

LAND REFORM Failure for Marcos; Test for Aquino

by E. Robert Scrofani

"We are in fact a nation divided against itself - divided between urban and rural, rich and poor, majorities and minorities, privileged and underprivileged - among the poor there is still the nagging fear that we have liquidated one oligarchy only to set up a new oligarchy."

This not a quote from the new president of the Philippines; this was said by Ferdinand Marcos in 1972 when he declared martial law.

It demonstrates that Marcos and Aquino had many similar concerns. Aquino's success or failure in reforming Filipino society and economy will be based in great measure on her ability to learn from Marcos' failure to meet the needs of the poor and landless.

Both Marcos and Aquino asserted their primary concern was the poor. Marcos promised that he would create a "new society" in which the needs of the poor would come before the rest, a "bloodless revolution with a democratization of wealth." Aquino promised "priority to the poor" in her campaign.

It would be instructive for her to look at Marcos' programs. For a time there was an increase in wealth and buying power, although most of this went only to the middle class or was drained from the economy by his followers (as has been amply reported in the press both here and in the Philippines.).

The central fact of the Philippine economy is that the people of the Philippines are poor. The UN reports that 76% of the people live below the poverty threshold. The government itself reveals that three fourths of the children between one and five suffer from malnutrition.

Marcos' major failure occurred in his attempt to alleviate this widespread poverty.

The poverty of the Philippines can be traced directly to the maldistribution of the land. Most farm laborers work on land owned or controlled by multinationals to produce export crops. In the Philippines 79% of the people work on the land but only 25% own their own land. One result is that the agricultural area which employs 3/4 of the workforce produces 1/4 of the gross national product.

Marcos chose Taiwan whose land reform was enormously successful as a model for his land reform project. It was a good model. Both countries had authoritarian regimes which needed to pacify the peasants to succeed; both needed to make tenant farmers independent landholders and both needed to solve the problem of low farm productivity.

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Taiwan established fair rents and gave the tenants who cultivated privately owned land a long term lease providing them a strong sense of security. Then 200,000 tenants received a chance to buy the land at a set percentage of the rice crop. Credit and new technology, health and medical services were provided by the government. A tax on land values served as an incentive to promote tenant production and to help eliminate the absentee landlord.

In the Philippines on the other hand, Marcos ignored the World Bank suggestion for a tax on land values to increase production. Instead a Philippine tenant who defaulted on his loan got a jail sentence.

Marcos promised that all tenants who worked rice and corn land would own a family size portion and would have a long term lease on the land they worked. Yet he exempted all export crop land so that only 13% of the cultivated land was affected by the program. And by 1980 only 1/10 of 1% of such tenants received land patents.

The pattern is clear. Taiwan made definite commitment to its agricultural workers before it moved to become one of the "economic tigers" in Asia. Food production served the needs of the people first. In the Philippines increased food production was aimed at increasing the nation's general income. Millions went hungry yet increasing amounts of land were planted with export crops such as pineapples, bananas and sugar. And millions migrated to urban areas where they also lived in poverty. These conditions continue today.

In Taiwan on the other hand the gap between the rich and the poor has been narrowed. Land reform built the country's prosperity from the bottom up and the least affluent fifth of the population gained the most. In the Philippines the bottom 50% of the population received less than 17% of the wealth of the nation.

The success of Taiwan can be measured emphatically by comparing the infant mortality rate. It has fallen to 8.9 per thousand births in Taiwan, while in the Philippines infant deaths are 51 per thousand births.

As Current History (April 1986) points out, Taiwan was able to produce this booming equitable economy "on land that has virtually no natural resources, little arable land and with a population density three times that of Japan and nine times that of China." The Philippines, on the other hand are rich in resources, good soil, suitable climate, mineral resources and rivers and lakes.

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3) Taiwan is still the model for the Philippines; one that Marcos failed to follow when he declared martial law 13 years ago. The revolution of Cory Aquino, led by the cheering middle class of Manila must still deal with the major problem of land reform. Marcos lacked the will, and perhaps the power to overcome the landed interests, and duplicate the Taiwan model. It remains for Cory Aquino to return to the task. For the issue of land reform will not go away.

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