

Explicit treatment of debt management, foreign direct investment policy, and privatisation policy is also needed.

In sum, this book is without question one of the "musts" for those who study the Indonesian economy, and all readers will be anxiously awaiting the publication of the revised edition which should include a full assessment of recent foreign direct investment and the NONMIGAS export boom. (Hiroshi Osada)

*Toward an Alternative Land Reform Paradigm: A Philippine Perspective* by Yujiro Hayami, Ma. Agnes R. Quisumbing, and Lourdes S. Adriano, Manila, Ateneo de Manila University Press, 1990, xiv+209 pp.

In 1988 the Aquino government proclaimed a Comprehensive Agrarian Reform Law. This law has aimed at a far more comprehensive reform than previous efforts in that it covers all farmland including plantation areas, and even landless agricultural laborers have expected to benefit. It is widely known however, that the reform has been poorly implemented and has disappointed peasants and landless agricultural laborers.

In this strained situation in Philippine agriculture, the purpose of this timely work is to bring about a feasible land reform program which will solve both problems of efficiency and equity. It is a fascinating and monumental work produced by an international project consisting of Professor Dr. Yujiro Hayami, an authority on agricultural economics, and a group of young and enthusiastic Pilipino scholars. The work is logical in its analysis and explanation well grounded in historical studies and field research.

Chapter 1 (Promoting Equity with Efficiency) poses the theme of this book and outlines an alternative land reform program which the authors advocate. The starting point of their argument is why past land reforms in the Philippines have failed. One reason according to the authors is that past land reforms were based on the traditional Asian model. When considering non-Communist land reforms, two models need to be distinguished, the Asian model and the Latin American model. The Asian model aims at the redistribution of rights over land from landlords to tenants, in the Latin American model the main problem is a class conflict between estate owners and laborers. Land reform in the Philippines should be a mixture of the Asian and Latin American models, since the tenant system and plantation system coexist in the Philippines and a large number of landless agricultural laborers exist in the tenant system. Although successful land reforms in noncommunist Asia can be found in Japan, the Republic of Korea, and Taiwan, it is far from appropriate to apply these experiences directly to the Philippines. Other reasons for land reform failure in the Philippines are the lack of a well-disciplined bureaucracy, the lack of accurate data on landownership and tenancy relations and the lack of cooperativism and unionization. Thus compared with the successful land reform experiences in East Asia, the initial conditions in the Philippines are completely different.

Based on the above discussion, the authors lay out an alternative land reform program for the Philippines: (1) land held by landowners in excess of a ceiling imposed should be sold directly to small holders with the help of preferential long-term credit; (2) a progressive land tax should be set to fund the operation of reform programs and

complementary services, which will reduce the price of land and induce big landlords to sell land to small farmers and the landless; (3) land tenure contracts should be deregulated except for the rights of leaseholders in the previous land reform, which will urge landlords to rent out land to landless agricultural laborers; and (4) a progressive rent on public land leasing should be set which will promote a contract farming system between multinational agribusiness and small growers.

In chapters 2 and 3 the historical characteristics of the rural areas and the experiences of past land reforms are explained concisely to provide a background for the authors' alternative land reform. In chapter 2 (Agrarian Structure and Agrarian Unrest), they first point out the importance of rice, sugarcane, coconuts, bananas, and pineapple for the Philippine national economy. The authors then focus on the existence of large number of landless agricultural laborers as the main source of rural poverty. They also recognized the variety and peculiarity of Philippine agriculture. While Luzon island has a typical old settled Asian characteristic centered on the predominance of small peasant farms, the frontier areas, such as Negros and Mindanao where plantations have widely developed, are close to the Latin American type. But these frontier areas also differ from each other. In Negros sugarcane farms are similar to the feudal *latifundia* while in Mindanao the plantations follow the capitalist mode. Because of these differentials the local social transformations have to be examined to understand the Philippine agrarian structure. The authors point out three transformations: (1) the emergence of agrarian institutions in Central Luzon and Southern Tagalog regions, (2) the development of the sugar industry on Luzon and Negros with the farmer based on tenant haciendas and the latter on centrally managed haciendas employing hired labor, and (3) the effects of public land acts and resettlement schemes on the growing importance of modern plantations on Mindanao. At the same time, these transformations represent the three major sources of agrarian unrest in the Philippines, i.e., the dispute between tenants and landlords, the confrontation between wage laborers and *hacendero*-planters in traditional plantations, and the confrontation of wage laborers with corporate management on modern agribusiness plantations.

After setting out the above characteristics of Philippine agriculture, chapter 3 (Past Programs and Accomplishments) presents a critical discussion of past land reform programs. The focus of these land reforms has been tenancy reform and resettlement on public lands to maintain political stability since the expropriation of friar lands by the American colonial regime. Before Martial Law was imposed in 1972, the main source of social unrest came from the Huk movement. After the suppression of the Huk rebellion, land reform efforts lost momentum. The loss of land reform momentum unless pressed by increased social unrest has been another characteristic of Philippine agriculture. Although land reform under Martial Law followed the same logic, it was a great improvement over previous efforts. This reform undertake two measures: (1) Operation Leasehold (the conversion of share tenants to leaseholders) and (2) Operation Land Transfer (the conversion of leaseholders to owner farmers). The coverage of Presidential Decree (PD) 27 amounted to 12 per cent of total agricultural land area. However there were many shortcomings in this reform. It maintained a high retention limit (7 ha), and its coverage was limited to tenant rice and corn farmland. Moreover there was a widespread practice for landlords to expand their land holdings by evicting tenants under the guise of voluntary submission of land from tenants to landlords or by planting sugarcane in paddy fields. Since medium and small landlords were large in number and made alliances with wealthy peasants eager to expand their holdings, the extension of the programs was difficult. Finally, it created serious income inequali-

ties within village communities because landless agricultural laborers were left out of the reform. Regarding the Comprehensive Agrarian Reform Law (Republic Act No. 6657) under the Aquino regime, the authors show that this program is a compromise document between the congressional House of Representatives which mainly consists of landlords and the Senate which is basically urban-based with economic interests in the modern sector. The authors also seriously fear that the manpower and budgetary requirements for implementing RA 6657 may exceed the limits that the country can bear. In addition, the authors point out that this latest reform still neglects the landless.

From chapters 4 to 6 (*Rumblings in the Paddies, Debunking Myths in Coconut and Sugar Sectors, and Land Reform in Agribusiness Plantations?*), the authors analyze paddy fields, traditional plantations for coconut and sugarcane, and multinational plantations for pineapple and bananas as the target areas for reform. This analysis presents the author's argument for an alternative land reform based on their field research. Chapter 4 describes the present rural conditions in the irrigated rice sector. According to the authors, in Central Luzon and Southern Tagalog regions, amortizing owners of paddy fields tend to sell their certificates of land transfer to people with comparatively high income who then hire landless agricultural laborers on long-run contracts under the present tenant regulations. Present rural unrest does not come from traditional class conflicts between landlords and tenants or landless agricultural laborers, but from Indian-type conflicts between farmers/semi-landlords and landless agricultural laborers. This fact suggests that an alternative reform should guarantee landless agricultural laborers the possibility of ascending the agricultural ladder to become share tenants. At the same time the government should entrust land redistribution to the market mechanism by imposing a progressive tax on land. In chapter 5 the authors look at traditional plantations in coconut and sugarcane. The anti-land reform argument put forward by these interest groups is one based on the existence of scale economies, especially in the delivery of products to processing plants. According to the authors, it is difficult to find increasing return to scale in such plantation areas. This means that a contract farming system should be developed with strengthened government credit programs or technical guidance for small farmers. At the same time, it is necessary to ensure the plantation workers can ascend the agricultural ladder. Plantation workers can easily become efficient farmers if supported by education, training, and credit programs. Chapter 6 discusses the idea of land reform in the modern capitalistic multinational plantations for pineapple and bananas. The conclusion of field surveys conducted by the authors indicates that although multinational banana and pineapple plantations show significant contribution to the national economy as exporters and as creators of employment and income generation despite their social conflicts in local communities, the existence of economies of scale is not so clear. The authors criticize the corporate stock-sharing system as unfeasible, and call for a contract farming system through the introduction of a progressive land rent for the lease of public land and the imposition of a progressive land tax on private land. Furthermore, the authors see the so-called social forestry project as a complement to land redistribution, not as a substitute. The last chapter (*An Alternative Land Reform Design: Problems and Prospects*) summarizes the discussions developed and gives concluding comments.

The analysis that the authors present in this book is very convincing. I would like to point out, however, two problems of efficiency and equity which need further explanations. On the problem of efficiency, a progressive landholding tax alone seems insufficient incentive to make landlords voluntarily sell their holdings. From the history

of land reform failures presented in chapter 3, it seems to me that land transfers among relatives will be repeated again unless there are punishments for land transfers outside of market transactions. Regarding the equity problem, it seems impossible to ignore the side effects of land reform on the other sectors. Although it seems the authors suppose that landless agricultural laborers remain in the rural villages, this assumption is not so clear. According to census data, after the land reform of the Marcos regime, many people living in Bicol, Eastern Visayas and Western Visayas who were not included in the program migrated to the greater Manila area. My own observations also show that laborers in the urban informal sector come mainly from the landless in these areas, where a concentration of landless agricultural laborers exist. It is quite possible that these laborers prefer to migrate rather than trying to ascend the agricultural ladder which they find difficult. This is because ascending the ladder requires the landless to take somewhat rigorous training, which in turn requires time. In August 1991 while working in Bicol region, I observed the enormous exertion for supporting tenants and the landless in RA 6657 being carried out through the cooperation of government and the non-governmental organizations. It seems difficult to expect the fruits of such activities in a short span of time. From this case, it would seem necessary to have a mechanism for absorbing employment into the manufacturing sector in the rural or urban areas, rather than binding the landless to the farm. The authors need to develop a more clear-cut discussion on this point if data is available from their research about the decision-making process of landless agricultural laborers that leads to their migration.

In spite of the above problems, however, I was impressed with the logic and consistency of the authors' discussion. This challenging work surely makes an important contribution not only to understanding land reform in the Philippines, but to furthering true land reform in that country.

(Tōru Nakanishi)