive agrarian reform program.

Where the landowners don't have significant influence in the State, the redistributive agrarian reform in its real sense is successfully implemented. That's what happened in Taiwan, Japan, Korea, China and North Korea and Vietnam and the list could go on. These are contrasting models but what they have in common is traditional landowning interests were held at bay by the institution of power. Generally, where agrarian reform is successful, it is the peasants who are able to implement reform who have such power and influence as they did to a larger extent in China and some other socialist experiences.

Or when one country or a state is dominated by a bureaucracy and financial industrial interest which can impose their will on the rest of the ruling class. That was what happened in South Korea and Taiwan to a larger extent. The Philippines is not any of these countries and obviously agrarian reform means something very particular to it. But I think some general lessons can be learned on that score.

Most agrarian reform programs that have been implemented in the Philippines, as Jimmy Tadeo was saying, do not actually propose any redistribution of assets and income, and that is what redistributive agrarian reform is all about.

The second point I want to make, is that CARP is not a compromise. It's always presented as a compromise piece of legislation with

the landowning interests very much against redistribution, peasants advocating for an immediate redistribution of all lands, and the government came up with something in between.

As an outside observer, I see that it is not actually a compromise. As Congresswoman Starke said, she rooted for the land reform program and so with most of the landlord interests represented in Congress. And I think it's not for nothing that they did vote for it. In some of my discussions with them, they have cited reasons why. I think that should be made clear in my discussion of agrarian reform. For example, those lands owned by corporations could be exempted from redistributing the land itself and instead could engage in a stock distribution program leaving the land intact and essentially distributing only shares in the corporation that own the land.

Now I know for a fact that position was advocated by some of the people most instrumental in the formulation of agricultural procedures in the Philippines. And many of the agribusiness corporations, both foreign and domestic that were active in the debate. Most lawyers-landowners have transformed their ownership of land to some form of corporate ownership. There are some who haven't but in the debate that went on for almost a year, some of the landowners have spoken, most of them are lawyers and are very willing to incorporate their lands. They are very interested in getting the exact figure on how many new corporations were established. I know one landowner in Negros who owns almost a thousand hectares that he bought up after 1975. He is not

openly opposing the program but he said that in terms of his own land, they are quite secure and what they will do is to distribute proper stocks. In the beginning when this clause was included in the law, the question was how will corporate stock sharing be implemented? Under this provision, a corporation could argue that its land assets represent only 5% of its total assets, and therefore it would have to offer for sale to its workers only 5% of the corporation's shares; what is more workers would only be given "the right to purchase" shares and offered additional compensation which they may use for the purchase. The landowners generally seem to be amenable to such a formula to be applied to all commercial agricultural lands. The timing is a major factor in terms of determining the true character of the law. This law is stretched out for a long period of time. Taiwan, Japan and South Korea had it only for a few years. The longer the time, the greater the chance there is that land will be exempted from the program. The government will run out of funds in order to implement the program and will be dissipated in both Congress and the executive branch.

Finally, the CARP is very much bureaucratic. It is a program that is essentially to be implemented by DAR, to be implemented top-down and even in terms of collecting the ownership data of the land, this all to be done by DAR. Generally speaking, the DAR officials all over the country whom I have talked to say that they have the lands of PD 27, the voluntary transfer and the sequestered lands and they don't have the capability to implement

reform in all those three. There is no prospect that compulsory acquisitions will be undertaken by DAR at least in the life of this administration. Most DAR officials will not agree with that statement, their hands are full, and they have no capability to go further, most especially to undertake compulsory acquisitions of holding over 50 hectares in the next few years.

Generally speaking, the CARP is not a compromise. It is a program that is very much designed as a response to the landowners' lobby. Maybe I ought to stop there rather than monopolize the discussion and we could talk more if there are questions.

S. Reyes:

Thank you, James. At this point I think we have received a lot of input from our 3 resource persons. Congresswoman Starke has discussed with us the amendments being presented to the CARL and Jimmy Tadeo has told us about the features of land reform and what the peasants feel about it. And James has given us the 3 or 4 points about the CARL that we have to consider in assessing the effectiveness of the law. I'd like to invite questions from the audience. May we hear from the representative of the Philippine Peasant Institute, Ms. Cruz?

Ms. Cruz:

I would like to add some data to Prof. Putzel's comment. There was a bill in Congress pointing out that only 5% of the total value of stocks, poultry and livestock farms are valued as land. So only 5% of

the stocks will be allowed for sale to the farm workers. So even if the purpose of that stocks sharing program is to allow the farm workers to gain some form of control over the stocks of the corporation, it will not materialize for most corporate farms only very minimal/little percent of the stocks are in land.

In other words, the distribution in the corporations would total at least more than half of the total shares. The farmworkers would get the majority control in those corporations through the stock sharing program. However, those proposals were registered specifically by the Philippine Chamber of Commerce and Industry and advocated that no minimum and maximum amount of land assets to total assets should be stipulated in the law. So now in the implementing guidelines of DAR, there is no such stipulation. In other words, the landowner or corporate landowner is able to undervalue the land assets against total assets. The stocks that will be distributed are only minimal. The level of dividends that will be distributed to the workers will be very limited. I would suggest that the corporation stock sharing is a major reason why this program is not a compromise.

In terms of the retention limits, while there are 3 to 5 hectares for each heir, the effective retention limit will be about 11-14 hectares, which is quite a bit of land. In terms of compensation, the compensation package of the program also shows that it is not a compromise. In fact when you talk with the DAR officials, they say that given the political situation of the country, the

compensation formula is not reproduced any where else in any agrarian reform program. What the government is doing is working on three values, the first one is the market value of the land; the value of the land as it will be used in tax declarations; and the declared value of the land or in the amount declared by owners of the land. What they will do is add these three values and divide it by three. There is a ceiling that they put on the compensation and that is that if the declared value is more than the market value plus the assessed value of the land, then declared value will be counted as equally market value plus assessed value. In other words, what you'll have essentially is a compensation rate which is higher than market value. In most agrarian reform programs, successful implementation of the program could not be easily carried out with a compensation package actually compensated at market value. And this program is talking about compensation even more than market value and it's going to be very costly. And those landowners I talked to who are quite frank about their expectations, they feel that the government is going to run out of money. And that's another point of consideration in terms of the future on their part. My own estimate would also lead me to think that the government will run out of money with such a formula. The cost to the nation of that kind of compensation package will automatically be a capital scare situation in which the Philippines finds itself now.

Finally, the implementation of the law for an initial period of ten years and possibly more is another point of concession to the landowner

within the law. And I think most people feel that the timing of the law is very important. And ten years is a long time and most are looking for alternatives/amendments to the redistribution of commercial lands. Some are already pointing to the experiment which is being undertaken in Negros itself, the ten percent arrangement that has been agreed upon by DAR and Gov. Lacson where landowners offer 10% of their lands for voluntary surrender/sale.

S. Reyes:

Can you raise questions, anybody?

I. Villaluz:

I'm Imelda Villaluz of the UGAT. I'd like to ask Prof. Putzel a question. I don't know how much a foreigner could say about the Philippines, but as a scholar if you are willing to answer this question, I would appreciate it very much. On the basis of your studies and on the basis of your framework that the nature of the state will be paying the success or failure of a land reform program, how do you think, granting that land reform is needed in the Philippines, how do you think this should be accomplished if this will not be accomplished according to the CARP?

J. Putzel:

I can see why you phrased your question the way you did. I do not advocate solutions for the Philippines, I don't consider that as my role. The Filipinos themselves are going out to figure out their own

solutions. I would make a couple of comments, however. First of all, I think when the Aquino government came into office, there was significant room to change. That was a time of regime change, decision powers were in the hands of President Aquino in that period. That could have helped share the interests that the state will represent over the next period of time. There was a number of choices which have helped to change the nature and character of the past. During Marcos' time, there were some Americans who advocated that the government undertake agrarian reform in order to defeat the insurgency in the Philippines. However the position was generally rejected by the government. Prosterman made an effective agrarian reform which could undermine the insurgency and instead, the government proceeded with its program of total war.

I think it is possible in another scenario that the government has undertaken or endorsed the Prosterman proposal and perhaps in that situation, the government would be making headway in terms of a liberal counter to the revolutionary movement in the country. However they say that they have even rejected that option. So I think agrarian reform has never come about in any country other than by pressure from the agricultural producers. And that's true for South Korea, Taiwan and places where the reform has been undertaken from a very dictatorial regime. And it's true for places like China, Vietnam, etc. Agrarian reform has always been on the agenda as a response to peasant organization and mobilization. And I think that's why it's going to happen in the Philippines as well.

S. Reyes:

Congresswoman Starke is leaving in 15 minutes. So maybe you could raise some questions directed to her.

H. Starke:

If you read my paper on page 2, it shows that there are still 8 M hectares of idle land and the private landownership is 1.3 M. In other words, we are fighting for 1.3 M while neglecting 8 M hectares. If we could bring production on the 8 M somewhat higher by giving attention through the Department of Agriculture, DENR and DAR to improve the production of these lands, I think we will have happier people. These lands are also occupied by settlers but they have no means of producing, they cannot have access to the banks. Here the banks are saying that we are giving credit only to beneficiaries but they are not beneficiaries, the settlers of the 8M hectares. I have been inviting Mr. Tadeo to go to Negros. In my area, in one municipality, we have 5,000 hectares of open grassland which he could take over and develop if he wants to and I will help him to get loans and recruit his people. But you know, this is our problem. We are always looking for what our neighbors have already built up who devoted maybe the whole of their life to build up something when these other pastures were just full of grass. Let us develop this empty land. We are not against giving land to the tillers but why are we concentrating on private lands and calling me feudal? I have a labor union in the hacienda and you could ask them if they are in a feudal

society. They will laugh at you. Right now they want more money, they want to increase their wages. The government is going to raise it by P6.00. They want hospitalization and everything. We're giving it to them for free plus 3% of the gross profits and another fund which they get from the net. How much can a person give? I am willing to give land but if this happens the payroll will stop next week. They have a choice.

C. Aguilar:

I'm Carmencita Aguilar from the Philippine Political Science Association, and past chairman of Social Issues Committee, and our project last year was the agrarian reform program. The thrust was how to make this productive, both to the beneficiaries, and the landlords. Now the Committee is continuing this and I am glad.

I have a point of clarification regarding legislation, Cong. Starke, because of this commercial farms which are supposed to be an off-shoot in the Senate's Conference Committee and a point of procedure. Is it not that this is a violation in itself of CARL and it shouldn't have been considering that it came after CARL? Why was it not raised during the legal procedure?

H. Starke:

It is not after CARL because it is part of CARL but I think it's unconstitutional. First of all, we are talking of land to the tiller. There is no tilling, you are in the fishpond. And then they want 50% of the gross. One million is the gross per hectare. The expense will amount to 500,000 to 700,000 pesos. They want to get

3% of that. Maybe you have 2 employees only, they will get richer than you.

All these things are contemplated because they were rich and bribed, what we call urban politicians. We voted yes, in favor, just to show the public we are not against it but favor agrarian reform. This is even unconstitutional. Land to the tiller but there is no tiller. You just plant and wait for it to bear fruit and you collect, no tilling. Coconut trees, you collect, you do not plant.

Nevertheless, we voted yes because as I told you, 3:00 p.m. we were given the bill and voted for it at 4:00 p.m. This is the Speaker's tactics maybe.

C. Aguilar:

I would like to make one follow-up of this livestock raising. You take note of those bills authorizing livestock raising and it will involve vast hectares of pasture land. This will lessen the hectareage of land for distribution and this was raised by Mr. Tadeo.

H. Starke:

As this is defined, this land is not occupied most of the time because most of the people who are in livestock are not in ranching. They are really in cattle raising. And they get only grass for the cattle. But really, they occupy so little land there as I said, 5% of total cost of production, 95% is in technology, feeds and the building bulks and the management know-how and everything else.

You want to eliminate the cattle industry, hoarding is much likely to happen.

J. Tadeo:

Doon sa sinasabi ninyo, 5,000 hectare para sa magsasaka, puwede bang malaman ang lupa para aming maikupa. Iyon po kasing sinasabing nakapipili ay walang share sa lupa. Nais ko lang pong sabihin sa inyo ang isang konkretong halimbawa. Hacienda Luisita, naandiyan po ang yellow army. Paano ka ba naman makikiusap o magsalita man lang na ibahagi ninyo ang kapisanon; lupa, ayon sa National Federation of Free Workers, Roy Malinay ang Chairman, sa bawat singkuwenta kilos na maibenta sa domestic o pamibansang asukal, ay P7.00 bawat 50 kilos ay laan o suporta para sa mga vigilantes, para pangalagaan ang inyong lupa. Sa Hacienda Luisita, yong mga yellow army ang nagbabantay, sino kaya sa magsasaka ang puwedeng mag-angat ng boses?

Sa Plaridel, ang mayor dati noong panahon ni Marcos ay siyarin ang may-ari ng bangko. Pagdating sa bangko ng magsasaka, ang isasagot lang diyan puro amen. Sapagkat mismong ang bangko ay dominante sa kanya. Sa mga tinutugis ng military, at ibang legislators hindi ganoon kadali. Ngayon sa Chapter 3 Section 51 paragraph ng ating Agrarian Code of the Philippines ay nagsasaad na sa pagpapapatupad ng repormang pang-agraryo ay dapat unahin ang idle and abandoned land. Noon pang 1963, pero wala pang nagagawa tungkol sa idle and abandoned lands. Kailangan po talaga pa namin yan. Kaya po hindi yon napakadaling gawin dahil nagtatayo kayo ng CAFGU. Hindi namin basta napapasok. Pero kung ibibigay sa amin ang lugar, wala yong CAFGU, papasukin ho namin. Bago kayo umalis, Congresswoman

Starke, pakibigay lang po sa amin yaong lugar.

H. Starke:

I don't have CAFGU in my farm although I'm supposed to contribute to the PCFC but I don't know where they are. They are not in my farm. My house was already burned by the NPA, they stole all my cattle, some of my equipment so I think I deserve some CAFGU but I don't have a CAFGU.

I didn't order any cars or UZIs or whatever they are.

You want to come, you are very welcome but you will be near the mountain, near to the NPA area. You could even find your friends up there.

S. Reyes:

Congressman Starke can answer 1 or 2 more questions before she flies to Bacolod.

G. Iglesias:

I'm Dr. Gabriel U. Iglesias from the Philippine Society for Public Administration. I came across some literature (volume on rural Asia). The World Bank and ADB, two very conservative institutions, recommended that in some countries, a confiscatory scheme can be used for land reform where the State will not allocate any resource in achieving the objective of agrarian reform. Can I ask Prof. Putzel whether in the future revision of the land reform law, this scheme can be used? What Marcos did during his time was to pay off some landlords who did not really own the land but simply rented it from somebody.

J. Putzel:

Ever since, John Stuart Mill the proponent of free enterprise and capitalism advocated land reform program by making distinction between land and other forms of property. Land is a gift of nature and not created by anybody. Therefore nobody has the right of property over it. That is what's behind the WB and the ADB statement that I have read. On March 1987, the bank sent a mission here and they made a detailed recommendation on agrarian reform and submitted it to the government. In that recommendation, they called for a program that will be readily and rapidly implemented and said that the beneficiaries should only pay P600.00/hectare for the land. In other words, a very minimum amortization payment.

They also proposed that the landowners be compensated based on the productivity of the land. This has been done in most agrarian reform programs in Asia. In other words, they conceived it quite possible to have redistributive reform, in the context of free enterprise economy.

In 1969, the same Roy Prosterman went to Vietnam, and drafted the General Land Reform program. Now it was too late to stop the insurgency there which he admits himself. His program is based on the free distribution of the land and very low compensation for landowners. In South Korea, that democratically elected Park Chung Chee was very much a friend of the big landowners. But due to political circumstances the land reform program basically eliminated landowners

from the scene and only some of his friends have come to new heights of power. They were compensated with very little by the program. One can't say that the system in South Korea offers the possibilities for distributive reform. One has to look for the character of the existing system in the Philippines. I understand why no redistribution has taken place here.

S. Reyes:

At this point I would like to acknowledge the presence of Cong. Ronnie Zamora. I am really glad that he made it even though he has to take time out from the floor introducing local bills. I guess to get him into the discussion, we could ask him what happened in the reconciliation of the House and Senate versions because he was in the Conference Committee. What exactly happened there, what were added? This bill according to Cong. Starke was given to the House only one hour before voting. Would you like to ask some specific questions, Dr. Salita?

D. Salita:

The question I have is in reference to the commercial farm. According to Cong. Starke here, that was not included in the House bill before the joint conference with the Senate. Is it true?

R. Zamora:

Perhaps I should explain what the Conference Committee does. You know in our system of government, we have 2 chambers, the House of Representatives and the

Senate which would often draft bills that are completely different from each other. What Cong. Starke was saying that we did not have the term commercial farms in our version is correct. But the Senate has. What we have instead were provisions of corporate farming which the Senate did not have. And what we did was try to reconcile our provisions of corporate farming with their provision on commercial farms. The result was what you can find in CARL.

Basically what Cong. Starke was talking about was baka naman nalamangan daw ang mga landowner. Sinasabi niya na what they thought, at least in her group when they read our version, na under corporate farming, they could be free from the reaches of agrarian reform, more particularly the redistributive aspects. With the Senate version, commercial farming was just a temporary delayed redistribution of farms of this nature.

Right from the beginning, I never thought that simply because you were in a corporate farm, you are now free from land reform in any of its aspects. And so when we got in the Conference Committee, there was almost immediately an agreement on that subject. Kaya walang nakalagay doon na commercial farms but instead provisions on corporate farming. In the conference committee, we thought our provisions compared fairly well with the Senate's.

D. Salita:

The other point is that in the case of livestock farming for instance, there is no active cultivation of the land. How come that it was placed there?

R. Zamora:

Totoo po yan. But then we would have to interpret agriculture narrowly if simply because you do not cultivate land, therefore you are free from agrarian reform. You may be able to free 50%, 70% of the total land area of the Philippines just using that definition. For instance, coconut farming, if you listen to people who own coconut farms, is not farming. And they call it basically as collecting.

And they say that since no one is farming anything, these trees live up to 80-120 years. Their generation never had a chance to plant trees, never had a chance to cultivate, never had the chance to till and their children will never have a chance either, bakit daw sasabihin na farming yan? Bakit daw yan subject to agrarian reform. But if you carry that definition, then you might as well write off the entire idea of agrarian reform. You might as well write off the idea, for instance that prawn farms are farms in more than one sense. To me, nagbabanat ka pa rin ng buto, kailangan pa bang ihiwalay? Ano talaga ang included sa farming? Rice and Corn? Rice and corn noong PD 27 tapos na. Anong puwede, cultivation of plantation crops? But under other provisions, sinasabi ng iba na hindi puwedeng isama. Ano ang puwedeng isama, tinatanong namin. Di mabuti pa huwag na lang isama maski ano.

J. Tadeo:

Siguro puwedeng akong tumulong, kasi ginagawa namin sa Commission ang saligang batas

naging mainit na talakayan what do you mean by agricultural lands? Kinakailangang magkalkal at magkukutkot talaga ang agricultural lands by definition. Gusto kong banggitin sa bagong Constitution sa Art. XIII second sentence section 4: "the state shall encourage and undertake the just distribution of all agricultural lands." Ano ba ang ibig sabihin ng agricultural land? Ang agricultural land ay lupang binubungkal ngayon at lupang hindi pa nabubungkal na puwedeng sabihin including fish pond and salt bed, basta merong cultivation.

Tulad ng coconut o mangga paano papasok rito. Unang pagpapasok, pag-aalaga, hindi ba't bahagi 'yan ng cultivation? A fishpond, meron diyang cultivation, kasi paano mo papalaguin yong fries?

Pero ang nilagay namin doon sa Section 4 second sentence ay "to this end the State shall encourage and undertake the just distribution of all agricultural lands." Pero sa ilalim ng profit-sharing walang land redistribution kaya 'yan ang paglaboy mismo sa saligang batas.

R. Zamora:

Alam ninyo, Ka Jimmy at siguro narinig na ninyo ito. Pagdating sa Conference Committee, ilan sa mga miembro ng mga panukala ang gumamit ng mga transcript mula sa Constitutional Commission? At madalas gamitin ang mga sinabi ni Ka Jimmy Tadeo. At ako'y natatawa't para bagang bibliyang nakakaabot at nababangit. Kaya ito, marahil ay isang leksyon sa atin na pagdating ng panahon na mapasok natin ang organisasyon na nagme-maintain ng mga records, anytime we join any assembly, or any organization which

keeps public record dapat mag-ingat tayo sa mga sinasabi natin. Pero tama ang sinasabi ngayon ni Ka Jimmy. Naiintindihan ko yan.

Ang problema siguro dahil sa liit ng panahon, dahil sa maikli lang ang panahong ibinigay at itinakda para sa Constitutional Commission, madalas hindi naipapaliwanag ang mga nasasabi ninyo. At ano ang nangyayari?

Ang katotohanan ang mga binabanggit ninyong mga alternative arrangement, lahat 'yan na nakasalalay sa mga nasabi ninyo ng mga kasamahan ninyo sa Constitutional Commission. Ngayon puwede nating pagtalunan 'yan.

Ang problema, nandoon nakaupo kami 22, madalas nababanggit ang mga sinasabi ninyo. Gaya nitong ang mga provision on the tiller of the soil. Pag binabanggit ni Ka Jimmy, tiller of the soil, di siyempre sasabihin natin, tiller. Sino ang nagtittill pagdating sa coconut land. Maniniwala ba sa sinabing till, nagbubungkal, nagaararo, nag-aani. Totoo nangyayari nakakalimutan ng ilang bagay na kasing halaga doon sa actual tiller. Gaya sa coconut, after planting ang growing it, you may reach 400 years just collecting doing no tilling at all.

Kaya ano ang nangyayari ngayon? Nagkaroon ng isang compromise ipinalit ang lupang under that definition hindi nailalagay. Bigyan mo naman ng konting alternative arrangement. Hindi namin ibinigay ang lupa sapagka't kung ang ibinigay naman ay maliliit ang sasabihin hindi economically feasible. Sa dating gawi, stock-sharing, profit sharing. Kaya ang nangyayari dito sa batas na ito, marami ang mga pagbabago at marami ang mga compromise. Ang katotohanan ay

wala naman talagang napapaligayang buong-buo sa ganitong klase ng sistema. At ngayon, ang lalong mahalaga ay paano ba ito implement, if all it is being implemented.

J. Tadeo:

Alam ninyo ang tungkol sa coconut, noong ako ay Commissioner, ini-explain ko sa kanya ang tiller of the soil, bahaging pag-aalaga ng coconut. Hindi ko maintindihan ano ang

Kasi lahat na ipinaliwanag ko, mula sa primary right, basic right ay pinatanggal noon. Ang primary right noong tiller Agros basic rights, ayaw din nilang pumayag. Ngayon nakita ninyo naman kung paano tinatanggal lahat yan. Ipinaliwanag namin lahat ang problema ng mga magbubukid, hindi ko nga alam kung paano. Ako ang nagpaliwanag ng solution namin sa agricultural land. Kasi ako talaga ang nagdadala ng talakayan doon.

Ang hindi ko malaman kung ano ang nangyari noong nag-uusap kayo. Isang punto lang siguro, ginawa ko ang lahat ng paraan pero alam namin ang power game sa anumang legislatura at talo ka sa panig na 'yan. Hindi ako nagkulang sa paliwanag, pero ano naman ang naging interpretasyon doon, wala na akong magagawa roon.

S. Reyes

Any point of clarification from the audience?

J. Tadeo:

I would like to answer Prof. Putzel about Roy Prosterman. Actually I am for a progressive agrarian reform that cost only P

600/hectare of land. A very progressive one compared to the CARL.

But the Philippines will still remain a supplier of raw materials and cheap labor because these will not include plantation crops.

Regarding the progressive provision submitted by the IMF-WB, Roy Prosterman is behind that proposal.

J. Putzel:

Actually, I never used the term progressive because I think that in many ways that Prosterman portion is much more conservative, in terms of defending interests and long term dominance in the political economy of the Philippines. I think that is why the WB, ADB are proposing such formulas.

R. Zamora:

According to Cong. Starke, the 5 hectare retention limit has also affected the productivity of the farmers because banks are no longer lending them for fear that there is not enough collateral to pay back the loan. And because of this low productivity, we now experience the rise in the prices of basic commodities. And she also mentioned that the government policies seemed to be the culprit in this high cost of living we are now experiencing. What can be done about these?

J. Tadeo:

Ito pang objective condition na katayuan pa ng magsasaka ngayon ay heavily indebted sa ilalim ng Masagana 99 dahil sa pagtaas ng cost of production at pagbaba ng halaga ng kanilang produkto, walang natitira sa kanila.

Sa ilalim ng programa ng gobyerno, meron siyang enhancement program na nagbibigay ng 15% interest sa loob ng isang taon. Napakababa. Ang nakakapag-avail lang nito ay 10% ng mga peasants na nakakabayad, ang tanong ngayon saan nagpupunta ang 80%. Ang 90% na 'yan pupunta sa rural bank pero ang kanyang patubo 30-60%, pero kailangan nila ang collateral. Walang collateral, saan sila ngayon babagsak? Sa usurero, na nagpatubo sa bawa't bag ng pataba mong kunin, 3 cavans of palay, sa bawa't kaban ng bigas, 3 cavans palay. Ganyan ang sinasabi tungkol sa comprehensive land reform ni Sen. Osmeña. Sayang nga at hindi kami nagkaroon ng pagkakataon na pag-usapan ang dahilan ng pagtaas sa bigas. Ang hindi po alam, sa Tarlac, makikita po natin ang conversion ng taniman sa subdivision lots. Kaya sino ang may kasalanan? Yaong naglagay ng provision sa batas ang siyang may kasalanan. At sino, kaming magbubukid бага?

R. Zamora:

Walang duda sa pagdating ng panahon siyempre ang mga nag-aalala na mawawalan sila ng lupa ay gagawa ng lahat ng hakbang para makaiwas. Wala tayong magagawa diyen. Ganyan talaga ang ugali ng bawat tao. Kung puwedeng makaiwas, iiwas, kaya puwedeng makaiwas doon sa redistributive aspect ng agrarian reform by stock conversion in the DAR, at hindi natin mapipigil maski ano mang batas ang gawin ninyo, basta may exemption, talagang gagamitin. Totoo 'yan at hindi ko tatanggihan. Ang problema dito ay kung ang government agencies natin ay handa na magpaloko o handang tumulong sa pan-

loloko, ganyan ang magiging problema natin. At puwedeng mangyayari ito sa Pampanga, Bulacan, Tarlac at puwedeng mangyayari ito sa buong bansa.

Kaya inaalala namin ngayon, na nandito ang DAR, ay kung paano tatakbo ang ating implementation. Ako'y naniniwala na magkakaroon ng tunay na agrarian reform, even if you try to distribute all the land available down to three hectares and necessarily production must suffer. I think if there will be a decline in production, it will be on a short term. And that eventually, the peasant realizing that for the first time he is working for himself and recognizing that there are support services that can be availed of, he will be convinced that the government has the political will to support him fully. Ako'y naniniwala na ganyang klaseng magsasaka ang nagpapalago ng kanyang ani, at kung anuman ang pagbawas sa production, yaon po ay para sa maikling panahon at in the end lalago pa ang production.

Ang problema, totoo merong mga butas diyen, pero pag hindi mo naman nilagyan ng butas, paano naman ang mga pangangailangan ng mga hindi magsasaka? Hindi naman puwede na sabihin natin na lahat ng lupa na hindi ngayon urban, commercial, industrial, lahat ay ipailalim na sa land reform. At some point, tayo naman ay mababaon doon sa sinasabi ninyong that we will be forever consigned to the status of exporters of cheap labor and producers of agricultural commodities. We will have to take off. Pirmi nating sinasabi, industrialization. Pag hindi naman natin idi-devote itong resources natin para magkaroon nito, ano ang mangyayari sa

atin. For instance, that area of Bulacan all the way to Tarlac, nandiyan ang napakagandang kalye, nandiyan ang naggagandahang distribution areas. Baka puwede nating sabihing dito na natin ilagay ang commercial, industrial industries. Nagtataka ako dahil sa pinaglalaman nating lupa, ang katotohanan ay doon sa more progressive countries, siguro ang agriculture ay hindi lang 10-12% of the population, baka ang land area 10-12% lamang din.

Kaya dapat pag-isipan natin talaga na ilagay sa maayos ang resource allocation natin. Ngayon mga loopholes na puwedeng gamitin sa masama, puwede na ring gamitin sa mabuti. Ang nangyayari ngayon ay para ito sa masama, baka puwedeng tingnan kung paano ba ito i-implement ng batas. Sana nandito ang DAR na magsasabi kung ano ba ang nangyari? Dahil after one year, wala kaming nakikitang impact. 'yan ang katotohanan.

J. Tadeo:

Sasagutin ko lang sandali yong sinabi ni Cong. Zamora. Malinaw ang posisyon nang ang mga organisasyon na hindi sapat upang ang agraryo na walang kasamang industrialization. At maliwanag kaya ako bumoto ng "no" sa Constitution, sa ilalim ng Chapter 12 tungkol sa national economy kasi doon sa 1st and 2nd paragraphs nito ay nagsasabing ito ay: "The State shall promote industrialization and full employment based on agricultural sector as the lead in development." Ako ay nakiusap kay Sen. Rodrigo, puwede bang ilagay natin ang term na "together with" para talagang kabalikat "concomitantly" o "along with". Nani-

niwala ka bang hindi sila pumayag?

Mula sa Aparri hanggang sa Jolo kailangang magpatayo ng pabrika. Ngayong lang ang problema natin ang patakaran ng gobyerno... import liberalization. Paano kang babangga. Isa kang maliit, babangga ka sa pader mananalo ka ba noon? Ang panahon ni Marcos 991 items ay isinama ng ating Presidente noon. Ngayon 2,000 items ang milista ng gobyerno kung anu-ano lang.

S. Reyes:

Any other question or comments? I don't know if this was raised when I was out for a while but I'd like to know Ka Jimmy, what's happening with CPAR?

J. Tadeo:

Nagtatag ang organisasyon, di lamang ang KMP ng signature campaign tungkol doon sa referendum and system of initiatives. Ang pagtulak nitom ang totoo ay napagtibayan ng Congress for People's Agrarian Reform. Nagtatag sila ng mga regional chapters ng PARCODE. Ito ang tunay na kalagayan ngayon, patuloy silang nagtatag ng regional chapters.

S. Reyes

After an hour of discussion of the implementation of CARL, we are back to the very basic question whether the program as it is formulated now ends all the problems of our peasants. It is quite frustrating for me that the DAR representative here left as soon as he saw the other panelists. And that is very disappointing for there is really no one to tell us the brighter side.

We really wanted some positive suggestions, some concrete recommendations. But we will still try to be as balanced as possible. And at this point, we are ending with a note of great hope.

D. Salita:

Let us write to DAR to inform us formally how much has been done in phase I, because under that, PD 27 should be completed. And the distribution of idle and abandoned lands. How much was accomplished and how much more needs to be done?

R. Zamora:

The problem with the law that we enacted is that it is not just a product of compromise but more important now that it is finally taking place, that requires tremendous amount of resources to be devoted to its implementation. That requires a greater amount of political will on the part of the government, that requires sufficient goodwill, sufficient good intention from everyone who will be involved in its various aspects. And as you don't have any effective machinery, then it is not a vehicle but an obstacle for the development of our countryside. It is a significant law in that respect. It will be a law that will be pointed for many many years, because of its failure and this is why we have always tried to find out in Congress what has been done. By now, provision on the support services should have been implemented. Anytime you go to the provinces, any farmer when asked whether the DAR has been paying any attention in providing the needs for support

services, you will find very negative answers. And without these support services, the program doesn't stand a chance.

If the provisions of the law are implemented according to the plans, then you will find out that 1 or 2, 3 years these lands would have been transferred. If you can not distribute the lands below 50 hectares, no one would believe that you could distribute land larger than 50 hectares. We have tried to convey a sense of urgency in the law and tried to listen to everyone and any organization that needs to be heard. But if the implementors do not see the urgency, then the whole thing is lost. And this why we are very concerned.

R. Zamora:

I don't think that the law itself can assume that all those provisions that gave DAR vast powers was correct. In the final drafting of the law, it was clear that the peasant organizations would play a very minimum role within the implementation of the program although it was agreed that these organizations will be given a major role in the implementation of agrarian reform. The People's Agrarian Reform Council was replaced by Provincial Agrarian Reform Council that was suggested by Cong. Cojuangco. So I think it is wrong to say that the law stands there, it's not best but if implemented, we can move forward. I don't think so. The lawmakers realized the law will be costly when implemented.

About DAR, there are two positions in the Department. The first one is the conservative position. They conceive the land reform as

top-down AR, that the program generally stays in the heads of the government. This is a government-implemented program. PD 27 actually is such a transaction and all that remains is a backlog of paperwork.

If you go around and talk with those recipients of land transfer certificates, they say they're still paying their landowners, and I ask them when do they think they would stop paying them, when will their amortization finish, and they answer only time can tell. These people are still held by their landowners.

The second position is made up by the newcomers who are very enthusiastic. They are involved in redistributing land, and they think that the NGOs and people's organizations should be involved in the agrarian reform process. They are quite new in the government bureaucracy, they work at around 7:00 a.m. till late at night, working very, very devotedly. And they also feel that this objective is to get the lands to the peasants even if they only distribute 10% of cultivated land. What is the problem with these two positions? The first was strongly affected by PD 27, top-down with peasants/grassroots uninvolved. The program will then exist only with the relationship of tenant-landowners improved. The second position believes that they can implement this program by attracting academics and NGOs to support them.

R. Zamora:

Cong. Guanzon voted against, Cong. Starke voted "for" for she was not going to vote with Cong. Gillego no matter what. There is no question

that when it came to the Conference Committee, the Senate's version contained more apparently progressive provisions. In technical terms, they were not prepared, they did not know what they were talking about. So, Cong. Garcia who was also an outsider quoted Jimmy Tadeo as if Jimmy Tadeo was in effect supportive of the view that you did not have to redistribute land to have an effective land reform program.

So what we ended up with was a position that we thought later on to be rationally implemented. This is the way things happened.

We have heard of the majority/minority position in DAR but should communicate with Congress and tell as what is happening.

You were right: what's going to happen if this continues? We are to fight off further attempts to expand the exemptions.

S. Reyes

At this point, I would like to call the President of the Philippine Social Science Council to close our consultation forum.

A. Tan

For those friends and guests today who are not familiar with the Philippine Social Science Council, the PSSC is composed of 14 social science associations. It was created 20 years ago. And maybe for the first dozen years of its existence, it had more of an academic position. Around 1980, the Council was determined to take a more active role in national affairs and social issues. This commitment is embodied in our agenda towards the year 2000. As part of that commitment, we have this series

of fora and this is the first for the calendar year.

The social scientists would perhaps contribute some ideas about the implementation of agrarian reform. Only the main resource person of the issue/topic is not here so the forum became CARL itself. But at any rate, we learned a lot in terms of the passage and background of CARL. I think these are some of the things I picked up as a social scientist. First, most of the inputs that went into CARL were from social philosophy, the type of questions on concepts of justice and individual rights and proprietary rights but in terms of social science inputs, in terms of empirical data, empirical knowledge, I gathered that there really was not much of an impact which means that as social scientists we still have work to do if we want to pursue this commitment towards having impact on national affairs.

And if I have to say a few words from my own field, which is one of the less policy-oriented, psychology, whatever input the social sciences had on land reform or agrarian reform, it has mainly concentrated on the material side, meaning productivity, hectares and economics and so on. But on the non-material aspect of agrarian reform, like for instance, what Prof. Putzel has said: that the compensation is actually more than the market value, and I guess this is simply that aside from the market value, you pay something more on the "extra-value."

At any rate it has been a most informative discussion and I wish to thank our resource persons, Cong. Zamora, Cong. Starke, Mr. Jimmy Tadeo, Prof. Putzel and Ms. Heidi Cruz. Thank you very much.

An Overview of the External Debt Problem

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When the debt bomb exploded in the Philippines in September 1983, many Filipinos were caught by surprise. The average man on the street did not know what hit him. All he knew was that government did not have enough funds to provide basic services, jobs were scarce, prices were going up even as incomes were plummeting, and there was scarcity of food, medicines, houses, and opportunities for a better life.

Recently, a survey conducted by a leading social scientist indicated an increasing awareness of the external debt problem. In a comparison of 1987 and 1988, the rating of the Aquino administration went down on two issues: debt

management, and graft and corruption. From a positive rating of plus 14 in 1987 to minus 12 in 1988 on debt management, indicating greater awareness of the problem on the part of the people and increased dissatisfaction with government solutions.

The ongoing debt debate with the Senate, the House, the Executive and the Freedom from Debt Coalition as active participants has further increased public awareness of this crucial problem. The media, through talk shows, interviews and newspaper articles have likewise brought the debt issue down to the level of the masses. More than any of these, however, the perceived increase in poverty, and government's continuing inability to

provide for even the most minimal of services, have sharpened the awareness that there is a direct link between their continued poverty and the pervasive debt problem.

Thus, many organizations, ranging from the professional groups, religious associations, and people's organizations — e.g. peasants, workers, and the urban poor, have taken it upon themselves to learn more about the debt problem and how it affects them.

THE EXTERNAL DEBT: WHAT DOES IT LOOK LIKE?

Contrary to popular notion, the Philippine external debt is not just

the external debt of the government. It is composed of the debt of both the public sector (including the Central Bank) and the private sector. The Philippine external debt is considered the debt of the entire economy and affects all of us, whether we are in the public sector or the private sector.

How Much? Representatives of the Central Bank reported at the hearing of the Senate Committee on Banks and Financial Institutions last June 28, 1989, the external debt stood at \$28.008 billion.

The figures reported by the Central Bank reflect a steady increase in total external debt in spite of efforts by government to reduce the debt burden:

October 17, 1983	\$ 24.095 billion
February 28, 1986	26.342 billion
December 31, 1988	27.915 billion
February 28, 1989	28.008 billion

The above trend shows that current efforts at debt reduction have not been successful in effectively reducing the total debt stock of the country.

Breakdown as to Maturity. In terms of maturity or period of repayment, a loan can either be short-term with a maturity period of one year or less; medium-term with a maturity period of up to five years; or long-term with a maturity period of more than five years. Central Bank figures indicate that majority of our loans have medium and long term maturities, thus:

short term loans	\$ 3.873 billion	or 13.83%
medium term loans	24.135 billion	or 86.17%

Who Borrowed? The same set of CB figures clearly indicate that the public sector accounts for more than 4/5 the total external debt:

Central Bank	\$ 6.045 billion	or 21.58%
National Government	16.599 billion	or 59.26%
Private Sector	5.364 billion	or 19.16%

The combined external debts of the Central Bank and the national government account for 80.84% of total external debt.

Who Lent? Again, contrary to popular misconceptions that all our loans come from the World Bank and the IMF, creditors are classified into four categories: multilaterals like the World Bank, IMF, and ADB; bilaterals or countries like the United States, Japan, and others; commercial banks and financial institutions, and others. The following is a breakdown of our external debt by lender:

multilaterals (WB, IMF, ADB)	\$ 5.047 B	or 18.02%
bilaterals (US, Japan, etc.)	6.714 B	or 23.97%
commercial banks	13.620 B	or 48.62%
others	2.627 B	or 9.38%

WHAT ARE THE IMPORTANT CHARACTERISTICS OF OUR EXTERNAL DEBT?

Huge Public Sector Borrowing. A very significant feature of our external debt is the fact that 4/5 or 80.84% is accounted for by the public sector. What is the implication of this characteristic for the ordinary Filipino?

Official figures indicate that 1/2 of the Filipinos live below the poverty line. Studies by social scientists estimate poverty incidence as affecting 65% to 80% of the population. Thus, many Filipinos cannot on their own provide for their basic necessities. Therefore, they look to government to provide them with potable water, medicines, employment, housing, and education.

Is the government able to respond to these urgent needs of the poor? No. A major reason is that a large portion of the national budget goes to the debt service burden. Government cannot allocate most of its resources to the people's needs because the debt service has to be given priority.

The debt service burden for public sector debt has a direct effect on the national budget and deprives the poor of resources which could have gone to them.

Large Commercial Bank Debt. Nearly 1/2 of our external debt or 48.63% is owed to commercial banks. What is the implication of this particular feature of our external debt? This means we have no control over interest rates. Commercial bank interest rates are primarily based on the London Interbank Offered Rate or LIBOR which changes with developments in the international financial market. It has been pointed out that a 1% increase in international interest rates will result in an increase in interest payment by \$130 million. In 1988, interest rates rose by 2% thus increasing our interest payment by \$260 million.

How much is the equivalent of \$260 million in terms of services for the poor?

Inexorable Growth of the External Debt. Under the present situation, whether we borrow or not, the external debt is growing steadily, day by day. This is due to increase in interest rates, fines and penalties over which we have no control. A major reason is revaluation. While our external debt is recorded in dollars, we have borrowed in other currencies, primarily the Japanese yen.

It has been pointed out that our external debt stock was reduced by over \$2 billion since 1984 by debt-equity conversions. On the other hand, our external debt increased from October 1983-February 1989 by \$3.017 billion due to revaluation, principally of the yen. For the same period, \$545 million was added to our debt stock as equitized interest, resulting in a total increase of 3.5

billion against a decrease of \$2 billion.

What is clear from above is that existing voluntary debt reduction schemes cannot catch up with increases in the debt stock due to revaluation and increase in interest rates. One is reminded of the myth of Sisyphus who perpetually labors to push a huge rock up a mountain, only to have it roll down.

WHAT IS THE IMPACT OF THE EXTERNAL DEBT BURDEN ON THE POOR?

Reduced Government Services

As shown earlier, the immediate and direct effect of a huge public sector debt is on the national budget. For the past three years, the massive debt service burden which is automatically appropriated has been the source of much frustration and despair. Contrary to the provisions of the Constitution, it remains the largest single item of expenditure, exceeding the combined expenditures for economic and social development. The debt service burden for the national government debt from 1987-1989 is:

1987	—	P65.8 billion or 41.08% of the budget
1988	—	86.3 billion or 45.32% of the budget
1989	—	100.4 billion or 44.03% of the budget

In 1989 for example, the poor will be deprived of P 100.4 billion worth of roads, employment

opportunities, badly needed medicines, potable water, school buildings and classrooms, textbooks, and hospitals and medical services.

Health statistics are particularly depressing. The Health Department asked for a minimum of P 900 million to provide basic medicines for the people in 1988. Because of budgetary difficulties, the government could only allocate P 300 million. Again, the same request was made for 1989. The government could only allocate P 450 million.

It is not therefore surprising that one-half of the Filipinos are born, live and die without seeing a doctor. Researchers have also pointed out that every hour, a Filipino child dies because funds are not available for the care of the children. Forty-four percent of our barangays don't have clean and potable water. This is a serious deficiency considering the fact that 80% of common Filipino diseases are transmitted in contaminated water.

The Poor Bear the Burden of Stabilization Policies. In its desperation to resolve chronic debt crises, the government has time and again turned to the International Monetary Fund for stabilization loans. These loans are accompanied by conditionalities which heavily impact the poor, like reduction of levels of government expenditures, increases in taxes, increases in public utility rates, removal of subsidies, freezes on wage increases, and the like.

The UNICEF has conducted studies evaluating the impact of stabilization policies which are imposed as conditionalities for IMF

loans. A detailed case study on the Philippines clearly shows marked deterioration in health, education, nutrition and housing. The same study likewise noted the heavy toll on children, as indicated by the rise in number of abandoned children, street waifs, and the increase in child prostitution.

Nevertheless, we have not learned our lessons. Last March, the government embarked on its 20th loan from the IMF amidst much criticism and protest from the public.

Obviously, the debt problem cannot be solved by the government alone, using traditional and conservative approaches. The people have an important role to play. After all, they are literally and figuratively paying for the debt even as they have not benefited from a number of these big loans.

They have joined hands and speak with one voice: FREEDOM FROM DEBT!

THE ROLE OF THE PEOPLE

It is now recognized that the external debt problem is not just a business and technical problem involving complex negotiations between the creditor institutions and the government. The debt problem is not just an esoteric issue reserved for the mandarins of finance. It has much broader economic ramifications; it has political dimensions and directly affects social development. It is recognized as a moral issue by no less than the Pope himself and by leading religious

authorities. After all, there is no morality in the continuing outflow of resources to advanced countries even as the poor in the developing countries continue to increase in number and their suffering, especially those of the children, escalating.

The Freedom from Debt Coalition (FDC). The persistence of the external debt problem, the inability of the government to effectively reduce it, and aggravation of poverty led to the organization of the Freedom from Debt Coalition. The FDC, founded in April 1988, is a broad coalition of professionals, cause-oriented organizations, religious associations, and socio-civic groups.

The FDC has for its members all the six major cause-oriented coalitions: Bagong Alyansang Makabayan (BAYAN), BANDILA, Buklod and Democracy (CON-FREEDEM), Demokratikong Sosyalistang Kaisipan (DSK) and Volunteers for Popular Democracy. It also includes established economists, businessmen, public administration experts, and social scientists.

One hundred and forty-four organizations, and individual members of the FDC have agreed to speak with one voice on the external debt and have presented three minimum demands: declaration of a moratorium on foreign debt service payments until acceptable terms are won; disengage from loans which did not benefit the people; and limit debt service payments to not more than 10% of export earnings to enable the country to finance economic recovery.

Additional positions include: oppositions to World Bank and IMF conditions which are inimical to national interest; the use of funds saved from debt service cap to urgent programs like agrarian reform, nationalist industrialization, education, health and housing; and development of effective options to counter possible retaliatory measures by creditors.

FDC activities include policy analysis, education, and campaigns. It has published positions on debt-related issues and problems. A primer on the Philippine Debt Crisis has been published and is now on its second printing. It is being translated into Tagalog and Cebuano. Since women are especially affected by the debt crisis a primer on women and debt has likewise been published.

FDC has conducted numerous seminars on various dimensions of the debt problem either singly or in cooperation with different institutions. It receives an average of five requests a day for briefings on debt from all over the country—whether from the Ilocos regions, the Bicol provinces, the Visayas, Mindanao or from Metro Manila. Requests come from equally diverse groups—urban poor, peasants, workers, religious, and socio-civic groups.

The FDC has led in mass campaigns to dramatize the debt crisis and pressure the government into taking action. It led the campaign against the Letter of Intent sent to the IMF. Last July 24, 1989, it led a massive cultural parade of over 15,000 marchers dramatizing the real state of the nation.

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ECONOMIC DEVELOPMENT, INFLATION and the LOI/MEP

*Purita F. Neri**

Central Bank of the Philippines

One of the most talked about, often criticized and perhaps misunderstood documents these days is the Letter of Intent (LOI)/Memorandum on Economic Policy (MEP) prepared in connection with the country's availing of the Extended Fund Facility (EFF) of the International Monetary Fund (IMF). The MEP laid down the Philippine Government's Program (Program) for economic advancement, setting out the objectives and targets to be achieved, the "ceilings" and "floors" (performance criteria) to be observed and the policies and measures needed to achieve these objectives.

The MEP has been blamed for many of the adverse developments in the country today e.g. rising domestic prices or inflation, rising interest rates, etc. ironically the very factors it seeks to stabilize. While some of the criticisms may be valid, others are not, often suggesting little or no appreciation of the problems involved, the constraints and trade-offs in solutions to economic problems and the rationale and thrust of the MEP. If in blaming the MEP for inflation and other economic ills, the national attention is directed from the basic issue at hand (e.g. the need to work together in solving the problems to get the country moving, is obscured by undue concern over the MEP) then a disservice is done to the development effort.

The purpose of this piece therefore is to help focus attention back to the basic problems of development and the role of the MEP

and the citizenry in solving these problems.

The Problem

The overriding problem of developing countries like the Philippines is the scarcity of resources compared to the need for resources. Resource availability is generally limited by the low incomes, productive capability and efficiency to produce goods and services which also constrict borrowing capacity. On the other hand, the demand for resources for consumption purposes (food, clothing, shelter, etc.) which often compete with resource demand for investment purposes (development projects such as infrastructure, machinery, technology, plants and other installations that increase output and productivity) generally far exceeds the availability of resources. The tendency to spend beyond one's means therefore is strong in many countries and is one of the most difficult to resist or control particularly in relatively poor countries where the reduction of consumption is politically unpalatable, or in worse cases, unconscionable.

Overspending which is the root of economic misery is made possible temporarily by the creation of money. Unfortunately, as has been demonstrated time and again in the past in this and other countries, the likely consequences of prolonged excessive liquidity and overspending are rising prices or inflation, balance of payments problems, recession, etc. which seriously set back the

development effort and compel the citizenry to suffer cuts in consumption just as well. An underlying thrust of the MEP or Program therefore is to ensure that the economy, as a whole, lives within its means as it develops and grows to sustain economic progress and stability over time.

Thrust of the MEP

Broadly therefore, to ensure that the economy has the means to grow with stability, the MEP seeks to 1) increase the saved resources available for investment in development projects; 2) limit the growth or expansion of money to rates consistent with growth and price objectives; and 3) enhance productivity or efficiency in resource utilization.

Increasing Investment Resources

Investment resources may be augmented by 1) increasing domestic savings as incomes rise and 2) encouraging the inflow of external resources.

Domestic Saving

Domestic saving refers to that portion of earned income which is not consumed or spent on consumption goods by residents and is considered the most ideal means of financing development. Given the income level, the higher the savings rate is (or the lower the propensity to consume) the more

resources would be available for investment in development projects and the faster the economy would grow.

In very poor countries, the savings rate is low because incomes are low and are used up for basic necessities leaving nothing to save and invest in development works. In this case, the principle of the "vicious cycle of poverty" is operative and external assistance is often needed to break the cycle. In economies with relatively higher incomes, savings could remain low if people choose to consume more (or enjoy a better life now) than increase saving and investment for the future. In this case, people might need to be motivated to save and invest more of their incomes than to spend in consumption goods if growth is to be accelerated. Thrift and frugality therefore are personal virtues essential to economic advancement which are sought to be encouraged by market-oriented policies and appeals to the citizenry's sense of patriotism and self-reliance.

The containment of inflation and adoption of market-oriented policies to allow for positive interest rates on deposits are intended to promote domestic saving to hasten development and growth.

Foreign Saving

Another source of investment funds is foreign saving or borrowing from external sources as measured by the current account deficit of the balance of payments. While recourse to foreign borrowing may obviate the need to reduce domestic consumption this source of funding would be limited primarily by the ability and willingness of the foreign creditor to lend or invest. Equally important, external borrowings would also be limited by the debtor country's capacity and ability to

TABLE 1

Percent Distribution

	ACTUAL		PROGRAM			
	1988	1989	1990	1991	1992	AVE. 89-92
Total Sources of Financing	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Foreign	<u>5.5</u>	<u>10.8</u>	<u>11.0</u>	<u>9.9</u>	<u>8.9</u>	<u>10.1</u>
Domestic	<u>94.5</u>	<u>89.2</u>	<u>89.0</u>	<u>90.1</u>	<u>91.1</u>	<u>89.9</u>
Public	3.3	6.8	13.2	16.5	17.8	13.6
Private	91.2	82.4	75.8	73.6	73.3	76.3

service or repay such loans upon maturity. Funding from external sources also carry the responsibility of investing the loan proceeds in foreign-exchange-saving or earning projects to increase production and export earnings which would provide the means with which these loans would be repaid when due.

Otherwise, as was experienced in this country, excessive foreign borrowings which required heavy debt servicing caused balance of payments deficits which exerted pressure on the international reserves and caused the exchange value of the peso to depreciate and raised domestic consumption. With the adoption and implementation of the MEP, foreign loans and investments would be expected to flow in.

Investment Requirements under the MEP

According to the Program, to achieve a 6.5 percent average annual growth rate in real output while containing the average annual inflation rate at single digit levels in 1989-1992, total investments should rise from 18.2 percent of GNP in 1988 to an annual average of 23

percent in 1989-92. Domestic savings are programmed to finance an average 90 percent of total investment requirements in 1989-92 while the remaining 10 percent would be sources from foreign savings. Investment funds are expected to come from the following sources (See Table 1).

Limiting Monetary Expansion

Investments may also be financed by domestic borrowing or money creation when saved resources are not enough and consumption reduction is sought to be avoided. This means of financing abets overspending and is highly inflationary, difficult to resist and manage and costly to control. If uncontrolled, the resulting run-away inflation could destabilize and seriously set the economy back and again force people to reduce consumption or save. Inflation, like taxation, has often been referred to as "forced savings". The primary responsibility of monetary management therefore is stability, by ensuring that the expansion of money or liquidity does not reach or exceed levels which cause prices to rise.

TABLE 2

	1989	1990	1991	1992
Monetary and credit (annual average) %				
Broad money	16.5	15	13-14	13-14
Monetary base	13	14	11-12	11-12

The expansion of base money and broad money or domestic liquidity would be limited under the program to levels consistent with the growth and price objectives of the program. During the program period, 1989-92, monetary aggregates growth rates were not supposed to exceed the following annual growth rates shown in Table 2.

By setting limits on monetary growth, the tendency to overspend would be reduced. Financing development by money creation to maintain the momentum of growth may temporarily create a false sense of prosperity but in time ultimately cause problems of disastrous proportions. The danger of increasing base money to keep the momentum of growth when saved resources available are not as much as programmed or expected is that it could lead to overspending, external account deficits and inflation rather than growth particularly in the longer term.

If money is allowed to expand to cover shortfalls in saved resources, spending for both consumption and investment purposes would continue and be difficult to stop thus getting the economy into deeper trouble. Moreover, the contractionary measures needed to reduce liquidity would not only affect consumption but investments and growth as well. Selective credit measures were found ineffective in reducing the restrictive effects of contractionary measures on growth.

When adjustment is carried out promptly therefore, economic losses and misery could be minimized or avoided. When the programmed resources saved or borrowed from abroad are not forthcoming the prudent course of action would be reduced spending and adjust targets to avoid the consequences of over-indulgence and inflation. If spending had been reduced in this country even at the expense of revising growth targets during the early nineteen eighties or late seventies when domestic savings and foreign inflows were not enough to sustain program targets instead of pursuing policies to maintain the growth momentum, then perhaps the economic debacle of the early and mid-nineteen eighties could have been mitigated, if not, avoided.

Enhancing Efficiency and Productivity

The other factor sought to be improved by the MEP is the productivity of the economy. If investment resources are relatively scarce in developing countries, then there is every reason to make the most out of available resources by using these resources efficiently and well so that output of a given amount of inputs would be maximized and incomes would be raised. One measure of productivity is the Incremental Capital Output Ratio (ICOR) which roughly indicates the amount of investment (additional capital) needed to produce a given

amount of output. Countries which developed and grew successfully e.g. currently classified as developed and newly industrialized countries (NICs) achieved rising productivity and efficiency through the years. Without productivity increases, incomes are not likely to rise and economic growth and development cannot be accelerated without risking instability.

To enhance productivity, such policy measures as deregulation, market orientation, the dismantling of monopolies and privatization were pursued. The dismantling of monopolies and privatization sought to reduce government presence in business to allow the private sector (which is considered to be more efficient than the public sector) to be the "engine" of growth.

Market-Oriented Policies

Deregulation and market orientation refer to policies which allow the free interplay of market forces with little or no intervention from the government. Experience showed that interest ceilings, credit subsidies and differentials which artificially cheapened credit for certain preferred sectors did not result in increasing credit resources flowing to the target areas but instead resulted in the misallocation and inefficient use of scarce resources, wastages and huge arrearages. Credit subsidies and lower-than-market rates tended to abet intermediation inefficiency, e.g. beneficiary banks relied more on cheap CB rediscount funding rather than on the savings or surplus funds of the community which should have been mobilized by these banks thus rendering them vulnerable to credit crunches. The lifting of interest rate ceilings and the rationalization of the rediscount window were steps

taken to correct the market distortions caused by ceilings and subsidies.

Market-oriented policies on commodity prices are likewise meant to encourage the efficient or economic use of resources. When prices of goods are administratively kept below market rates to favor certain sectors, through subsidies, the burden of bearing the higher costs of such goods is shifted from the buyer, user or consumer of the goods to the government or actually the taxpayer which pays for the subsidy. Since someone else pays for goods to the extent of the subsidy, the consumer is not motivated to economically or efficiently use the subsidized goods. Subsidies could also add to the government budget deficit which could raise government borrowing and crowd out private borrowers from the credit markets. When the buyer or consumer of the goods pays for the true market cost of that good, he is likely to make better use of that good than when it is made artificially cheaper.

When prices paid are market-determined, the consumer or user bears the costs of the good or service. When prices are kept low by subsidies, the government or ultimately the taxpayer bears the cost of the difference between market and subsidized prices. When inflation results from using monetary expansion to maintain spending levels, the entire economy or everyone pays.

While there is no question that the poorest segments of the population deserve government assistance, the question is whether assistance should be in the form of market intervention (subsidies and controls which never worked) or through direct assistance (welfare

and livelihood programs). The former would needlessly subsidize even those who can afford to pay higher price while the latter would allow the concentration of assistance to the targetted neediest groups.

Concluding Remarks

The achievement of the economic goals of the country calls for an increasing amount of resources to be invested in development projects. To augment the resources needed for investment purposes, the public and private sectors would have to increase saving and enhance efficiency. Saving entails "sacrifices" in the form of minimizing consumption spending to maximize investment in development projects. The scarcity of resources also calls for prioritization in the use of resources. Much of the criticism against the MEP involve priorities in the use of resources. Some quarters prefer to "cap" or reduce amounts for repaying certain foreign borrowings and instead use the "saved" amounts for domestic infrastructure, etc. The benefits of this proposal have to be weighed against the costs of losing externally sourced investment funds estimated

at roughly 10 percent of the total investment requirements of the Program. The question therefore is whether or not the country wants to voluntarily reduce consumption and save or sacrifice more to make up for the external resources foregone or otherwise suffer lower growth rates and inflation if the gap is to be financed with money creation.

To improve efficiency or productivity, the appropriate government policies that would encourage a more rational and economical use of available resources would have to be pursued and the right response from the public obtained. The business sector would have to be more competitive in domestic and foreign markets not so much through reliance on costly subsidies and fiscal incentives as through rising productivity and efficiency. The virtues essential to economic advancement would need to be cultivated by the general public, industry and innovativeness by the labor and entrepreneurial sectors and thriftiness, frugality and honesty by every citizen. Unless all sectors and the entire country moves as one in facing economic challenges, the realization of national aspirations would continue to be elusive.

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**Purita F. Neri is the Director of the Department of Economic Research-Domestic, Central Bank of the Philippines. She is also a member of the Editorial Board of the CB Review, a monthly publication of the Central Bank of the Philippines.*

Newsbriefs

National Information Center set up

The Philippine Information Agency (PIA) announced that it has established a National Information Center (NIC) to expand its communication network to provide the people timely and accurate national information about the government.

Located at the PIA office on Visayas Avenue in Quezon City, the NIC will serve as a one-stop information shop on national programs and projects, aside from being a conduit for intra-government coordination of national information activities.

The NIC is equipped with a mini-theater for film showing and development theater presentations, puppet theater, mall, library, press office, training center, and exhibit area. All the facilities of the NIC are available to all government agencies and NGOs for free.

The center also has a secretariat which includes a quick-response unit that processes public information assistance from walk-in clients or those from mail or phone.

The NIC secretariat can be reached at 921-7889 and 921-7941 local 244.

Training Program in Hawaii

The Consortium for the Teaching of Indonesian of the University of Hawaii at Manoa will organize an intensive program in Indonesia at the advanced level. The program will be held at IKIP Malang in the mountains of East Java, Indonesia from June 3 to August 11, 1990.

Information about the program and the fellowships can be obtained from Prof. James T. Collins, Center for Southeast Asian Studies, University of Hawaii at Manoa, 1890 East-West Road, Moore 416, Honolulu, Hawaii.

IRRI Seminars

The International Rice Research Institute (IRRI) sponsored a seminar on "Advocacy for Rural Develop-

ment in the Philippine Bureaucracy" last August 17, 1989. Resource speaker was Dr. Fermin Adriano, a columnist of the Manila Chronicle and a researcher at the Center for Policy and Development Studies in UP Los Baños.

On August 24, 1989 another seminar was held, on "The Philippine Research and Extension Program: Towards a Holistic, Location - Specific, and Cooperative Approach." Resource speaker was Agriculture Secretary Carlos G. Dominguez.

Seminar on media

The Daughters of Mary Immaculate and the Theresian Circle sponsored a seminar on "The Power of Media" at the plant pathology auditorium in UP Los Baños last July 21, 1989. Speaker was Fr. James B. Reuter, S.J.

Seminar on Lobbying Techniques

The De La Salle University (DLSU) Department of Political Science and the Research Center's Participatory Uplands Management Program (PUMP) sponsored a one-day seminar on "Lobbying Techniques for Advocates of Cultural Minorities" at the Estrada Seminar room in DLSU. The seminar acquainted participants with the policy-making processes and structures of Congress and the bureaucracy to make them effective in employing the strategies and tactics of lobbying.

Resource persons and their topics were: Arlene Dada, Deputy Secretary of the House Committee Affairs Bureau, "The Structures and Procedures in Congress;" Albert Almendralejo, "The Dynamics of Power in Congress;" Roger Birosel, Consultant, Cordillera Regional Consultative Committee, "Lobbying Congress: Strategies and Tactics;" and Alex Brillantes, professor, UP College of Public Administration, "Lobbying the Bureaucracy: Pressure Points."

The participants included representatives from the Episcopal Commission on Tribal Filipinos (ECTF); Organization for Training, Research and Development Foundation (OTRADEV); Office for Northern Cultural Minorities (ONCC); Philippine Association for Intercultural Development (PAFID); and the Tunay na Alyansa ng Bayan Alay sa Katutubo (TABAK).

Peasant Solidarity Week

The Forum for Rural Concerns, Philippine Peasant Institute and other NGOs sponsored and organized the observance of Peasant Solidarity Week on October 12-15, 1989. Discussions, concert and contests were held at the UP Alumni Hostel and the Parks and Wildlife at the Quezon Circle.

Cultural Communities Week

The Office for Southern Cultural Communities (OSCC) spearheaded the observance of Cultural Communities Week on July 10-16, 1989 with the theme "The Filipino Tribal Communities: Braving the Challenges of Time and Change."

Speakers on the Week's various activities included Sen. Joseph Estrada, Prof. Perfecto Fernandez, Atty. Jose B. Lopez, Undersecretary Benjamin Diokno and Gov. Luis R. Villafuerte.

The second week of July every year has been declared "Cultural Communities Week," pursuant to Presidential Proclamation No. 250.

"Human Rights and the Indigenous People"

The Legal Rights and Natural Resources Center and TABAK sponsored a discussion on human rights and the indigenous people held on November 9, 1989 at the PSSC Conference Room A. The speakers were Atty. Marvic Leonen of the Legal Rights Center and Datu Tony Lumandong of the Kalipunan ng Katutubong Mamamayan ng Pilipinas (KMP).

"US Bases and the Aetas"

TABAK (Tunay na Alyansa ng Bayan Alay sa Katutubo) sponsored a panel discussion on the "US Bases and the Aetas", held on November 16, 1989 at the PCED Hostel in UP Diliman. Resource speakers were Rev. Elmo Manapat of the Nuclear Free Philippines Coalition (NFPC), Tito de Santos of the Agunan da reng Malakang Ayta King Pampanga (AMA-PAMPANGA), and Pablo Santos of the Kalipunan ng Katutubong Mamayan ng Pilipinas (KAMP).

Cordillera Studies Center Projects

The Cordillera Studies Center (CSC) is undertaking a literature review for the Central Cordillera Agricultural Program (CECAP), which is being funded by the European Economic Community through the Department of Agriculture. This project is designed to aid the CECAP in identifying programs to implement in Ifugao, Mountain Province and Nueva Vizcaya, and later in Kalinga-Apayao and Abra. CECAP is engaged in infrastructure programs - constructing irrigation systems, foot bridges and waterworks - initially in Natonin, Mountain Province.

The CSC has submitted a project proposal to the National Commission on Women for a study of "The Role of Women in Sustainable Agricultural Development."

Other CSC ongoing projects are the Governance and Public Policy (GPP) program and the Integrated Community Study (ICS) which begins with the publication of results of a rapid rural appraisal (RRA) conducted in Naguay, Benguet.

SOLAIR activities

The School of Labor and Industrial Relations of the University of the Philippines (UP SOLAIR) is co-sponsoring a series of conferences on "Labor Law Affecting the Public Sector" with the Friedrich Ebert

Stiftung (FES) of West Germany. The series starts in January and ends in March 1990. Topics that will be tackled during the series are: union organizing, union administration, rights of public sector workers, grievance handling, collective bargaining, and public sector unionism in the ASEAN region. Dean Rene E. Ofrenco and Ms. Cecile Basa will coordinate the conferences.

For further details interested persons may reach the SOLAIR at its offices in the State Accounting and Auditing Center-Public Affairs Research and Development Center Bldg., Commonwealth Avenue, Diliman, Quezon City.

The School also has several ongoing research projects on agricultural and non-agricultural employment; industrial restructuring and industrial relations: living wage standards for workers' household in the public sector, National Capital Region, Philippines; subcontracting, employment and industrial relations, and Country Overview on women workers in the Philippines.

New UP Visayas Chancellor

Dr. Francisco Nemenzo, former Vice-chairman of the PSSC Executive Board has been named as the new Chancellor of UP Visayas. The new Chancellor started his term on September 1, 1989. At the time of his appointment, Dr. Nemenzo was the faculty representative to the UP Board of Regents.

Dr. Wilfrido Villacorta, a member of the PSSC Institutional Development Committee, presented a paper in the Conference on Philippine Politics sponsored by the University of Passau in July 1989. He was also invited to participate in the bicentennial celebrations of the French Revolution in La Marseillaise.

KILOS "Kasunduang Bayan"

More than 400 people from various sectors of society attended the "Kasunduan Bayan" meeting of the Kilusan Laban sa Kudeta (KILOS) -

a citizens movement against coups - last December 7, 1989 at the Ateneo Grade School Auditorium.

The meeting was meant to strengthen KILOS and reach a mutual agreement - the "Kasunduang Bayan" - against coups as well as devise steps to implement this agreement.

The participants were subdivided into 20 workshop groups. These workshop groups reviewed and evaluated the draft "Kasunduang Bayan" formulated by the KILOS Steering Committee, whether they agreed to the stipulations or not; the groups also suggested amendments.

A plenary session capped the activity wherein all workshop groups presented their findings. The steering committee integrated all outputs of the groups to arrive at the final "Kasunduang Bayan." Copies of this agreement will be sent to President Aquino, her Cabinet, and other branches of government.

PSPA (Philippine Society for Public Administration) President Gabriel U. Iglesias, former PSSC Executive Board President Florangel Rosario Braid, and Sixto K. Roxas were among the social scientists who graced the affair.

1990-National Census Year

Pursuant to Presidential Proclamation No. 497, 1990 has been declared as the National Census Year. This will coincide with the Census of Population and Housing (CPH) which will be taken in 1990. Pres. Aquino signed this proclamation on November 28, 1989.

OBITUARY: ALFREDO TIAMSON

Alfredo Tiamson, professor of history of the Division of Social Sciences of the College of Arts and Sciences in UP Manila, died of cardiac arrest last October 19, 1989. He was 60.

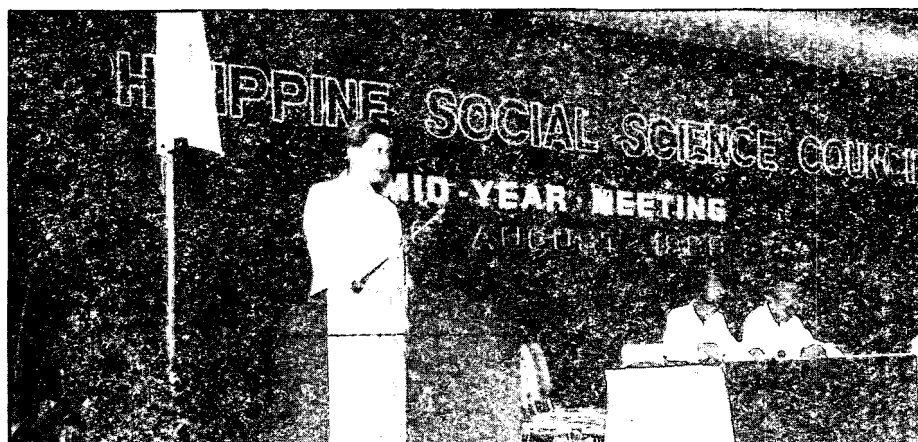
At the time of his demise he was also the coordinator of the Manila Studies Program (MSP) of UP Manila. The MSP was created in January 1989 to collate, document and conduct researches on the premier city.

PSSC Midyear Meeting

The PSSC midyear meeting was held last August 26, 1989 at the PSSC Auditorium.

Presented during the meeting were the midyear reports of the Council and its regular and associate members. The body also approved the resolution to confer the National Social Scientist Award.

The results of the survey of Social Science Graduate Programs (SSGP) were disseminated at the meeting by the SSGP project team of Dr. Cynthia Bautista, Dr. Robert Salazar and Dr. Corazon Raymundo. A panel discussion followed the presentation of the results. The dis-



Executive Board President Dr. Allen Tan delivers PSSC's midyear report.

cussants were Bro. Andrew Gonzalez of De La Salle University, Fr. Roderick Salazar of the University of San

Carlos, Dr. Alicia Tan of DECS and Fr. Ramon Salinas of Letran. Dr. Lourdes Bautista was moderator.

SICom Fora

The Social Issues Committee (SICom) of the PSSC held two fora on different issues, both at the PSSCenter Auditorium. The first one was held last August with the issue "Democratization and Quality Higher Education." Resource speakers were Bro. Andrew B. Gonzalez of De La Salle University, Magtanggol Marzan and Angelo de los Reyes of the House of Representatives, and Amable Tubeo of the Polytechnic University of the Philippines. The second one held on November, was on "Prospects of Federalism in the Philippines". Speakers were Dr. Ernesto Constantino of the UP Department of Linguistics, Dr. Gabriel U. Iglesias of the UP College of Public Administration, and Prof. Perfecto Fernandez of the UP College of Law.

SICom chairperson Dr. Socorro L. Reyes moderated both fora.



SICom Forum on "Democratization and Quality Higher Education."

Code of Ethics Completed

The Ad Hoc Committee to formulate a code of ethics for Filipino social scientists has completed drafting the code. In simple rites last November 8, 1989 at the Loretta Makasiar Sicat Board Room at the PSSCenter the Committee members formally approved and signed the code.

Chaired by Dr. Bonifacio P. Sibayan, this Committee consists of

Dr. Noemi S. Catalan, Dr. Ledivina Cariño, Dr. Carolina G. Hernandez, Prof. Helen Tubangui and Dr. Wilfrido V. Villacorta. Dr. Domingo C. Salita and PSSC Executive Director Ruben F. Trinidad were ex-officio members.

The draft Code of Ethics was subsequently ratified by the Executive Board at its meeting on November 29, 1989.



Ethics Committee Chairman Dr. Bonifacio Sibayan signs the code of Ethics as the other committee members look on. The other members are (seated, left to right) Dr. Ledivina Cariño, Dr. Carolina Hernandez, Prof. Helen Tubangui, (standing, left to right) Dr. Noemi Catalan, PSSC Executive Director Ruben F. Trinidad, and Dr. Domingo Salita. Also in photo is Mrs. Lorna P. Makil, PSSC Program Coordinator (standing, right). Another member not in photo is Dr. Wilfrido Villacorta.

PSSC-RPP Fora

The Philippine Social Science Council-Resources for People Program (PSSC-RPP) held three public fora on different issues, all at the PSSCenter Auditorium, as part of the NEDA-funded forum series on development.

The first one, on fisherfolk, in cooperation with Tambuyog, was held on October 13, 1989. Resource persons were Lito Anonuevo of Tambuyog, Atty. Marilyn Cepe of BATAS, Dr. Abe Rotor of Sen. Butz Aquino's office, Dr. Flor Lacanilao of the UP Marine Science Institute,

and several representatives from the various people's organizations.

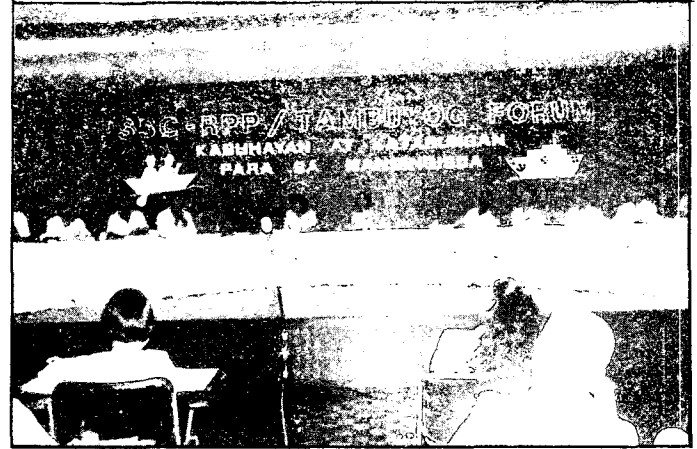
The second was on "Urban Land Reform for Economic Rights," held on November 17, 1989, in cooperation with the Center for Housing and Human Ecology Development (CHHED). The speakers were CHHED president Dr. Pastor Cruz, Atty. Agripino Morga of Sen. Joey Lina's office, Prof. Jaime Nierras of the UP School of Urban & Regional Planning, and Mr. Angel Sadang of the Tawi-Tawi Pasig

Neighborhood Association.

The third, "The Prospects of the People's Agrarian Reform Code (PARCODE) in the Context of the Present Agrarian Reform Program" was held on November 23, 1989. Guest speaker was Agrarian Reform Secretary Miriam Defensor-Santiago. Panel discussants were Representative Edcel Lagman, Dr. Luzviminda Cornista and a representative of the Congress for People's Agrarian Reform (CPAR). CPAR was the co-sponsor of this forum.



Agrarian Reform Forum



Forum on Fisherfolk.

Seminar-workshop on technical report writing and dissemination

The PSSC, through the Institutional Development Committee's subcommittee on training programs conducted two seminar-workshops on technical report writing and dissemination for the Bureau of Agricultural Statistics (BAS). The first was held from August 7 to 11, 1989; the second on October 23-27, 1989, both at the Concepcion Seminar Room, PSSCenter.

Book launched

"GAINING GROUND: AGRARIAN REFORM IN THE PHILIPPINES" by James Putzel was launched on October 3, 1989 at the PSSCenter Auditorium. Sponsored by the Philippine Peasant Institute

(PPI), Forum for Rural Concerns (FRC) and the PSSC Social Issues Committee, the book launching also included comments on the book from Emmanuel Esguerra of the Agricultural Credit Policy Council (ACPC) and Jaime Tadeo of the Kilusang Magbubukid ng Pilipinas (KMP). Moderator of the program was Atty. Hector Soliman of Sentro ng Batas Pangtao.

Pre-workshop orientation on the Social Science Encyclopedia Project

In cooperation with SynerAide Resources, the PSSC held a pre-workshop orientation for its social science encyclopedia project last December 12, 1989 at the Concepcion Seminar Room, PSSCenter. This orientation discussed the implementation scheme of the project.

PAP convention

The Psychological Association of the Philippines (PAP) held its 26th annual convention at the Auditorium of the Philamlife building in Ermita, Manila.

With the theme "Psychology for Peace, Autonomy, and Prosperity," the convention focused on topics like "Peace-keeping Strategies for Individuals and Society," "Autonomy and Regionalization: Psychological Dimensions," and "Strategies for Prosperity and Economic Recovery".

Senator Santanina Rasul, Chairman of the Senate Committee on Civil Service, delivered the keynote address. Convention speakers included Dr. Alfredo Lagmay, Fr. Jaime Bulatao, S.J., Dr. Amaryllis Torres and Dr. Ma. Lourdes Carandang.

Philippine Geographical Society (PGS) News

In two previous meetings of the PGS at the UP Department of Geography, the Society's Board of Directors decided on certain matters pertaining to the structure and activities of the PGS. Some important items included in the agenda were: 1) the structure of the PGS and whether the Society would register with the Securities and Exchange Commission (SEC); 2) the role of the PGS in the preparation of the Philippine Encyclopedia for the Social Sciences; 3) the status of the Philippine Geographical Journal (PGJ); and 4) projected activities.

As to the first item listed above, the Board considered it unnecessary to change the structure of their Society in order to receive aid from funding agencies. According to PGS President Dr. Domingo C. Salita, the PGS need not register as a foundation with the SEC that would exempt it from some requirements and fees and that would qualify the Society as a funding-eligible nongovernmental organization (NGO). Dr. Salita added that to qualify as a foundation the PGS should just amend the present PGS constitution by identifying the Society as an academic and scientific institution.

With regard to the second item, Dr. Telesforo Luna is presently preparing the list of entries for the geography section of the encyclopedia.

As to the third item, the PGJ Editor, Prof. Meliton Juanico, reported that foreign and local subscriptions to the Journal have increased this year after the subscription solicitation drive he has started. He cited the following people for their services and advice towards improving the PGJ: Dr. Richard Ulack of the University of Kentucky; Dr. David L. Clawson of the University of New Orleans; John B. Dalton of the Asociacion ng mga

Consultants na Independente Philippines (ACIPHIL); Dr. Dirk Bronger of the University of Bochum and Dr. Rogelio Concepcion of the Bureau of Soil and Water Management of the Department of Agriculture.

The last item taken up was the proposed one-week seminar-workshop to be held in the summer of 1990. The main objective is to provide high school social studies teachers with new knowledge and skills in the teaching of geography, considering that the Department of Education, Culture and Sports, and Congress have acknowledged the importance of geography in socio-economic development. Another objective is to raise funds to support future activities such as the publication of geography textbooks and the holding of information, education, communication and motivation (IECM) campaigns against environmental pollution and degradation in the country.

PNHS Conference

The Philippine National Historical Society (PNHS) held the 10th National Conference on Local History on October 27-29, 1989 in General Santos City, in cooperation with Mindanao State University. The theme of the conference was "Local History and Cultural Identity."

Salazar to DENR position

Dr. Robert Salazar, Executive Director of the De la Salle University Research Center and concurrently a member of the PSSC Research Committee, was appointed as a member of the Environmental Impact Assessment Review Committee of the Environmental Management Bureau, Department of Environment and Natural Resources. The committee helps the Bureau's technical staff in the review of environmental impact statements submitted for their evaluation. He represents the disciplines of sociology and anthropology.

PSSC Executive Director elected to top AASSREC post



Prof. Ruben F. Trinidad, Executive Director of the PSSC, was elected President of the Association of Asian Social Science Research Councils (AASSREC) for 1989-1991 during the Eighth Conference of the association held from September 25 to 29, 1989 at Christchurch, New Zealand.

Also elected were Prof. Kenji Urata (Science Council of Japan) as First Vice-President, Dr. Terry Loomis (Social Science Research Fund Committee of New Zealand) as Second Vice-President, and Prof. Bruce Miller (Academy of Social Sciences in Australia) as Secretary-General.

AASSREC encourages the development of social sciences through national and cross-national research, leadership, training and dissemination of knowledge in the Asia-Pacific region.

Member-nations of the AASSREC are Australia, Bangladesh, China, India, Indonesia, Japan, North Korea, Nepal, New Zealand, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam and the USSR.

The meeting at Christchurch, New Zealand, consisted of a symposium on "Development/Culture Interface: Cultural Perspectives on Economic Progress" and a panel discussion on "Social Science and Environmental Issues." Prof. Ponciano L. Bennagen and Prof. Trinidad were the Philippine presentors, respectively, of the aforementioned papers.

DEVELOPMENT COMMUNICATION. UPLB. 1989 by Dr. Nora Quebral, is now off the press. This book discusses present thinking, practice and teaching in development communication in the country and in Southeast Asia.

Dr. Quebral is professor emeritus at the Institute of Development Communication in UP Los Baños and a member of the PSSC Research Committee.

THE INNOTECH STORY by Dr. Bonifacio Salamanca, SEAMEO INNOTECH 1989.

The *INNOTECH Story*, a comprehensive study on the Southeast Asian Ministers of Education Organization (SEAMEO) Regional Center for Educational Innovation and Technology (INNOTECH) is finally out. Authored by Dr. Bonifacio S. Salamanca, professor of history at the University of the Philippines, Diliman, Quezon City, the book-length monograph provides an overview of Southeast Asian regional cooperation and the place of SEAMEO therein, a meticulous reconstruction of INNOTECH's origins and early beginnings, and an analysis of INNOTECH's operations and programs. The book contains highly informative tables, figures, graph and even organizational charts, as well as numerous photographs. In an effort to provide a credible narration of the first ten years of INNOTECH, the author undertook research in Singapore (where INNOTECH started interim operations) and Bangkok (where the SEAMEO Secretariat is located and whose offices it shared with INNOTECH for more than a year, following its departure from Saigon, before subsequently moving to the Philippines in 1976 where it has stayed to this day). INNOTECH lost its library Saigon when it left the beleaguered city in a hurry in April 1975.

COMMUNICATION FOR COMMUNITY. People in Communication Inc., 1989.

Communication for Community is a resource book for the First World Congress at the World Association

for Christian Communication held in Manila in October 1989. It was also the theme of the Congress which has brought together around five hundred communicators worldwide to discuss, reflect and share ideas.

MANILA: HISTORY, PEOPLE AND CULTURE Wilfrido Villacorta, Isagani Cruz, Ma. Lourdes Brillantes, editors De La Salle University Press. 1989.

This book chronicles the proceedings of the Manila Studies Conference held on April 11-12, 1986 at the Barrio San Luis Complex in Intramuros, Manila.

COMMON MEDICINAL PLANTS OF THE CORDILLERA REGION by Leonardo L. Go. Community Health, Education, Services and Training in the Cordillera Region (CHESTCORE), 1989.

This book is a contribution to a people-oriented development strategy of the Cordillera wherein the people will be educated, organized and mobilized to put up village pharmacy cooperatives. Thus, they could, in an organized way, use the indigenous resources to help lay the foundation of a self-reliant health care delivery system. It also contributes to the building of theoretical and practical knowledge which will serve as the bases of a nationalist drug industry.

PINATUBO AYTAS: CONTINUITY AND CHANGE. Hiromu Shimizu, Ateneo de Manila University Press, 1989.

This ethnography shows how the Pinatubo Aytas have manifested their reaction to various events in their religious, economic, and social life, and how the impact of these events is cushioned and fitted to their reality through the existing institutions of the society.

This book shows how, through its dialectic response to these religious and socioeconomic events — sickness and the *Manganito* seance, the plow agricultural project, marriage and elopement — Ayta society keeps on changing, but within the limitations imposed by its own social institutions. Thus, a picture of

continuity is evident in the character of the society.

WAGING PEACE in the Philippines. Ed Garcia and Carol Hernandez, editors. Ateneo de Manila University Press. 1989.

Waging Peace tries to find how people power which brought down the dictatorship in 1986 can be harnessed to achieve a just and lasting peace. It brings together diverse voices with a similar concern: waging peace in this part of the world. The major papers, workshop syntheses, resolutions and recommendations of an international conference on conflict resolution held in Manila in 1986 are included in this book.

SOLAIR PUBLICATIONS

Philippine Journal of Labor and Industrial Relations, vol. x, no. 2, 1988. Ma. Virginia S. Aguilar and Melissa R. Serrano, editors.

This issue contains the dialogue papers presented during the National Dialogue on Foreign Debt, the alternative conference to the IMF-WB Convention in Berlin. The National Dialogue was held last year at the UP School of Labor and Industrial Relations (UPSOLAIR).

Labor and the Transport Industry in the Philippines 1989.

This monograph traces the historical course of the transport industry. It also discusses the principal features of the employment status, wages and occupational structure of transport workers, and provides a sectoral perspective on labor-management relations as well as consumer concerns regarding the industry.

Philippine Journal of Labor and Industrial Relations, vol. 2, no. 2, 1988. Ma. Virginia S. Aguilar and Melissa R. Serrano, editors.

This book contains the papers and proceedings of deliberations and workshops of the conference/workshop on Privatization and its Impact on Labor Relations in the Philippines held on August 19-21, 1988.

CODE OF ETHICS FOR FILIPINO SOCIAL SCIENTISTS

We, Filipino social scientists, in our unceasing endeavor to attain the highest level of professional knowledge and competence, and in our commitment to the norms of objectivity, rational skepticism and critical judgment, uphold the search for truth, wherever it may lead. We shall enhance the understanding of the nature and behavior of human beings in their multifaceted interrelationships. We shall defend the integrity of the intellectual enterprise, responsibility for human life and love of country. We shall never allow self-serving values to interfere with our service to science, society and the nation.

I. Social Scientists as Professionals

1. The term "social scientist" as used in this Code shall mean a person who possesses a graduate degree and specialized training in any of the disciplines of anthropology, communication, demography, economics, geography, history, linguistics, political science, psychology, public administration, social work, sociology, statistics and other recognized areas of social science. The discipline must continue to develop a body of systematized knowledge that can be applied in the discovery of new knowledge and in the use of such knowledge for the welfare of human beings and society. In addition to advanced studies, social scientists must ideally have some experience in teaching, research, or extension work in the practice of their profession. They gain recognition as a professional after long years of dedicated service, practice, and study in their specialized field and not by passing a licensure examination.

2. As social scientists, they shall perform and discharge their duties with the highest degree of excellence, professionalism, and integrity. They shall strive to broaden their cultural and professional interest to improve their efficiency and enhance the prestige of their profession. In their relationship with other professionals, they shall facilitate intellectual interaction and the sharing of information to promote mutual respect and cooperation.

3. In dealing with different publics, social scientists shall at all times respect the rights of others and shall refrain from acts contrary to good morals, good customs, public safety, and public interest. They shall commit themselves to the ideals of freedom, democracy and love of country. They shall keep themselves morally upright, and shall place high value on justice, truth, and honesty.

They shall contribute to the training of younger scientists and shall be generous in sharing their expertise with the next generation of scientists to ensure professional succession. They shall observe faithfully the canons of professional ethics and contribute to the development of a just and humane society.

II. Responsibilities of Social Scientists

1. Social scientists are responsible to society which is their client. They apply their expertise primarily for the continuous improvement of humanity. In this regard, they perform the functions of social critics.

2. They uphold the values of society and the interest of the nation. Towards this end, they are obliged to avoid conducting and participating in activities that harm the common good.

3. In a society where the poor constitute the majority, they have a special responsibility to the poor and the powerless. Towards this end, they advocate the causes of the poor and assist in improving their lives.

4. They seek and uphold the truth at all times. They do not compromise their profession by manipulating the truth to serve private ends.

5. They uphold intellectual honesty. They do not claim credit for knowledge or innovations generated by others.

6. They are responsible for the integrity of their research. They ensure that the norms of scholarship are strictly observed in their work.

7. They have a responsibility to take positions in areas of debate where they have an expertise. By doing so, they contribute to the clarification of social issues through reasoned knowledge.

III. Areas of Concern

Social scientists shall be committed to the development of the profession, the promotion of public welfare, as well as their own professional advancement.

A. Professional Development

1. Social scientists shall strengthen the capabilities of their disciplines through professional and intellectual

interaction among social science institutions and organizations.

2. They shall promote the rights, welfare and development of other social scientists by contributing to the dynamism and advancement of their profession. This includes the encouragement and education of future scientists, the strengthening of the capabilities of universities and colleges and collaboration with other social scientists in solving problems.

3. They shall critically evaluate and interpret different ideological and philosophical orientations, and maintain an open mind to alternative models of social research derived from these. They shall explicitly state the assumptions of their selected theories and research models, and work for the indigenization of their disciplines.

B. Research

Social scientists shall help in intensifying the need for a deeper appreciation of social science inquiries. They shall take the initiative in conducting multidisciplinary and participatory research of scientific significance within the limits of their expertise, and maintain academic freedom and objectivity with the view of achieving research related goals.

C. Publication

1. Social scientists shall give due acknowledgment to all persons who have contributed in a group research by clearly stating the nature of their contributions.

2. They shall report objectively on controversial issues regardless of their own personal stand and maintain a reasonable tolerance for divergent opinions from reputable sources.

3. They shall disclose the funding agencies that supported their research and must not be inhibited by the orientation and priorities of these funding agencies when they publish their research findings.

D. Relationship with Clients

1. Because social scientists function in the community, they shall establish a professional relationship between the community and themselves and generate and share knowledge related to pressing social, economic, and political issues.

2. They shall strive to create an atmosphere of candor and mutual respect with all their clients, recognizing both their common interests and divergent needs, and clarifying how conflicts among them may be resolved.

IV. Remuneration

As befits professionals, social scientists shall charge respectable fees. In determining the fee, they shall consider carefully the client's ability to pay, the customary charges for similar services or the fees charged by other professionals engaged in comparable work, the time spent and extent of services rendered, the skill and expertise required and their professional standing.

V. Sanctions

1. "Sanction" in this code shall mean either (a) penalty for infraction of ethical practice that tends to downgrade social science and/or social scientists or (b) reward for exemplary work or accomplishment that elevates the social science disciplines among social scientists and the community or society. Emphasis is on rewards rather than on penalties as befits true professionals.

2. Sanction on social scientists shall be the main responsibility of those in their respective disciplines. The recognition of works or accomplishments that need to be rewarded must first come from the colleagues and peers of social scientists in their organizations.

3. Any work or conduct requiring a negative sanction must likewise be determined and administered by an appropriate body of their peers.

Adopted:
8 November 1989
PSSC Ethics Committee

Ratified:
29 November 1989
PSSC Executive Board

13 December 1989
PSSC Governing Council

STATEMENT OF CONCERN

We, Filipino social scientists, believing that the latest attempted coup d'état has negated whatever economic, political and social gains we have made in the country:

Strongly condemn:

1. any attempt to overthrow the duly constituted government through violence and other unconstitutional means;
2. the politicians, and other civilians (in and out of government) who aided and abetted these treasonous actions;

Urge:

1. the observance of peaceful means to redress grievances;
2. the government to strengthen its capability for internal defense so as not to compromise our national sovereignty, and that the civilian authority be responsible for ensuring the military's capability to protect the State;
3. that a clear vision of the government be framed and properly communicated to all citizens, the soldiers included;
4. that the government look seriously into the charges of widespread corruption and a general deterioration of the delivery of basic services;
5. that citizen behavior be modified towards a civic culture consistent with responsible citizenry;
6. that there be a radical reorganization of the military in accordance with the constitutional mandate;
7. that there be strict implementation of the law against traitors and mutineers and that the coup perpetrators be tried under civil courts (instead of military courts);
8. that the citizenry remain vigilant and steadfast in the defense of our hard-earned freedom.

Finally, we want to serve notice that under no circumstance will we lend our support to any military junta.

We, therefore, resolve:

1. to produce an anti-coup handbook which will help citizens in the protection of their rights;
2. to offer our services (e.g., research, teaching, Speakers' Bureau) in the reorganization and reorientation of the military;
3. to offer our services to governmental and non-governmental organizations as well as people's organizations in fostering democratic values as we build a prosperous, sovereign, just and humane society.

*Social Issues Committee
Philippine Social Science Council
6 December 1989*

Note: In the spirit of sharing a present-day challenge to statistics and statisticians the Philippine Statistical Association is happy to present here excerpts from the International Statistical Institute's Presidential Address by IP Fellegi during the 1989 biennial session in Paris, France. In his address IP Fellegi underscored the importance of statistical data, which are used in great detail in planning, monitoring, and in public finance.

CHALLENGES TO STATISTICS AND STATISTICIANS

The period leading up to the French Revolution, 200 years ago, is particularly significant in the history of statistics. The conscious use of the word "statistics" arose in the course of the period and in the context of quantitative studies of human populations. As Porter points out in his recent book on "The Rise of Statistical Thinking", "... statistics tended to equalize subjects. It makes no sense to count people if their common personhood is not seen as somehow more significant than their differences".

It is impossible to talk about that period without expressing admiration for the constellation of French scientists who made epochal contributions to statistics just before and after the Revolution. In addition to their inquisitiveness and brilliance, these men share the characteristics that none of them would have regarded himself as a statistician. They were led to statistics through their interest in science, data and analysis which is why in many countries, and indeed internationally, statistical associations were among the first scientific societies.

Having been given birth by the collective requirements of other disciplines and the state, statistics became a successful and self-sustaining discipline. Yet this very success has its dangers - and this is my main message: a prerequisite for our continued successful evolution is that we must reach out to our clients and scientific colleagues with urgency and perseverance. For we are challenged by both major stress and opportunities.

I shall concentrate on issues related to government statistics which I know best and emphasize things we can and should do to better respond to the challenge.

1. Statistical Information is a product with peculiar attributes. User confidence can only be achieved through high professionalism, objectivity, and quality consciousness in the producing organization. But this may not be sufficient. Government statisticians must actively foster a professional image.

2. Another attribute of statistical data is that accumulation over time and of related data adds disproportionately to its value. It is essential to align our products more effectively with the needs of our users.

3. A different stress derives from the difficulty of priority setting among programs conducted by government statistical offices. I would specially emphasize one more key activity: conducting substantive analysis. Thorough and wide ranging analysis of their own data is essential for statistical offices to develop a user perspective on themselves - including an improved understanding of problems caused by data gaps, data quality, and data access.

4. Respondent relations create another stress. The benefits derived from good statistical data are, for most individual respondents, indirect. By contrast, the burden of response is felt directly. It is natural for such respondents to question the value of data collection. The rigorous maintenance of confidentiality, and proper sensitivity to privacy concerns, are necessary conditions for maintaining respondent cooperation.

5. Statistical offices have a special cost structure characterized by a high proportion of fixed costs. They have to carry a substantial computing capacity, field organization, registers, sampling staff, personnel needed to maintain and apply classification systems, data banks, and a wide range of substantive professional expertise in the domains in which they are active.

6. Funding the work of statistical offices is another source of stress. On the one hand, there is endless demand for goods that are free. On the other, an entirely market-driven government statistical office is both technically and politically difficult to envisage.

7. In recent years cutbacks in government funding have represented a major stress for many countries' statistical offices. Given the concern with deficits, many governments chose to reduce disproportionately spending on research and development, and on information infrastructure.

As a profession it is our duty to urgently communicate the severe future consequences of inadequate support for information developments.

I have been talking about government statisticians but the need for reaching out applies just as much to other statisticians. Leslie Kish, in his American Statistical Association presidential address, put his finger on the problem: "...Statistics differs fundamentally from other sciences. The data of other scientists come chiefly from their own disciplines ... In stark contrast, statisticians have no fields of their own from which to harvest their data. Statisticians get all their data from other fields ... Ours is a symbiotic way of life...."

To summarize my main message, we are confronting a challenge in the sense of both "threat" and "exploitable opportunity". I am convinced that the threat is real and, if not met, may do severe and lasting damage to our profession - and more importantly to society. In order to turn the threat into an opportunity we must heighten the understanding of the (current and potential) contribution of statistics to society.

Most of us who are government statisticians live in democracies. If we want to change our general environment, we must convince a large segment of the general public of the importance of statistics.



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