

# Priorities in National Development: A Comparative Analysis of Philippine Policy Implementation Under Martial Law

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*The emergence of the new political order has directed public policy administration to priority areas and subsystems deemed vital to the achievement of governmental goals and objectives. Among the policy areas selected for analysis were land reform and tourism development which were both considered essential to national development despite their contrasting nature and purpose. A comparative analytical tool was utilized which focused on the interrelationship between a system of rule (polity) and distribution (economy) within an organization. An assessment of findings reveals the following: (1) both policy areas were being implemented within a favorable political environment with strong government support; (2) however, while the external economy for tourism development has been supportive since it has been considered as a potential source of foreign exchange, employment, and market for Philippine products, it has been inhibitive to land reform in terms of financial support, administrative capability, and leadership; (3) there is a higher percentage of actual policy making in tourism than in land reform; and (4) in terms of policy priorities, government commitment of financial and other resources appears asymmetrical and incongruent with developmental objectives.*

## Introduction

Six years of the New Society has not made it any easier to characterize, and its partisans and critics continue to describe the contemporary Filipino scene in terms neither side can recognize. However, they agree on one thing: the administration of public policy has changed substantially and with it new priorities have emerged.

This study appraises the New Society — not *in toto*, for the topic is much too broad, nor in terms of one policy area because it might be

atypical, but by comparing two priority policy subsystems selected both because of their importance to the New Society and their divergence from each other — land reform and tourism development. In doing so, this article explores the variable commitment of the Marcos administration in key policy areas. Moreover, it illustrates the usefulness of a too often-neglected analytical tool: comparative policy analysis.<sup>1</sup>

In selecting land reform as one of the two policies to emphasize, the writer is only giving due acknowledgment to President Marcos' forceful rhetoric when he declared: "If Land Reform fails, the New Society will

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<sup>1</sup>See especially Arthur Cyr and Peter de Leon, "Comparative Policy Analysis," *Policy Sciences*, Vol. VI (1975), pp. 375-384.

also fail."<sup>2</sup> Presidential Decrees (P.D.) Nos. 2 and 27 established, early in the martial law period, the President's intention to make land reform a central component of the New Society. Subsequent decrees less sweeping in nature have also reiterated the importance of such reform while alternately expanding and contracting the scope and depth of the land reform initiative.

Rhetorical flourishes aside, in a country with persistent tenurial problems and an overwhelmingly agricultural economic and political base, new initiatives in land reform deserve careful scrutiny for any assessment of the political order.

These have been forthcoming, but in general have focused more on the scope of the commitment and the methods used rather than the organizational and administrative aspects of the program. The latter topics have been the subject of in-house publications of the Department of Agrarian Reform and related research bodies such as the U.P. College of Public Administration and the Agrarian Reform Institute.

Tourism policy has attracted, by contrast; very little academic attention although its effect on the Manila skyline, not to mention on a score of other cities, has been quite dramatic. Despite the government's huge

economic commitment to tourism, tourism policy has occasioned almost no dialogue on the means and ends of such a policy, no apparent constraints on its expansion, and little attention to its organization and administration.

To some degree this is understandable. Tourism policy is a "sleeper." In part, this reflects the fact that tourism in most areas of the world is still a terribly understudied phenomenon. Despite the fact that international tourism represents the largest single item of world trade after oil, very few studies regarding its importance exist.<sup>3</sup> Most of the existing studies deal with its economic or cultural impact. Its political significance has gone almost unnoticed.<sup>4</sup> Tourism policy also appears marginal to many observers of public policy because it is a new governmental function, and unlike most new functions was not assumed because of interest group pressure or wide civic concern. It is in Albert Hirschman's terms, a "chosen" rather than a "pressing" subject of policy.<sup>5</sup>

### Methodological Approach

To explore these two policy areas, this study utilizes a variant of the political economy approach designed by Gary Wamsley and Mayer Zald for

<sup>2</sup>This familiar quotation adorns most land reform materials and is on display in a large exhibit in the Department of Agrarian Reform (DAR), Quezon City. Please note that all references to the bureaucracy are based on pre-1978 terminology. At present, the former Departments are now called Ministries and the Secretaries are now referred to as Ministers. These changes in terminology are preparatory to a complete change to a parliamentary form of government following martial law.

<sup>3</sup>*Christian Science Monitor* (August 31, 1978).

<sup>4</sup>Recent and important additions to our understanding of tourism include: V.L. Smith (ed.), *Hosts and Guests: The Anthropology of Tourism* (Oxford: Basil Blackwell, 1978) and Ben Finney and Karen Ann Watson (eds.), *A New Kind of Sugar: Tourism in the Pacific* (Honolulu: East-West Center Press, n.d.).

<sup>5</sup>Albert Hirschman, "Policy Making and Policy Analysis in Latin America - A Return Journey," *Policy Sciences*, Vol. VI (1975), pp. 385-402.

the understanding of public organizations.<sup>6</sup> The approach differs from other political economy analyses in that it focuses on the interrelationship between a system of rule (the polity) and a system of distribution (the economy) within the core public organization charged with a specific task. In doing so four major analytical components emerge.

The *internal polity* of a public organization is concerned with the institutionalization and distribution of power within the organization, and the recruitment, socialization and norms of the organization and the political factions within it. The *internal economy* emphasizes the rules for accomplishing particular tasks, the incentive system and the technological organization. The *external polity* consists of individuals, groups and institutions affecting the key organization's environment politically. Finally, the *external economy* includes the economic environment in which labor, supplies, competition and demand affect the organization. As these are examined certain relationships among the four components can be compared.

This approach has certain advantages over the typical case study. First, it does not isolate artificially the economic aspects of the policy from the political ones. Secondly, it avoids a preoccupation as to whether a particular government is good, bad or indifferent. Third, it acknowledges a bureaucratic component to policy making sometimes surprisingly overlooked in policy studies. Too often it is assumed that the political will of

the leadership is the only variable standing between policy design and policy execution when even under martial law it is obviously too simplistic to either credit or to blame top leadership for all that occurs. The political economy approach further accommodates a variety of methodological styles which encourage its comparative and cross-cultural usefulness.

The Department of Tourism (DOT) and the Department of Agrarian Reform (DAR) are the chief public organizations involved with tourism development and land reform, respectively. Despite the fact that other departments may be critically involved in the administration of tourism development and land reform, for purposes of comparing these alternative priority areas, the foremost organizations are emphasized with related departments considered as a part of the policy making environment.

In examining DAR one could become immersed in the entire panoply of agrarian reform activities, but for this study attention is directed primarily at Operation Land Transfer (OLT) which includes not only actual change of land ownership from the landlord to the cultivator, but also involves the shift from share tenancy to written leasehold contracts. With DOT, the research emphasis here is on the promotional, planning, and regulatory aspects of tourism development rather than on the critical but more obscure activities of the Philippine Tourism Authority (PTA), the equally powerful but less obvious implementing body.

The core of my data has been 170 in-depth, open-ended interviews conducted between November 1976

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<sup>6</sup>Gary Wamsley and Mayer Zald, *The Political Economy of Organization* (Bloomington: Indiana University Press, 1976).

and August 1977 divided more or less evenly between the two subsystems. Most of the interviews were with officials in the central offices of DOT or DAR. However, to explore administrative relationships between the center and the periphery and to follow up on the implementation of policy, I visited eight of the twelve DAR regional offices, a few district and team offices and ten of the twelve DOT field offices. Secondary data supplementing the interviews include Presidential Decrees, Letters of Instructions, in-house publications, government reports and newspaper accounts. I have also relied heavily on the policy research done by the U.P. College of Public Administration.

### The Department of Tourism

The Department of Tourism is itself a creation of martial law. Its basic responsibilities and authority derive from Presidential Decree No. 189 which created the new cabinet-level department on May 11, 1973. Prior to that, tourism had been administered by a low-profile board and then by a short-lived commission. It may seem incongruous that a nation threatened with internal subversion requiring martial law should within eight months of its declaration set up such a department, but the Philippines is not unique in utilizing tourism as a part of its "normalization" process.<sup>7</sup> What is *unusual* is the *extent* to which it has used tourism as a developmental policy. That it has done so with such enthusiasm is a reflection of tourism's

economic, and more importantly, political value.

### External Polity

The political environment of the new department includes some very important people and institutions whose public and private support have been critical both for the formation of the department and the expansion of tourism promotion in the country. Foremost among the "relevant others" have been the President and the First Lady. They more than anyone else recognize the threat to Philippine stability and development if martial law were vigorously denounced abroad. The legitimacy of the administration, the security and continued flow of investment capital from abroad, and the need to divert criticism at home and overseas combine to encourage the promotion of tourism as a component of the overall campaign to develop the New Society. As one observer noted within two months of the declaration of martial law: "The New Society, if it lives up to the plans and promises, may come to be known in our history as that era when tourism was in flower."<sup>8</sup>

The DOT has enlarged upon this favorable political environment to secure its own influence and that of the President's by developing two especially ingenious programs. The first and larger of the two is the *Balibayan* program which brings overseas Filipinos home for a visit at concessionary rates. It has to date brought over 400,000 Filipinos "home" for a glimpse of the New

<sup>7</sup>Vietnam, The People's Republic of China, and Pakistan are but a few of the other countries-utilizing tourism for political objectives. The Philippines in 1972 was perhaps the *first* nation to do so and is certainly the first nation to have pursued tourism politically on such an ambitious scale.

<sup>8</sup>Leticia Magsanoc, "The View from the Tourist Belt," *Focus Philippines*, November 18, 1972, p. 46.

Society.<sup>9</sup> Since the bulk of the anti-Marcos criticism has been among overseas Filipinos in the United States and Canada, the program, although expensive in terms of economic value, has been a political bargain when viewed in terms of the legitimacy it can contribute to the New Society.

Like tourists in general, the Balikbayans can be depended upon to appreciate precisely these features of the New Society which martial law has achieved: an appearance of peace and order, dramatic achievements in infrastructure and development, splendid tourist accommodations, and the beautification of the country's foremost city. Even the theme of the new tourism initiative "Where Asia Wears a Smile" seeks to promote an image of a confident cheerful society.

The second tourism project with political overtones has been modeled after a similar venture in South Korea. This is the Reunion for Peace Program, which brings veterans of World War II to the Philippines again at concessionary rates to see a society which cannot but be markedly better than the war-torn nation they knew before.<sup>10</sup>

These initiatives have been expensive because they entail elaborate coordination among a wide variety of

<sup>9</sup>Linda Richter, "The Odd Couple: Tourism and the New Society," *Philippine Studies Newsletter*, Fall, 1978. Statistical information based on personal interviews with personnel in the Research and Statistics Division of the Department of Tourism (DOT), June 1977. The political intent of the *Balikbayan* Program is made explicit in the Department of Tourism, *Accomplishment Report*, 1976, p. 19. Other variants of the program have been directed at specific, influential clienteles such as the Balik-Scientist program (see Presidential Decree (P.D.) No. 819).

<sup>10</sup>Letter of Instruction (L.O.I.) No. 331, October 29, 1975.

government agencies at several levels, but they have been well received at home and abroad. Tourism's allies include the United Nations which has applauded the Balikbayan and Reunion for Peace programs, the military and Filipino benefactors, the travel industry, and numerous local and central government figures who feel that the nation's image and that of its leadership have been enhanced by the imaginative approach taken.

Opposition to the DOT's work is muted. Promotion of tourism per se displeases almost no one, but there is criticism of both its accelerated pace and the fact that funds for its development draw support away from other developmental tasks. Others feel the plans for tourism development — in contrast with current governmental reorganization — unduly centralize decision-making. There has also been a feeling that commitment to phased development is too often jettisoned for special interests or for short-run political and economic objectives. These criticisms come generally from *within* the government and reflect quiet concern rather than a hostile force which DOT needs to deal directly.

### *External Economy*

The external environment of tourism policy has been quite supportive. Again, the top leadership sees in tourism an opportunity to garner scarce foreign exchange. The intensity of the tourism promotion has, largely because of political considerations, meant that tourism in the eyes of the general public has been an enormous economic bonanza. In five years tourism has moved from being the number six earner of foreign exchange

to number four.<sup>11</sup> It is also seen as an actual and potential source of employment to thousands either directly through the travel industry or indirectly with the creation of new markets for Philippine products, especially those produced by cottage industries.

Domestic financial interests have been especially quick to take advantage of the rather incredible credit environment tourism has created in the last few years. What would ordinarily be a high risk industry has been rendered a certain success by the government's lavish credit policy and by its recent willingness to re-negotiate hotel ventures when the overbuilt industry protested against the already lenient financing policies of the government.<sup>12</sup>

Multinational companies have found the heavily subsidized industry an attractive one for investment, thanks to a series of tax holidays and other incentives, and the awesome political support the industry enjoys. Small entrepreneurs applaud the growth of tourism for creating a boom market, particularly in the Manila environs. Similarly, small apartment owners caught in an uneconomic rent freeze have found that by converting their establishments to pensions, they are able to realize a tenfold increase in rent.<sup>13</sup>

The political and economic environment of tourism then has been one in which up to now all the overt signals have been "Go." The department has had little difficulty in establishing its priorities and ethos. The political

economy model — which correctly assumes, in most cases, that the job of establishing departmental priorities is an emotion-charged task — is not appropriate for the DOT which thrives on top support with few critics and fewer enemies. Even those within the nation's top planning body, the National Economic and Development Authority, concede that the DOT is not very vulnerable. As one NEDA official put it when asked about NEDA's influence on tourism development: "Tourism decisions taken within DOT are seldom altered. Tourism is a given."<sup>14</sup> It is not a program under attack.

### *Internal Polity*

Though all large organizations have multiple goals and DOT is no exception, it has pursued a rather indiscriminating policy of "the more tourists the better." It has given rhetorical support and official endorsement to tourism-related activities that range from the "Miss Gay World Beauty Pageant" to the "Rex Humbard Rally." A look at the DOT budget reveals that more substantive support for tourism is centered on developing luxury tourism, which is in keeping with the First Lady's concept of encouraging an influential clientele. Operational priorities within the department reflect as do most Philippine government agencies the most sophisticated planning techniques and the most traditional political patronage influences.

Indicative of the latter is the fact that one-third of the DOT is made up of casual and contractual employees, thereby bypassing Civil Service

<sup>11</sup>Department of Tourism Research and Statistics Division, 1977.

<sup>12</sup>*Business Day*, May 26, 1977.

<sup>13</sup>Interviews with pension owners, June 1977.

<sup>14</sup>Interview with members of NEDA Committee on Tourism, March 1977.

structures. Unlike casuals and contractuals in most other offices – and notably the DAR – there is continuity of work and benefits for these non-Civil Service employees that almost parallel those of regular employees. Political patronage is also evident in field office sizes.<sup>15</sup> In these respects DOT has in a few short years become fully “institutionalized.”

There is political factionalism within the department, but the camps are most unequal in influence and resources. There is a willingness on the part of those firmly in control to accommodate and tolerate mild dissent. Moreover, even those who lack enthusiasm for the department’s leadership remain loyal to its tasks and generally supportive of their superiors. They do not therefore constitute an administrative fifth column. The department is uncannily sensitive to changes in the political and economic environment and is quite pragmatic and innovative in response. Tourism is a policy arena that is especially volatile and so it is perhaps especially appropriate that the Department Secretary since its creation has been more of a man with public relations skill than administrative cunning.

Successful public relations and close administration support have minimized departmental problems both with its environment and within the organization. Still, the actual constituency for tourism development is small and hinges closely on the political needs of the current administration. Thanks to the economic commitment these political needs

have occasioned, any successive administration would be hard pressed to downplay tourism very much without endangering major government credit institutions that have extended or over-extended themselves to support tourism.

The DOT has sought to broaden its base of support and legitimize its function by helping to establish the Asian Institute of Tourism at the University of the Philippines. This fledgling organization has the potential of being the major professional tourism training program in Southeast Asia. Already the Institute enjoys a larger initial base of funding than did the Agrarian Reform Institute founded a few years earlier.<sup>16</sup>

The DOT has also assumed a very wide regulatory role and one that appears to be growing. Its predecessor organizations were strictly for information promotion and marketing, but a major source of DOT clout and prestige has been its highly centralized inspection and regulation power. Virtually any restaurant, hotel, inn, entertainment spot, resort, store, or transportation facility catering chiefly to tourists must get its license from the DOT, directly support it through formal hotel tax or other fees DOT projects, and submit to wage and price guidelines of the department.

In assuming these powers, however, the DOT has been largely benefited at the expense of the cities whose labor, health and safety, licensing and police bodies now have little authority over many businesses in their midst.

<sup>15</sup>Department of Tourism, *Accomplishment Report*, 1976. Field office sizes as of July 1977 are from the Personnel Office of the Department of Tourism.

<sup>16</sup>Interview with Dr. Eryl Buan, Assistant Dean of the Asian Institute of Tourism in January 1977. See also *Agrarian Reform Institute*, a pamphlet, n.d.

They are not happy about the loss of revenue and control, but there is little that can be done to trim DOT's jurisdiction at this time. Those that have tried have been soundly rebuffed.<sup>17</sup>

Even as the scope of the DOT's authority has enlarged dramatically to the extent that almost any municipality has some business falling within the department's purview, there has been a growing reluctance among top leadership in the department to see the DOT regionalize its administration. It remains today a glaring exception to the general Presidential policy of regionalization. That tourism should be so curiously "out of step" with the President's decentralization initiatives is surprising.

Why this should be so is a matter of some speculation by administrators both within and outside the DOT. Some accept the Secretary's contention that the time is not right for regionalization because the DOT is such a young organization and has not built the cadres of experienced leaders with which to staff regional offices. Also, regionalization could entail greater administrative costs. Some also contend that to turn over regulatory and planning functions to regional offices might invite undue pressure on poorly paid staff to license or approve establishments on other than approved criteria.

Critics reject such arguments as specious and self-serving. They argue that the timing is perfect for regionalization, precisely because the organization is young. Several in the department and in current field offices do have lengthy experience in tourism.

<sup>17</sup>*Datafil*, October 16-31, 1974, p. 293. See also *Bulletin Today*, October 8, 1974, October 15, 1974, and October 17-19, 1974.

In fact, even under DOT's predecessor organization, these contentions seem retrogressive. Moreover, they assert there is no reason why regionalization cannot proceed piecemeal, adding regional offices and upgrading field offices as the staff acquire the necessary skills and in accordance with a phased budgetary program.<sup>18</sup>

Critics further argue that the current situation is far more susceptible to abuse because the emphasis on centralization has meant that an incredible amount of paperwork must be forwarded to Manila resulting in lengthy delays and inefficiency.

At the same time, the department's "field offices" are chafing because their region-wide responsibilities are not accorded commensurate authority. Field office directors must sit on regional planning boards but they have no discretion nor authority to actually collaborate in regional development. Though aware of local problems involving licensing and inspection, they merely function as "post offices" to convey complaints and papers to the center.<sup>19</sup> Despite the growing dissatisfaction with the present organization among the central office and field personnel, there is little indication that the Secretary intends to start a process of regionalization in the near future. Centralized control for whatever motives appears to be in vogue at the top.

Future research needs to concentrate specifically on the appropriate level of organizational responsibility

<sup>18</sup>Interviews with DOT Center and Field Office personnel in November 1976-July 1977.

<sup>19</sup>Hotel owners as well as most field office directors complain about the time-consuming delays in processing materials through the central office.

for the department's many and expanded tasks. Research also needs to probe into the types of accountability that exist in the present structure, for already, complaints are surfacing — justified or unjustified — about kickbacks in licensing and inspection and abuses in the use of representation allowances.

At present the potential for conflict of interest in both the DOT and the PTA abounds. It is a potential which the department only vaguely acknowledges. Personnel cannot be faulted for failure to adequately protect the public interest, however, without adding that the whole subject area is sufficiently new both in the Philippines and in other countries. There is indeed little experience which the DOT can draw on in determining the optimal nature of governmental involvement in tourism and the appropriate safeguards needed.

### *Internal Economy*

The internal economy of the DOT often resembles more a private organization than a public one. Because it is a new organization it has been difficult to develop measurement units that can inform a cost-benefit analysis. Thus, while the department can estimate with some certainty the cost of assisting each tourist who comes to a reception center, it has a much harder time reconciling the cost of entertaining travel agents or marketing trips with their corresponding benefits. This has perhaps encouraged a certain *laissez faire* attitude toward efficiency which has resulted in considerable overstaffing at some levels and shortages at others. As a generalization, it appears that overstaffing is greatest among the

clerical staff in the offices of higher personnel. This also appears to be where the highest proportion of casual and contractual employees are, which suggests that personalistic recruitment patterns are concentrated here. Despite large staffs at clerical levels and in the central office reception center, much needed information on tourism is often sadly out of date and applications and licenses for tourism-related establishments are often delayed for months.<sup>20</sup>

For many employees, the DOT's attraction is its image of travel and glamor. Travel outside the Philippines for non-business purposes has been strictly curtailed for the last six years. The DOT for many young people is an entree to a world they otherwise would not know. Turnover is very low as a result, despite salaries that generally are only average for the government service. Working conditions are far superior to those of most government organizations, however.<sup>21</sup> Offices, especially the central office are in prestigious, comfortable, and attractive locations. One also gets the impression that for many employees, particularly the women, the DOT is not their primary source of

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<sup>20</sup>Price and travel information in 1977 was often based on unrevised pre-DOT travel materials, despite the fact that prices and frequently the number of facilities had doubled in the intervening five years. Often receptionists were sadly uninformed about nearby tourism attractions — one of the best of which was an inexpensive harbor cruise scarcely 200 yards from the DOT main office.

<sup>21</sup>"Unlike in most government agencies where casual employees have a fifteen-day break after three months of continuous service, the services of DOT casual employees are absolutely continuous. Moreover they are entitled to vacation and sick leave credits as well as a term insurance not usually availed of in other government offices." Department of Tourism, *Accomplishment Report*, 1976, p. 6. The *Report* goes on to cite other employee benefits unique to DOT.

income. The cars they drive, the clothes they wear, and often the hours they keep are not those of most government employees.

Socialization to the Department of Tourism is a non-problem. Hospitality, helpfulness and a flair for the glamorous are well developed Filipino characteristics that make tourism an attractive and natural development program. Because of the atmosphere and ambience surrounding the department, it has easily lured talented planners, lawyers, journalists, and administrators to its fold.

Perhaps because socialization is not difficult and recruitment needs are easily supplied, the department places relatively little emphasis on administrative training — unless the training could be had abroad. The department goes through the motions of complying with Civil Service Commission directives by encouraging management by objectives (MBO) or providing junior executive training (JET), but training does not appear to serve the morale, socialization or promotion functions which are so often the real *raison d'être* for training in more turbulent environments.

### The Department of Agrarian Reform

#### *External Polity*

The DAR, entrusted in 1971 with the primary responsibility for the "land to the tiller" program, exists in a far more controversial milieu. Until martial law was announced the DAR, like its predecessor organizations, had moved ponderously, with powerful landlords frustrating it at every turn, even as the accumulation of agrarian grievances fueled the guerrilla activities of the New People's Army (NPA).

In announcing martial law the President served notice that it was not just to be a means of eradicating subversion but also of removing the agrarian distress that had sustained extremist groups. In his second presidential decree he went still further declaring the entire country as a land reform area.<sup>22</sup> However, it was P.D. No. 27, announced just one month after martial law, that became the basic "constitution" for the land reform program. Known as the Emancipation Decree, it ostensibly abolished all tenancy with a single "sweep of the pen."<sup>23</sup> All that would follow was mere "documentation." It has not quite worked out that way. At every stage there has been controversy and bargaining has had to be reached which, depending on one's political perspective, has either emasculated land reform or built the consensus and accommodations that would consolidate a lasting and non-bloody revolution. As one traces the zigs and zags of governmental policy regarding land reform it seems that the impact of agrarian reform in the Philippines to date is a subject upon which the opinions of not only honest but also well-informed individuals differ quite widely.

While one may dispute whether P.D. No. 27 eradicated once and for all the feudal patterns of tenancy, it is far more obvious that P.D. No. 27's importance for the short-run lay in its ability to create a sense of legitimacy for martial law. President Marcos has noted repeatedly that the declaration of martial law was in accordance with the Constitution. But the legal argument would have

<sup>22</sup>P.D. No. 2, September 26, 1972.

<sup>23</sup>P.D. No. 27, October 21, 1972.

carried little weight at home and abroad if there were also no other justification for such a dramatic and sweeping move.

Agrarian reform was a particularly astute policy choice for allaying fears about martial law. Agrarian reform is a favorite recommendation of experts from developed creditor-nations, themselves often oblivious of its logic within their own countries. However, agrarian reform has seldom succeeded under democratic auspices so that western nations favoring the policy are forced to acknowledge that perhaps a temporary retreat from an open electoral process may be legitimate — a sort of ends-justify-the-means mentality that liberal democratic nations reserve for their more unfortunate allies in the developing world.

The measure was also extremely salient to a vast majority of the population at home. Not only did the measure greatly appeal to the tenants who now had an opportunity to become amortizing owners, but it was also credited with diluting support for the New People's Army whose rising influence had been unsettling to many of the middle and entrepreneurial classes. P.D. No. 27 also attracted the support of Filipino intellectuals and technocrats. Even the landlords who were quite naturally least enthused about land reform were in some instances relieved to learn that they would be receiving compensation for land that in some cases they were not now in control of, thanks to the NPA.<sup>24</sup>

<sup>24</sup>This was the situation not only in Luzon, but also in Mindanao where some owners could not farm due to the guerrilla activities of the Moro National Liberation Front.

As an opposition group, landlords were not very effective in any event. Only a couple of unimportant tiny groups emerged, scarcely a match for the 200,000-strong Federation of Free Farmers, the Federation of Land Reform Farmers or a number of other tenants' organizations. But organized groups per se were never the key determinants in Filipino politics.<sup>25</sup> It was as individuals that the landlords descended upon the DAR and it was as individuals that they affected the organization.

### *External Economy*

In terms of the economic environment of the DAR, it was again pulled in several directions. Tenants on lands devoted to crops other than rice and corn naturally pressured to have the scope of the land reform enlarged. The landlords in non-rice-and-corn lands divided in response. Overtly their criticism was muted lest the government focus on them, but according to many tenants, life became harsher as landlords avoided the more paternalistic niceties and concentrated on getting the maximum amount of revenue from the land. Meanwhile small landlords were given a reprieve through a subsequent decision to proceed with land reform by beginning with the largest land categories first, and were taking all possible steps to avoid eventual inclusion in the reform. Such steps included attempting to evict tenants or to list such tenants as hired agricultural laborers and hence exempt from the decree's provision for ownership. Others resumed cultivation of the land

<sup>25</sup>Robert B. Stauffer, *The Development of an Interest Group: The Philippine Medical Association* (Quezon City: University of the Philippines Press, 1966).

or had it placed in the name of distant relatives.

DAR was first enjoined by the administration to turn tenants speedily into amortizing owners or leaseholders. This it did at an expeditious rate for several months. After all, for years the DAR was scarcely able to do more than plan agrarian reform. When the moment to do it occurred, morale was high and the organization was ready to go.

Then came the decision to proceed according to the size of the landholding with the largest estates being the first to be broken up. At first glance this seems like a reasonable course of action, for it categorizes the landlord class and maximizes the number of tenants theoretically receiving land while minimizing the number of landlords with which the administration must deal. However, it imposed an enormous administrative burden on the DAR. Now instead of proceeding against all landlords, it was forced to ascertain the size of landholdings of each before it could proceed. Moreover, these holdings were in many cases in more than one region, and therefore necessitated more persistence on the part of DAR personnel to fully determine the size of the landlords' estates. This also required rather sophisticated data exchanges among regional DAR offices. Moreover, the decision to proceed piece-meal meant that the DAR personnel hired and assigned on the basis of overall needs in a given area were not utilized in optimum ways because their reassignment according to regions with the larger estates was often not feasible. Most importantly, the piecemeal approach consigned tenants of smaller landlords to an indefinite continuation of their feudal status, for despite

the President's avowed intentions most tenants continued to pay rent or shares of the crop to the landlord.<sup>26</sup>

If the first signal had been "go" for agrarian reform, the next two encouraged caution. Not only were estates to be broken down according to land size, but there was also an admonition to be more tidy procedurally than in the first days of the reform. They were to assure that all surveys and documentation were adequately completed, that there was no disruption in production and that it be kept in mind that Operation Land Transfer was just one aspect of the larger integrated approach to agrarian reform. Land resettlement, compact farming, education and credit programs were all major concerns of the DAR as well. The change in tone of administrative directives left many personnel confused as to the depth of commitment of the administration. As other bureaucratic and financial problems emerged in succeeding months and years, the modifications of agrarian policy left tenants, landlords, and credit institutions also baffled.

On the one hand, those sympathetic to agrarian reform wanted to mobilize support for the President who had gone further than any previous political official to get reform moving; on the other hand they felt that with the tools of martial law, the President would have to move faster and more unswervingly if the task

<sup>26</sup>For further elaboration on the *impact* of land reform implementation, see Duncan Harkin, "Agrarian Reform in the Perspectives of Three Years of Martial Law," (Manila: USAID, 1975). From my perspective two years after Harkin, I see no reason to be less pessimistic. For still more critical appraisals of the agrarian reform program: see the various writings of David Wurfel.

were to be completed before the nation became impatient with martial law and the landlords became adept at dodging the reform.

Landlords, however, sensed a certain flexibility in the President's position and so many redoubled their efforts to insure that the process be further modified in their favor. They had mixed success. Provisions for compensation have become progressively more favorable to landlords and the President has tentatively halted the reform at seven hectares. Tenants working on lands smaller than seven hectares can look forward only to fixed leasehold contracts and not to land ownership. However, the government has cracked down on evictions. Presidential letters of instruction have warned landlords that such will not be tolerated; but the overtaxed legal system still leaves the tenant his own best advocate for the short-run.<sup>27</sup>

DAR's own organization was not equipped adequately to protect tenants' rights. While the organization now has nearly 9,000 employees, they are often inefficiently deployed and turnover is relatively high. DAR faces incredible competition for new recruits both from other government departments and agencies and from the private sector. Despite the fact that the organization faces daily harassment and hostility, has an increasingly complicated task and is supposedly the key organization

dealing with the number one priority program of the New Society, nothing in the wage structure or fringe benefits suggests that DAR is more than at par with the least important government agencies.

While the Philippine Tourism Authority could declare 70 percent of its personnel "technical" and thereby avoid wage standardization, DAR lawyers, surveyors and field technicians could not. The lawyer shortage has become particularly critical. The resort to litigation by landlords has meant that legal aid to tenants and legal work by the DAR is absolutely basic to the continuation of Operation Land Transfer. Yet, even after raises, the starting salary per month for a DAR lawyer is still only ₱855. It is estimated by some regional directors that if a serious attempt were made to fill up DAR's legal vacancies, salaries would need to be well above ₱1,200. The acute shortage of lawyers is compounded by their uneven distribution among the regions. For example, the regional headquarters at Cotabato has only one lawyer and 37 vacancies for lawyers.<sup>28</sup>

In only one region is the plantilla for lawyers filled — the regional headquarters in Cebu. Cebu offers city life — a scarce commodity in the Philippines — and is far enough from Manila that it is not raided by the central office.<sup>29</sup> DAR offices in Manila and its environs are not so fortunate, since there are so many more lucrative government and private positions with which they must compete.

<sup>27</sup>Provisions to distribute rice and corn lands smaller than seven hectares are being considered where landlords have "adequate income" without the rice and corn lands. What constitutes "adequate income" was not resolved during my eight months in the Philippines. With regard to government decisions on evictions, see P.D. Nos. 316, 583, and 815.

<sup>28</sup>Interview with DAR regional staff personnel in Cotabato in May 1977.

<sup>29</sup>Interview with DAR Regional Director in Cebu in May 1977.

Although DOT employees could look forward to representation allowances and some travel benefits, DAR personnel have only in a few instances (in the troubled South and for only a few months) received hazard pay allowances. The allowances themselves are from ₱50 to ₱100 a month. Personnel assigned to regions with snakes, crocodiles, typhoons, and angry landlords receive no such allowances.<sup>30</sup> Even the Bureau of Lands personnel doing parcellary map sketching who work with DAR agrarian reform teams get incentive pay unavailable to DAR personnel. Such inequities create not only morale problems but implementation snags as well.

Monetary problems are not the only barriers facing the DAR as it attempts to recruit qualified staff. Related agencies like the Land Bank, Department of Agriculture, Bureau of Agricultural Extension, aside from offering better salaries and better working conditions and management, also enjoy higher prestige and smoother recruitment procedures.

Though ostensibly regionalized, the DAR has extended de facto hiring authority to the regional offices only for the lowest echelon of their employees — janitors, drivers, and clerk-typists. All others must have their job applications forwarded to the center for approval. As one regional director noted, "I can tell a good prospect he will probably be hired, but that he cannot start working until we hear from the Central Office, which may be a couple of months. The applicant can meanwhile walk

around to the other side of the building and be hired immediately by the Bureau of Lands or Agricultural Extension."<sup>31</sup>

The external economy of the DAR then is one that greatly inhibits its performance. On every side — financial, administrative, leadership, and in the nature of the task itself — the DAR is at a comparative disadvantage not just with DOT but with most other government organizations.

### *Internal Polity*

The internal polity is no less troubled. The principal preoccupation of the DAR leadership appears to be the effort to make the organization less controversial — to tenants, to landlords, and to its employees. This is a legitimate concern for a controversial department and it becomes a matter of considerable debate and judgment to determine when the energy and expense devoted to it has become excessive.

What one can ascertain is a definite loss of momentum from the early months of martial law when the emphasis was more on transferring land rather than on administrative tidiness. The reason for the change in emphasis is more speculative. Those who find cultural explanations persuasive might point out the tendency, noted by some students of Filipino society, to begin projects with a flourish and great enthusiasm and after an initial flurry of activity tend to "burn out."

Others point to the number of decrees and statements by the Presi-

<sup>30</sup>Interviews with DAR regional personnel in Zamboanga and Davao in May 1977.

<sup>31</sup>Interview with DAR Regional Director in Cebu in May 1977.

dent which notably contracted the scope of Operation Land Transfer and diluted the redistributive thrust of the program. They argue that these moves contributed to the sense of caution and wariness that has become more noticeable in DAR's administration. Certainly the importance of the political will of the chief executive has been found to be critical to an enterprise of this sort.<sup>32</sup> Both the cultural and the political explanations probably have some veracity, but they need to be combined with an appreciation of the bureaucratic dynamics involved.

Land reform if effective is often volatile, revolutionary and untidy, unless the reform is, as many successful ones have been, forced from outside, e.g., Japan. For a nation seeking to maintain stability in one area to dramatically change the status quo in another realm, the political and social dynamics are especially complex. In such an environment, it requires extraordinary vigilance and top support to maintain the initial momentum in the face of the paper work and legal hassles which will follow or to structure the process so that the reform is simplified and opportunities for obstruction reduced.

The Philippine land reform program has been far more adept at monitoring the reform than implementing it. This is not so surprising in view of the fact that this is an aspect with which past land reform experts have had most experience. It is also a very critical

area, and one where well-meaning land reform in other countries have bogged down. The Philippines is fortunate in having an excellent tradition of public administration experts, in having adept planners and astute agriculturists. But knowing how to do a land reform and doing it are two different things. Once the DAR became unsure of its own mandate from the President, the bureaucratic instincts for institutional survival took precedence over the completion of the task.

One cannot fault the DAR on this score. The organizational leadership was only picking up clues from the political environment, and many times the signals were contradictory. However, when the personnel could not be protected or compensated adequately for their risks, when salaries did not increase, when supplies were frequently unavailable, when the guidelines promised and written in the early days of the reform were never released except piecemeal, when incentives other than rhetorical exhortations were absent, and when it was unclear whether job security would exist after the agrarian reform was carried out, the department took its security into its own hands.

The first steps taken and subsequently expanded have been to judicialize the process so that personnel will be less vulnerable to criticism and abuse and the department less susceptible to pressures from all sides. Bureaucratic security evidently rests with an increasingly tortuous bureaucratic and legal process that keeps critics and allies alike stumbling from organization to organization until many end up in the undermanned and overloaded courts.

This judicialization approach was in some respects easier for the depart-

<sup>32</sup>See especially Samuel Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968); Hung Chao-Tai, *Land Reform and Politics: A Comparative Perspective* (Berkeley: University of California Press, 1974); Doreen Warriner, *Land Reform in Principle and Practice* (Oxford: Clarendon Press, 1969).

ment to assume than the activist zealot role which was so unfamiliar. Many of those now at the highest levels of the DAR came to the organization socialized by its politically ineffective forerunners. They were accustomed to an organization that planned rather than implemented. Prior to the imposition of martial law very little genuine land reform took place. To those in control of DAR, what occurred immediately after the announcement of martial law appeared to be an absolute frenzy of activity. There was real concern lest the organization jeopardize its new mandate by imprudent or careless zeal.

The socialization of DAR employees therefore emphasizes empathy with all affected parties, caution rather than urgency, method over maximizing means, and internal harmony over external effectiveness. A few examples may suffice. DAR employees, themselves often related to middle-class landlords, naturally appreciate the concern and reluctance of the landlords to part with their land or re-shape their tenancy relationships with their tenants. They do, however, recognize that their job brings them into an apparent alliance with the tenant farmer. In many regions attempts have been made to conduct seminars for landlords on their rights, obligations etc., and in most cases these have been well-received.

One gathers the impression that there is more sympathy for the landlord at the central office level than at any other. This may reflect the fact that those at the center are often closer in social and economic status to the landlords than the field team workers. It may reflect also the fact that those in the central office are

more likely to deal with landlords through their paperwork rather than with more acerbic personal relationships.

The level of urgency exhibited in any particular region is probably a product of many things: relative danger in proceeding at certain rates, size of estates to be affected, adequacy of staffing and equipment, court load in the region, and the personality of regional leadership. However, it is the procedures from the central office that are perhaps the most serious deterrent to speedy implementation. On the one hand, detailed instructions on implementation are not released or are parceled out with puzzling deliberateness. On the other hand, procedural changes in data collection and record-keeping are altered with almost whimsical abandon, resulting in costly retraining sessions with field and district staff, a high error rate, and numerous re-surveys of land reform plots, owners and tenants to the considerable frustration of all concerned.

Foreign assistance to the DAR, intent on facilitating land reform, has ironically served to reinforce this mania for methodology through an obsession with neatness and comprehensiveness that is commendable in most tasks but ill-serves the political dynamics of land reform. The Agency for International Development (AID), for example, often seems to be its own worst enemy, not because it lacks expertise, but because its expertise and methodology can be used by some as an alibi for lack of results. The AID experts charged with developing more sophisticated statistical analyses and creating an orderly and complete data base for the reform seem sincerely troubled by their

dilemma.<sup>33</sup>

They, more than anyone else, realize that such a data base needs continual revision and places inordinate demands on underpaid personnel and frequently functionally illiterate tenants. While they are hired to develop a comprehensive system, sloppy and minimally documented land seizures go against their *raison d'etre*. For them, the problem is that the administration is proceeding in a piecemeal and lackluster fashion without adequate resources for the task.

The DAR itself must devote considerable resources to keep trainees up to date on the latest version of the operations manual. The training sessions often double, however, as morale building sessions and welcome breaks in a routine that is too frequently dangerous and nearly always uncomfortable.<sup>34</sup> The organization is, however, compassionate almost to the point of dysfunctionality. What it lacks in salaries and fringe benefits it makes up for in relatively slack administration, particularly within the central office.<sup>35</sup>

<sup>33</sup>Interviews with USAID officials between November 1976 and July 1977.

<sup>34</sup>During February 1977 a series of training sessions were held to instruct agrarian reform technologists on the revised DAR procedures. I observed several of these sessions held in the Bicol River Basin area. During the course of the sessions it was apparent that while the technologists appreciated the change of pace, the *meriendas* and the comradeship, they were annoyed and outspoken about the unresponsiveness of the central office in general and the condescension and lack of empathy of the training representatives in particular. The revised procedures were also resented because they remained in many instances as ambiguous as the earlier procedures and represented an inordinate amount of paperwork and redoing of interview work.

<sup>35</sup>In some sections of the DAR, people working are the exception and not the rule. Comic books,

### *Internal Economy*

The internal polity cannot be neatly partitioned from the internal economy of DAR, especially as the characteristics of the former invade the functioning of the latter. The competitive disadvantage DAR experiences when recruiting trained agrarian technologists and lawyers has already been noted. Too often standard operating procedures prove dysfunctional, especially in central office-regional relationships; but they tend to be ameliorated, if at all, by an unexpectedly slow pace.

As with the hiring procedures already noted, the potential for abuses by regional officials do exist. Studies of public administration in the Philippines are replete with examples of nepotism and favoritism in recruitment. Moreover there is a reluctant tolerance of the process and recognition of the pressures for such recruitment. Where one finds complaints about the process even today, it is usually because someone is taking unfair advantage of the process without extending similar opportunities to the one making the complaint.<sup>36</sup>

Yet, it could be argued that, given the pay and the working conditions in the field, regional officials perhaps should take charge of their own hiring within central office guidelines. Even if it means that they might

letters, snacks, and good conversations are often priorities unchallenged by supervisors. This is true of the DOT as well. It is a problem more apparent in the central offices than in regional or field offices where there is less overstaffing.

<sup>36</sup>Interview with management-level employee annoyed at pressures by superior to place his friends in her section while being unsympathetic to the obligations of others who have friends or relatives in need of jobs!

exploit family connections, it might fill out the more glaring gaps in the plantilla. Certainly the central office has no monopoly on dispassionate recruitment. Like DOT and most of the governmental departments, the central DAR office tends to reflect on the image of its leadership, evolving a linguistic, cultural, and in this case, geographical imbalance that suggests more traditional patronage criteria.<sup>37</sup>

More serious than maldistribution in hiring patterns is the problem of maldistribution in placement. There is an absolute scramble among personnel to stay in Manila or get to Manila even if one is on the plantilla of the regional, district, or field office. Given the nature of the work, risks, privation and hardship increase as one moves closer to the grassroots level. Thus, one finds the situation of people sitting at empty desks in the central office while regional, district and team offices are hopelessly understaffed.

At the time this research was begun, the Civil Service had just completed a personnel study of all central office government departments and had noted just this situation. The DAR agreed to correct the situation in January 1977 by returning all personnel in regional plantilla to their "home" offices, or by re-

hiring personnel locally and moving the wandering personnel into regular central office positions as circumstances permitted. By July 1977, a few changes of personnel had occurred; however, no regional office contacted could cite a single instance of personnel returning to the region.<sup>38</sup> Supervisors are reluctant to lose popularity and esteem by enforcing the more disagreeable requisites of the job. Hence the problem grows.

Most of the personnel issues reflect to a greater or lesser degree problems of administration which all public organizations have to grapple with. In other respects, the DAR organization is atypical, however. Its core task is supposed to be agrarian reform which has as its central obligation the transfer of land or the establishment of non-feudal leasehold contracts between tenants and small landlords. Many critical steps in the change of land tenure relationships, however, are scattered about in numerous other government organizations.

Key stages in the land transfer process are handled by the Department of Local Government and Community Development, the Department of Agriculture, the Land Bank, and the Court of Agrarian Reform. However, there is strikingly almost no interest among the leadership in DAR to see that agrarian reform functions performed by these organizations are assumed by DAR. This is despite the fact that these organizations are

<sup>37</sup>Civil Service Commission Committee Personnel Evaluation of the Department of Agrarian Reform, November 1976. The evaluation indicated a sizeable proportion of the DAR was from the Secretary's home province of Pangasinan. The secretary, to his credit, when he realized the geographical imbalance in hiring, accepted the evaluation committee's recommendation that the situation be corrected in subsequent recruitment. It would now be appropriate after two years to have a follow-up study of how this and other recommendations of the committee have fared.

<sup>38</sup>As one charming regional personnel director commented, she just couldn't require people to come back to the regional office only because they were needed and were being paid by the regional office. She had once been the beneficiary of a compassionate personnel director who had allowed her to move to her present job when she was supposed to be on the central office plantilla!

seldom in "rhythm" with land reform. Several organizations are usually waiting on the others or complaining about lack of coordination, different personnel and policy standards, etc.

Yet, although DAR cannot begin to cope with the timetable set for completion of Operation Land Transfer, the leadership generally chooses to expand its scope at every opportunity rather than accelerate the commitment to the job begun. The expansion of scope is not in the direction of assuming key land transfer functions now lodged elsewhere, however, but assuming new programs peripheral to land transfer which are but broadly related to the umbrella concept of comprehensive agrarian reform. For example, new resettlement areas are being set up, although there are many already withering under DAR auspices that have no medical facilities or roads.<sup>39</sup>

Money for compact farming, corporate farming, Japanese gardening, job training for tenant wives, investment counseling for landlords, etc. — all of which may more reasonably be projects for the Bureau of Agricultural Extension — are eagerly seized upon as integral parts of land reform. Thus, the sizeable budget for agrarian reform hides the fact that a large percentage of that sum — over 75 percent — is not for actual land transfer.<sup>40</sup> On the other hand, there

are sums being spent on agrarian reform which are in the budgets of other departments.

The DAR's major supports for agrarian reform in other departments of government include the Agriculture Department, the Bureau of Lands, the Land Bank, the Agricultural Credit Administration, the Court of Agrarian Relations, and the administrative assistance of the Department of Local Government and Community Development which assists in the formation of *Samahang Nayon* precooperatives. Again it is difficult to pinpoint exactly how much of their assistance supports Operation Land Transfer and how much of this assistance supports the far broader concept of agrarian reform.

If one were to judge by appearances, an inordinate amount of time is being spent on staff development. One certainly does not dispute the potential benefits of such programs, but it does take a lot of time and money from an organization whose central task is critically short of both. The big "what if" question that one asks after observing this organization for eight months is: What if the sums spent on such fashionable activities as "unfreezing," MBO, MORE, JET, and STREAM<sup>41</sup> were spent on salaries? Wouldn't they attract far more of the type of personnel required? It appears in many cases that their chief function has been as a basis for promoting

<sup>39</sup>Interview with regional DAR staff in Cotabato in May 1977.

<sup>40</sup>Out of P203 million authorized for 1977, only P49 million was for Land Tenure Improvement which included not only Operation Land Transfer but also compact farms, land consolidation projects, and experiments with Japanese gardening. See NEDA-APO Production Unit, *A Budget for National Self-Reliance*, September 21, 1976.

There is also an appreciable gap between money authorized and funds actually released; between the percentage of field time designated for Operation Land Transfer and the time actually devoted to it.

<sup>41</sup>Management by Objectives, Management by Objectives and Results Evaluation, Junior Executive Training, and Supervisory Training for Effective Administrative Management, respectively.

people and as a morale booster; the latter function might be more expeditiously accomplished by a bigger paycheck.

The appropriateness of the general training is one thing; more specific training and procedural programs are another. As noted earlier, the organization tends to avoid controversy and apparently seeks to buy time to sense the changes and moods regarding implementation by concentrating on its paper work. The cycle of new procedures requiring new training which in turn calls for new field data is extremely questionable in the light of the DAR's scarce financial resources, for it creates an illusion of progress where in fact there may be none. Then when delays are noted, accomplishment targets are re-defined. For example, when written leasehold contracts were being drawn at a pace of only 30 percent of the accomplishment target, the unfinished work was called "oral contracts." Thus, the DAR could announce on schedule that share tenancy in rice and corn had been abolished! A three-day trip to the "boondocks" with DAR personnel, however, uncovered several share tenants in rice and corn. One wonders how many other members of this supposedly extinct species exist.<sup>42</sup>

In the midst of scarce resources, deadlines, hazards, and the like, not only is there an almost leisurely concern with staff development, Standard Operating Procedures, etc., but DAR has been on a budgeting merry-go-round for the last few years. All departments know the problems of the often huge gap between appro-

priated funds and released funds and the uncertainties of supplemental appropriations. DAR, however, has also known a complete change in budgeting format in each of the last four years. In 1974 it used strictly line-item budgeting, in 1975 a combination of line-item and performance budgeting and in 1976 and 1977 it used performance budgeting exclusively plus a dose of PPBS. In 1978 it was scheduled to switch to Zero-Based Budgeting. When asked why DAR should be put through an almost annual re-tooling of its budget process, the budget officer wearily replied: "That's the problem having a department that starts with 'A'!"<sup>43</sup>

### Comparing Policy Sectors

The foregoing discussions have simply sketched the political and economic milieu of agrarian reform and tourism policy. A few explicit comparisons now seem to be in order. Ilchman and Uphoff, in their excellent book, *The Political Economy of Change*<sup>44</sup> justifiably note how little of practical and immediate value academicians have to offer policymakers. Often scholarship concentrates on a too tiny corner of the universe to be generally applicable to decision-makers who constantly have to make trade-offs in one area to affect change in another.<sup>45</sup> Though many other sectors are involved, by taking such contrasting policy areas

<sup>43</sup>Interview with DAR budget officer in July 1977. Evidently, DAR is not a lone guinea pig. It was learned after the interview that other departments were also preparing to switch to Zero-Based Budgeting. Whether they participated in all the other budgetary formats was not known.

<sup>44</sup>Norman T. Uphoff and Warren F. Ilchman, *The Political Economy of Change* (Berkeley: University of California Press, 1969)

<sup>45</sup>*Ibid.*, pp. 3-15.

<sup>42</sup>My own hunch is that the number approximates the number of oral contracts!

as land reform and tourism development, some of the considerations affecting such trade-offs are highlighted.

Initially these two policy areas were chosen for basically heuristic purposes to explore how useful the four-part framework of the Wamsley-Zald model could be for understanding public organizations outside the United States. Space does not permit a full discussion of the advantages and disadvantages of the larger model.<sup>46</sup> Rather, the substantive issues involving the DAR and the DOT grew increasingly interesting when it appeared that the priorities for national development could be rather easily reordered when the great differences in their political costs and advantages became apparent.

Tourism development is a very expensive policy *chosen* by the President for both its immediate political advantage and its long-term economic promise. Land reform is a pressing and chronic problem whose resolution depends on strong governmental support which President Marcos felt martial law could supply. Support for land reform developed immediate and substantial political capital at home and abroad, but it was also more vulnerable to obstruction and delay in remote places and had both economic and political opponents. These could be dealt with, but the President's style has never been to proceed precipitously.

Most of the opposition was pacified because of the decision to limit land reform to holdings that were above seven hectares and were planted

primarily to rice and corn. This decision was in lieu of adopting the zero retention policy. However, even this more modest step has been difficult to achieve because the government was reluctant to release completely its administrative guidelines and because the funds allotted were insufficient for such expensive tasks. Of course, it should be remembered that had the reform been that of zero retention, the administrative task would have been far simpler despite the increased scope. The elaborate and oft-revised procedures would have required far less information than the present and much more complicated format. So in a sense even the costs of the program were a product not of land reform per se, but of high level decisions on how to implement it.

These decisions are attributed to three findings not known prior to 1972. The first is that not all tenants want land ownership if it means they must buy the land at its market value and be simultaneously deprived of the security represented by the landlord in terms of credit, marketing, seed and fertilizer as well as paternalistic assistance in times of crisis.

Secondly, though the DAR disputes the findings, most empirical studies of the impact of land reform show that controls for use of inputs like fertilizer and improved seeds, have no beneficial effects on production and does not appear to be affected by tenurial patterns; hence the national economic dividends do not appear as promising as it was once hoped.<sup>47</sup>

<sup>46</sup>See Linda Richter, "Priorities in National Development: A Comparative Study of Policy Making in the Philippines and Pakistan" (Ph.D. dissertation in progress, University of Kansas).

<sup>47</sup>An apparent exception often cited by the DAR in Akira Takahashi's study in Central Luzon. His findings, however, are drawn from a pre-1972 study conducted in a location considerably atypical in terms of the attention devoted to it.

Thirdly, the size of the agrarian middle-class landlord group appears to have been a distinct shock to the agrarian planners and to the President. Whereas sugar and some other crops require large-scale production, rice and corn do not. The traditional big landlords formed such a small fraction of the acreage planted to rice and corn, that in most cases the landlords against whom reformers had railed turned out to be retired civil servants, school teachers, and farmers who had perhaps one or two tenants who worked alongside the owner and were in some cases related to him! Even the absentee landlords typically lived within three kilometers of their land, scarcely fitting the stereotype of the absentee landlord.

To have backed away from land reform entirely on the basis of these findings, however, would have been politically disastrous and it would have also meant backing away from the genuine tenurial problems which do exist. So the tendency appears to be that the process has merely slowed down even as agrarian reform itself has been increasingly broadened as a concept. Therefore the budget for agrarian reform is still respectable, but increasingly it goes for a wider variety of projects and is pursued with great deliberation.

The plea that money is scarce in a developing society and therefore agrarian reform must suffer shortages like all good causes is the typical administrative response to DAR's failure to meet its own timetable. Some observers also note that more international support was anticipated for DAR but this was not forthcoming. It is precisely at this point where comparative policy analysis is so useful. While these explanations seem

plausible when only DAR is considered, they do not when the DOT is also considered.

Comparability or measures of equivalence are difficult to establish among policy areas because the sub-systems are never as neatly demarcated as social scientists would like them to be. In the case of land reform and tourism development, the decision to focus on their key public organizations seemed to be a practical compromise between attempting to do an in-depth study of the entire sub-system and trying to follow a single, perhaps atypical policy decision. There are problems with this, however. There is a higher percentage of actual policy making on tourism made within DOT than there is on tenurial change within DAR. On the other hand, the bulk of the financial commitment to tourism development although made by DOT or PTA is not on its ledgers but is on a score of other government institutions in the country.

To illustrate, DOT's ₱32 million budget appears rather modest when drawn as a slice of the national budgetary "pie."<sup>48</sup> But its implementing arm, the Philippine Tourism Authority, also has a budget of nearly ₱45 million and had in past years exceeded ₱70 million.<sup>49</sup> Not included in the public budget are the costs for the building of the Philippine International Convention Center (PICC)

<sup>48</sup>Even the DOT budget alone which is estimated at ₱32,122,000 for 1976 is more than the budget of the Civil Service Commission, the Department of Industry, the Commission on Elections, or the Commission on Audit, and the DOT *Accomplishment Report*, 1976, p. 38. The DOT's budget today is over ₱42 million.

<sup>49</sup>*Budget for National Self-Reliance*, September 21, 1976, p. 18.

(Estimated cost: between ₱800 million and ₱1100 million) nor the costs for convention promotion done by the Philippine Convention Bureau.<sup>50</sup> Financial support of the Asian Institute of Tourism has also been generous both in terms of direct financing by the government and support from the University of the Philippines.<sup>51</sup> Added to these figures are some ₱3 billion in loans for hotel and resort construction made by the Government Service Insurance System, Development Bank of the Philippines and the Philippine National Bank.<sup>52</sup> There is no easy way to tally the enormous costs of tourism stemming from city tourism committees, entertainment and administrative costs associated with Balikbayan, Reunion for Peace, and other government quasi-tourism ventures.<sup>53</sup>

DAR has an appropriation of ₱203 million in the 1977 estimated budget. This looks quite impressive beside the DOT budget; however, this is deceptive. First of all, major tourism costs are outside the DOT budget. Secondly, of the official DAR budget estimates it must be remembered that only a small percentage of the budget — less than 25 percent — directly supports Operation Land Transfer.

The support for the DAR and the DOT comes from many sources of

<sup>50</sup>Bernard Wideman, "Overbuilt, Underbooked," *Far East Economic Review*, January 21, 1977, p. 72.

<sup>51</sup>Interview with Dr. Eryl Buan, Assistant Dean of the Asian Institute of Tourism.

<sup>52</sup>*Bulletin Today*, July 15, 1977.

<sup>53</sup>As an example, a small convention on tourism hosted by the city of Manila in May 1977, the Pacific and Asian Council of Municipalities, costed the city between one and two million pesos. As an observer to the convention planning and the actual convention, I can attest to both its political success and its economic extravagance.

which the above only suggest the most important. This study does not pretend to compare expenditures for the two policy areas precisely — at this juncture that seems impossible — but only to suggest a certain lack of symmetry between the professed number one priority — land reform — and the governmental commitment to it and a corresponding asymmetry between a chosen and evolving priority and the resources it has garnered.

These comparisons can be extended still further. The DOT budget includes the services of 1,000 employees on terms sufficiently attractive to keep turnover miniscule. DAR has 9,000 employees with a high rate of turnover which DAR questionnaires have determined is primarily a function of the salary scale.<sup>54</sup>

Working conditions differ significantly as suggested earlier. There are many non-glamorous jobs at the DOT and many challenging problems, but "crocodiles," rebels, angry landowners, and "mud" are not among them. While DOT offices are located in comfortable, attractive surroundings, DAR offices seldom are. Few DAR offices have air conditioning, adequate table space, file cabinets, typewriters, or other basic supplies. A freeze on buying office equipment exists for all government offices but DOT seems to work around it. DAR does not.<sup>55</sup>

The differences in physical surroundings could be explained in part perhaps by the essentially promo-

<sup>54</sup>DAR questionnaire noted in the Personnel Evaluation of the DAR done for the Civil Service Commission in late 1976, Dr. Felipe Oamar, Chairman.

<sup>55</sup>These findings are based on personal observations of ten out of twelve DOT regional offices, district DAR offices and the central offices of each department.

tional and regulatory nature of the DOT which may require a more impressive facade. But there are numerous unexplored ways that could perhaps restore the balance. DAR particularly needs far more creative media work to accord status both to the program and the workers. Numerous opportunities for human interest stories involving either land reform recipients or DAR workers are overlooked. In a content analysis of the three major dailies from January-May 1977, there were more than twelve articles on tourism for every one on agrarian reform. The imbalance is still more pronounced when one compares number of pictures, prominence of location of articles, length, headline size.<sup>56</sup> Even in the President's 1977 Budget Message, there were only two references to agrarian reform, neither of which involves land transfer; tourism was referred to only once but concrete objectives were mentioned.<sup>57</sup> Whatever the reason for the failure to better publicize this "cornerstone of the New Society," the fact remains that DAR is almost invisible most of the year.<sup>58</sup>

DOT on the other hand conducts a media blitz, benefiting from endless press releases and from a Secretary with a well-developed public relations instinct. Since none of the major dailies do much independent

sleuthing, it is by such press hand-outs that a department is known.

Not unexpectedly the relative publicity of the two departments appears to be reflected in the prominence and perceived strength of their leadership, even among informed influentials. In Perla Makil's study of national influentials in 1969, Secretary Estrella was ranked twentieth in a list of 300. Secretary Aspiras, then a Congressman and close friend of the President was not listed. In 1975 a re-survey showed Secretary Aspiras to be regarded as fifteenth in influence in the now much shorter list while Secretary Estrella was still ranked twentieth.<sup>59</sup>

In the Philippines the importance of an individual is generally related to the individual's connections and not to his particular position. Most sources give high marks to Secretary Aspiras for his ability to make tourism a priority policy area. However, the President's decision to create the cabinet-level department with Aspiras and other key presidential assistants within it seems to be an indication of presidential interest in tourism that antedates Aspiras' leadership.

It is not clear that the President wishes to encourage a more activist stance by the DAR. Estrella was named to the DAR post prior to martial law and after a long association with other land reform bodies. He was a predictable "known quantity." In that controversial department, the decision has evidently been to

<sup>56</sup>The newspapers analyzed were *Bulletin Today*, *Times Journal*, and *Daily Express* during the period from January 1, 1977 to May 1, 1977.

<sup>57</sup>*Budget for National Self-Reliance*, September 21, 1976.

<sup>58</sup>One news editor did note in a personal interview that land reform did get more attention "in the early years when it was being implemented." Whether he is correct in his perception or not, his comments emphasize the need for better public relations with respect to DAR and Operation Land Transfer.

<sup>59</sup>P.A.A.S.C.U./Institute of Philippine Culture, *Study of Schools and Influentials*, Final Report Part 1, 1969-1970 (Quezon City: Institute of Philippine Culture, Ateneo de Manila University, 1970). See also Perla Makil, *Mobility by Decree*, Vol. II (Quezon City: Institute of Philippine Culture, Ateneo de Manila University, 1975).

select leadership that will not so much as inflame or stimulate but soothe and reassure all parties involved.

### Conclusion

In attempting to compare such dissimilar policy areas, it is hoped that at the Philippine governmental level this study will facilitate dialogue over the pace, direction, and scope of these two priority areas. It would be futile to suggest that one sector is moving more rapidly than the other; it would also be erroneous to conclude that one is necessarily advancing at the other's expense. It is equally mistaken to suggest that DAR's budget is strictly a function of the country's economic woes, for obviously some sectors like tourism are getting considerable monetary infusions.

Tourism does represent a revenue-earning sector which is an important consideration. While most tourism revenues to date have gone into further capitalization of related tourism projects, this may only be a temporary phenomenon. Investments made in tourism may pay big dividends

What this paper has attempted to do is to encourage greater attention to the comparative advantages and disadvantages of these policy sectors. This research suggests that the commitments in both sectors have been inappropriate to New Society announced priorities. Given the clarion calls of P.D. No. 2 and P.D. No. 27, far more substantial commitments to DAR should have been made. Failing this, internal priorities of DAR should have reflected the primacy of OLT to a degree that has not occurred so far. In the future, despite huge expenditures and perhaps despite anticipated considerable social costs. That is not really at issue in this analysis either.

The imaginative development of tourism has been shown to have economic and political value. But the preoccupation with luxury tourism and the pace of its development appear sadly out of step when viewed side by side with other policy priorities. If similar imbalances in other policy sectors exist, they reinforce the issues noted here; if not, the imbalance in these key policy sectors deserves renewed attention.