

# The Agribusiness Venture Arrangements in the Philippines: Policy Directions of the Department of Agrarian Reform





# R R

Agribusiness Venture Arrangements (AVAs) in the Philippines have had a significant impact on Agrarian Reform Beneficiaries (ARBs), with some benefiting while others have not reaped the advantages of land ownership. This necessitates an examination of the Department of Agrarian Reform (DAR)'s institutional and regulatory environments of AVA—specifically lease arrangement—and how it can be strengthened using an integrated conceptual framework of Coleman's (1987, 1990) boat model and Denhardt and Denhardt's (2000) New Public Service (NPS) model. Using Dyball and Newell's (2015) Causal Loop Diagram (CLD), the study plots proposed solutions to address the institutional constraints in the AVA implementation. The findings reveal that DAR's weak implementation of AVA is due to its classification as an “activity” rather than a legitimized program. Thus, it is imperative that recognizing AVA as a program would result in dedicated budget allocation or targets that need to be met annually. It would have a crucial role in enhancing DAR's capacity and authority. Nonetheless, improvements within DAR alone are insufficient for AVA success. Transformations in the political-economic landscape of the agri-agra industry, agricultural land management, and among ARBs are necessary.

*Keywords: agribusiness venture arrangements, agrarian reform beneficiaries, institutional constraints*



In line with the Philippines' commitment to the promotion of effective and fair governance, it is important to examine the capacity of the public sector responsible for the agrarian reform sector, like the Department of Agrarian Reform (DAR). DAR is the implementing agency of the Comprehensive Agrarian Reform Program (CARP), established in 1988 through Republic Act (RA) 6657 and later expanded in 2009 through RA 9700. While CARP's main objective is to distribute land to the landless, it recognizes the need for agribusiness venture arrangements (AVAs), formerly known as alternative venture agreements, as a temporary solution to provide for a transition period as the program implementation proceeds to actual land distribution for lands leased, held, or possessed by corporations (Section 8, RA 6657).

The main policy guideline governing the overall AVA sector for agrarian reform beneficiaries (ARBs) is DAR

Administrative Order (AO) Number 09 Series of 2006, otherwise known as Revised Rules and Regulations Governing AVAs in Agrarian Reform Areas. AVA refers to entrepreneurial collaboration between ARBs and investors to implement an agribusiness venture using CARP-lands (Section 3.2, DAR AO 9 of 2006). The main goal of AVA is to enhance the support of the government's support services through the involvement of the private sector (Section 1, DAR AO 9, 2006).

There are seven AVA schemes: 1. Joint Venture Agreement (JVA); 2. Lease Agreement (LA); 3. Growership Agreement (GA); 4. Management Contract; 5. Service Contract; 6. Marketing Agreement; and 7. Build-Operate-Transfer (BOT) Scheme (DAR AO 9, 2006). The most prevalent AVA scheme is LAs. According to FAO (2016), out of 433 AVAs, there were 334 LAs (as cited in 2015 DAR inventory). Also, LAs are the least preferred AVA scheme of DAR and agrarian reform advocates because they allow the transfer of control and management of the awarded lands of ARBs to investors (Limbo, 2020).

However, there have been very few successful AVAs between ARBs and private investors (Food and Agriculture Organization, 2016; OXFAM, 2016).

Most ARBs were found to be unaware of their obligations and rights under the contracts because they are often written in English (FAO, 2016). This also transpired in OXFAM's (2016) study, where it was revealed that banana farmers in Mindanao were still suffering due to unfair AVAs. The contract period was typically 15–30 years, with automatic renewal for the same length of time or renewal at the sole option of the corporate investor. Despite changing circumstances, these extraordinarily protracted periods offered little to no opportunity for adjustment (OXFAM, 2016).

Studies by FAO (2016) and OXFAM (2016) failed to explain how DAR is able to assess, review, and monitor the AVA implementation. The role of DAR is crucial to ensuring that the ARBs benefit from their arrangements. **Given this, the proposed study intends to examine DAR's institutional and regulatory environments for AVAs—specifically LA—and how it can be strengthened.**



# E E C

The combined frameworks of Coleman's (1987, 1990) boat model and Denhardt and Denhardt's (2000) New Public Service (NPS) model are necessary to demonstrate the complex, multidimensional, and multiscalar nature of policy implementation in the context of AVA in the municipality of Makilala, North Cotabato City (see Figure 1). The frameworks were selected based on whether they could answer the research objectives.

Coleman's (1987, 1990) boat model is used to examine DAR's institutional and regulatory environments for AVA. As with the public administration (PA) model, Denhardt and Denhardt's (2000) NPS model is the most appropriate PA model in determining what should be the role of the government to promote and protect ARBs' rights and interests in AVA.

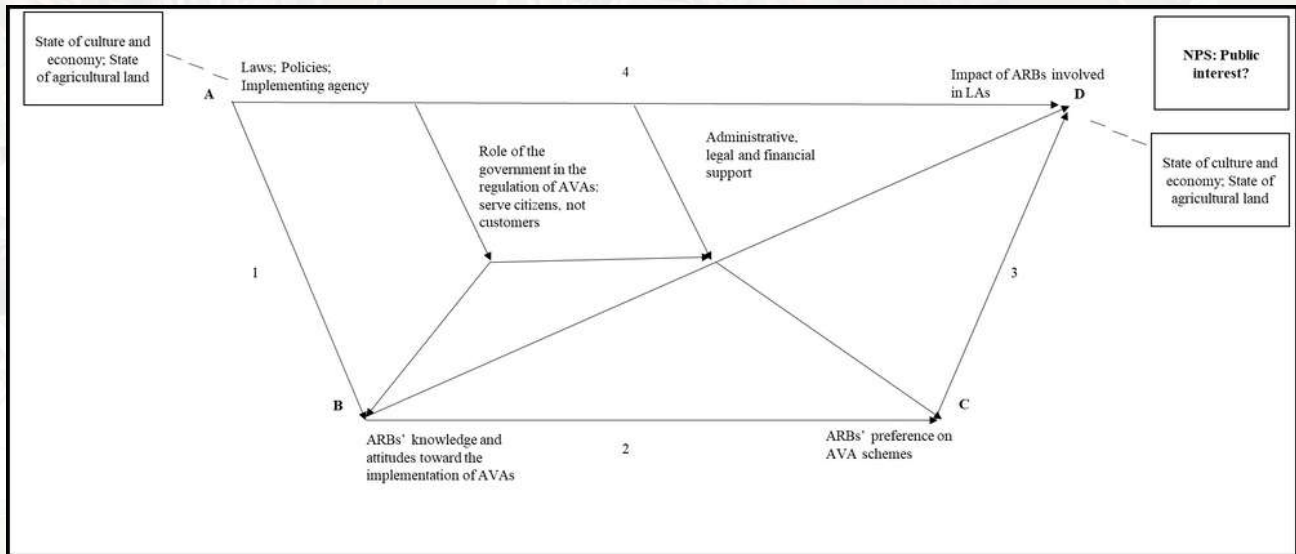


Figure 1. An Integrated Conceptual Framework Using Coleman's (1987, 1990) Boat Model and Denhardt and Denhardt's (2000) NPS Model

## C B C B B

Coleman's (1987, 1990) boat model explained the dynamic interplay of macro-micro relations. Nodes A and D are known as the macro social facts. Node A pertains to the macro level cause, while Node D refers to the macro level effect. The model assumes that Node A has a causal relationship with Node D. In this study, Node A refers to the effects of laws, national policies, and the implementing organization(s) involved in the implementation of AVA in relation to their impacts on ARBs (Node D). It should be noted that Nodes A and D do not represent the entire macro level. Instead, they only represent "certain facts relevant for the hypothesis under consideration" (Ylikoski, 2016, p. 6).

Node B pertains to knowledge, attitudes, values, motives, goals, beliefs, opportunities, and interests. In this study, Node B refers to ARBs' knowledge and attitudes toward the implementation of AVAs. The Coleman (1987, 1990) model assumes that Node B affects the actions, behaviors, and choices of individuals (Node C). This means that ARBs' preferences on what type of AVA schemes—whether LA or GA—to use are influenced by their knowledge and attitudes toward the implementation of AVAs. Nevertheless, Coleman (1987, 1990) acknowledged the fact that the behavior of an individual depends on how other individuals behave (Coleman, 1987, 1990).

The New Public Service (NPS) model is built on democratic citizenship, community, and civil society. Denhardt and Denhardt (2000) identified important assumptions of the NPS model. One important NPS assumption is “serve citizens, not customers” (p. 555). In the public sector, it is difficult to determine who the customer is. The government caters to all its constituents, not just those with more resources than others, to advance their demands.

This explains why the role of government is to serve rather than to steer. The increasing issues and concerns explain why the primary role of the government should no longer be limited to the implementation of rules and regulations. Instead, governments should serve their citizens by helping them articulate and meet their public interests (Denhardt and Denhardt, 2000; 2015). These new roles require governments to develop new skills in terms of brokering, negotiating, and conflict resolution (Denhardt and Denhardt, 2000; Robinson, 2015).

Another important NPS assumption is that it views public interest as the aim and not a by-product. To serve citizens, the government needs to provide the

proper venue that allows for authentic discourse concerning society’s direction. The government has the moral obligation to ensure that the solutions generated through public dialogue are in line with the norms of justice and fairness and consistent with the concept of public interests (Denhardt and Denhardt, 2000).

Lastly, NPS claims that citizens are no longer viewed as voters, constituents, or customers. Instead, they are viewed as problem solvers and co-creators who are actively involved in creating what the public values and what is good for the public. Denhardt and Denhardt (2000) argue that effective and responsible citizen action can only be achieved when people come to recognize that government is responsive, that is, open and accessible. This means that people must come to recognize that government exists to meet their desires and needs (Denhardt and Denhardt, 2000).

In line with these assumptions, DAR was created to promote the rights and interests of ARBs. In this case, AVAs need to be consistent with the overall goal of agrarian reform, which is to improve the lives of farming families. Thus, DAR is the main signatory of all AVA contracts to ensure that the rights

and welfare of ARBs are protected (Section 4.6, DAR AO 9 of 2006). Without DAR's signature, the contract is considered null and void. Other than this, all AVA contracts should be periodically reviewed or renegotiated by the contracting parties (Section 4.14, DAR AO 9 of 2006). Also, it is important for DAR personnel to be present before and during the contract negotiation process for all AVAs.

To fulfill these roles, the NPS model claims that those public officials will no longer play a role in service delivery. Instead, they will play a conciliating, mediating, or even adjudicating role to make sure that the rights and interests of ARBs are promoted and protected. It is important to note that these new roles will require new skills in terms of brokering, negotiating, and conflict resolution.



# D DC



The study used primary and secondary documents and key informant interviews to determine the constraints in the AVA implementation of DAR and how it can be strengthened. These documents include statutes or laws, executive orders, administrative orders, department circulars, newspaper clippings, and other primary documents. Other than these, key informants were experts and lawyers in agrarian reform and AVA, government officials from DAR national and regional offices.

Also, the survey was conducted in person using a simple random sampling method among ARBs involved in LAs in Makilala, North Cotabato. Table 1 shows that the average age of the ARB-respondents is 58 years old, with a range of 35 to 82 years old. About 70% of the respondents are married, and 73% of them are male.

The respondents came from different barangays, but the top four barangays are as follows: Malabuan (27), Luna Sur (19), Poblacion (7), and Garsika (3). The average residence years of the respondents with LA in Makilala, North Cotabato, are around 41 years. In terms of household size, the average

number of household members among the respondents is five. In terms of income, the average monthly income is PHP 11,254.35. Finally, only 33.3% of respondents reported having a household member who relies on agriculture for a living.

|                        | MEAN (FREQUENCY)               | STANDARD DEVIATION (%) |
|------------------------|--------------------------------|------------------------|
| <b>Age</b>             | 57.95                          | 12.21                  |
| <b>Civil Status</b>    |                                |                        |
| Single                 | 3                              | 4.8                    |
| Widow                  | 14                             | 22.2                   |
| Married                | 44                             | 69.8                   |
| Separated              | 2                              | 3.2                    |
| <b>Sex</b>             |                                |                        |
| Female                 | 17                             | 27                     |
| Male                   | 46                             | 73                     |
| <b>Barangay</b>        |                                |                        |
| Balaguna               | 1                              | 1.6                    |
| Bulacano               | 1                              | 1.6                    |
| Garsika                | 3                              | 4.8                    |
| Kanapolo               | 1                              | 1.6                    |
| Luna Sur               | 19                             | 30.2                   |
| Malabuan               | 27                             | 42.9                   |
| Malasila               | 1                              | 1.6                    |
| Malungon               | 1                              | 1.6                    |
| New Cebu               | 1                              | 1.6                    |
| Poblacion              | 7                              | 11.1                   |
| VillaFlor              | 1                              | 1.6                    |
| Residence years        | 40.52                          | 16.1                   |
| Household size         | 4.32 or 5                      | 1.92                   |
| Monthly Income         | PHP 11,254.35 (median = 9,000) | 9,718.97               |
| Agriculture livelihood | 33%                            | 0.55                   |

Table 1. Demographic Profile of the ARB Survey Respondents

# I D I D



For the data analysis, a coding sheet was created for the documents and key informant interviews to determine the constraints in the AVA implementation of DAR and how it can be strengthened. The coding sheet started with the assignment of codes, with separate matrices for documents and key informants. Another set of matrices was used to identify the main themes and subthemes for the documents and key informants after this. Thematic analysis was used to answer the research questions.

In addition, the data was entered into the trends of the matrix to determine the movements of qualitative variables. Afterwards, the researcher used Dyball and Newell's (2015) causal loop diagram (CLD), a tool used in systems science, to visualize the variables and linkages within a system. The variables in the CLD were grouped based on the state of community, state of cultural

paradigms, state of human health and wellbeing and state of ecosystems (Dyball and Newell, 2015; Dangcalan et al., 2020).

In addition to this, DAR's institutional constraints were measured through the knowledge and attitudes of ARBs involved in LA. The study used the chi-square test of association to determine

whether there was a significant relationship, correlation or association between the two variables. Other than this, it employed Phi and Cramer's V to examine the level of significant relationship (e.g., weak, moderate, strong, or very strong) between two variables. Lastly, the study used the cross-tabulation method to support the identified relationship.





Dyball and Newell's (2015) CLDs capture the conditions and relationships between four main subsystems: 1) cultural paradigms, 2) community, 3) human health and wellbeing, and 4) ecosystems. By using CLDs, problems can be traced across all subsystems.

While Coleman's (1987, 1900) boat model mostly focuses on what changes the government can do for ARBs, CLD recognizes that changes should be in sync across all subsystems, not just the government or community.

In short, CLDs can trace what happens when there is a change in DAR and how it affects or trickles down to the other subsystems (culture and economy, ARBs, agricultural land).

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Under Coleman's (1987, 1990) boat model below, Node A pertains to the macro level cause, while Node D refers to the macro level effect. In this study, Node A refers to the AVA rules and regulations and DAR as the implementing agency. On the other hand, Node D pertains to the impact of

AVA on ARBs. The model assumes that Node A has a causal relationship with Node D. The study employed Dyball and Newell's (2015) CLD to plot KII themes. This is to determine the constraints between Node A and Node D in the context of AVA.

There are constraints between the state of policy (Node A) and the state of ARBs (Node D). Figure 2 and Table 2 below show eight constraints based on the problem space of how the state of policy affects ARBs.

| LINK NO. | VARIABLE IN STATE OF POLICY                     | MEDIATING VARIABLE                                     | VARIABLE IN STATE OF ARBs                                         | TRENDS          |
|----------|-------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------|-----------------|
| L1       | Priority for Private Investment                 | [Control of Investor]<br>Foreign and Elite Control     | Unfair Contract Agreements with Low Lease Rental                  | Reinforcing (+) |
| L2       | Lack of Consistent and Specific Guidelines      |                                                        | Unfair Contract Agreements with Low Lease Rental                  | Reinforcing (+) |
| L3       | Classification of AVA as "Activity"             | Budget Allocation, Capacity and Authority of Personnel | Financial Capital and Credit, Farm Inputs, and Legal Negotiations | Balancing (-)   |
| L4       | Complications in Organization Structure         | Enforcement                                            | Preference for Quick Returns through LAs                          | Balancing (-)   |
| L5       | Contradicting Role of DAR in Legal Cases        | Capacity and Authority of Personnel                    | Legal Negotiations                                                | Balancing (-)   |
| L6       | Lack of Penalties and Accountability Mechanisms | Enforcement                                            | Unfair Contract Agreements w/ Low Lease Rental                    | Reinforcing (+) |
| L7       | Policy Stagnation and Recycling                 |                                                        | Farmer Rights and Duties                                          | Balancing (-)   |
| L8       | Lack of Complementary Mechanisms                |                                                        | Income and Productivity                                           | Balancing (-)   |

Table 2. Problem Space Based on the State of Policy and How It Affects ARBs

Based on the table above, first, L1 demonstrates that the government's turn to private investment has enabled the control of private investors, who have the upper hand in determining the terms and conditions of contracts. An NGO Executive Director (KII\_007) pointed out that the transition from public investment to private investment in agriculture is due to the government's inability to provide sufficient public investment. Thus, it gives permission for private investment in agriculture due to the government's inability to provide public investment.

Second, L2 demonstrates that the lack of consistent and specific guidelines results in unfair contract agreements with low lease rentals. While there is an existing lease rental formula, key informants believed there is an absence or lack of a consistent and standardized formula for determining lease rental rates. In response, a DAR national official (KII\_006) agreed on a foundation for calculating lease rental rates in the past. On the contrary, a DAR national official (KII\_005) disagreed, saying that there is a lease rental formula, but that is not being followed.

Third, L3 demonstrates that the classification of AVA as an activity impacts the budget allocation and personnel assigned to DAR. As such,

DAR provides support services to ARBs but has been inadequate through the years. A DAR regional official (KII\_012) argued for the lack of actual implementation of the AVA guidelines outlined in AO 9 of 2006. A DAR national official (KII\_005) explained that DAR's non-implementation of AVAs is due to its classification as a non-program.

Fourth, L4 demonstrates that complications in the organizational structure delay enforcement; thus, ARBs prefer to choose the most quick and convenient agreement, which is LAs. One of the regulatory powers of DAR in AVA implementation is the review and approval process. Sections 4.5 and 4.6 of AO 9 of 2006 state that all AVAs requiring the use and possession of the land in favor of the investor or former landowner (e.g., LAs) should be reviewed and evaluated by National AVA Evaluation Committee (NAEC) after receiving endorsement from Provincial Agrarian Reform Coordinating Committee (PARCCOM). Finally, the Presidential Agrarian Reform Council (PARC) or the PARC Executive Committee should approve all these types of AVAs. In this case, a DAR national official (KII\_009) pointed out that since PARC is composed of several agencies, obtaining their shared schedule may take longer.

Fifth, L5 demonstrates that DAR's role as a nominal party and representative of ARBs is contradictory. Personnel do not have the expertise to navigate legal grounds. A DAR regional official (KII\_008) pointed out that DAR acts as a nominal party in the approval process of the contract. An NGO former legal officer (KII\_001) elaborated that DAR signs the LAs as nominal parties or witnesses to signify that they have reviewed them. However, an NGO Executive Director (KII\_007) pointed out the DAR's human resource challenges. He also emphasized the issues related to the capacity and competency of DAR employees. In response, a DAR regional official (KII\_008) noted the lack of DAR expertise in investor negotiations.

Sixth, L6 demonstrates that the lack of penalties and accountability mechanisms weakens enforcement of guidelines, which in turn results in unfair contract agreements with low lease rentals. A UPLB researcher (KII\_004) explained that there are low penalties for environmental offenses, thus the preference for in compliance by companies. Thus, a DAR regional official (KII\_011) suggested the need for ensuring the consistent application of punishment for committing violations or illegal acts. DAR AO 9, Section 19 of 2006, specifies that the PARC, the PARC ExCom, or the Department of

Agrarian Reform Adjudication Board (DARAB) may revoke and terminate the AVA contracts after due process.

Seventh, L7 demonstrates that the stagnation of AVA policies stems from the lack of actual implementation of these guidelines, thus suppressing ARBs' rights and duties. A DAR regional official (KII\_012) argued for the lack of actual implementation of the AVA guidelines outlined in AO 9 of 2006. In this case, a UPLB researcher (KII\_003) suggested the need to break the cycle of repetitive policies for farmers. This is because policy stagnation is a constraint for farmers.

Eighth, L8 demonstrates the lack of complementary mechanisms that set up an uncondusive market for agriculture. A UPLB researcher (KII\_003) highlighted the importance of complementary reinforcing mechanisms (support services, rural infrastructure, fair trade practices, negotiating powers in rural markets, and negotiating powers in the entire value chain) for the success of AVAs. From this, one can infer that the relationships and linkages between the state of policy and the state of ARBs confirm one of the assumptions of Coleman's (1987, 1990) boat model that the macro level cause (Node A) has a relationship with the macro level effect (Node D).



The study contributes to Coleman's (1987, 1990) boat model by highlighting the value of the state of culture and economy, which is not considered in the model. The state of culture and economy affects DAR (Node A) and ARBs (Node B).

There are constraints between the state of culture and economy and the state of DAR. One of the constraints is that the neoliberal orientation influences the policy approach to AVA as an activity; thus, it weakens state control. A UPLB researcher (KII\_003) pointed out that the country's neoliberal orientation makes the policy environment unconducive. The effects of neoliberal orientation can be on policy silencing and foreign relations and powers. For example, there is a lack of safeguards and accountability mechanisms in LA. Such observations are also confirmed in the study of Flores-Obanil and Manahan (2006), wherein CARP and AVA operate in a neoliberal and market-friendly environment. Another constraint is foreign and elite control, which weakens DAR's capacity for contract review since investors circumvent it. A DAR regional official (KII\_011) argued that investor's secrecy in agribusiness contracts leads to difficulties in obtaining and

communicating with them regarding ongoing AVAs. He also noted the dangerous realities of dealing with powerful investors.

In addition, the state of culture and economy affects the state of ARBs. One of the constraints is the urgent need for financial capital and credit for ARBs; thus, there is a preference for quick returns through LAs. Even though there are several credit programs for ARBs being implemented, access by ARBs to financing from formal sources remains inadequate (Llanto, 2005; Geron et al., 2016). DAR regional officials confirmed that investors allure ARBs by offering them a huge amount of money. Another constraint is investor control, which influences the terms and conditions of unfair contract agreements with low lease rentals. A former NGO legal officer (KII\_001) mentioned investor dominance in choosing the type of AVA schemes due to legal and corporate resources. A DAR national official (KII\_006) added that the vulnerability of individual ARBs conducting one-on-one negotiations with investors is also a factor.

From this, one can infer that the state of culture and economy has relationships and linkages with the state of DAR (Node A) and the state of ARBs (Node D). The lack of a conducive culture that supports and promotes agriculture

hurts the self-esteem, well-being, and productivity of farmers. It is recommended to explore more of these in other research, as they are no longer included in the scope of the study.

**C** **B** **B** **EC** **B** **B** **B** **B**  
**i** **B** **B** **B** **B** **B** **B** **B**

Aside from the culture and economy, the state of agricultural land is important to include in Coleman's (1987, 1990) boat model, especially in the context of agrarian reform and AVA. The state of agricultural land affects both DAR and ARBs.

There are constraints between the state of agricultural land and the state of DAR. One of the constraints is that legal problems with land titles pose difficulties in land valuation and enforcement of CARP. There are numerous unresolved land-related conflicts. A major root cause of this problem is the country's incomplete and inefficient land ownership database system. There is conflicting content and coverage in the land databases of DAR, Department of Environment and Natural Resources (DENR) and National Commission on Indigenous Peoples (NCIP), according to a DAR national official (KII\_005). Another constraint is the varying land characteristics (elevation, soil, crop), which make land valuation more

difficult. A former NGO legal officer (KII\_001) noted that there is consideration of factors [area and type of crop] in agribusiness arrangements.

There are also constraints between the state of agricultural land and the state of ARBs. One of these constraints is that intensive farm inputs risk the sustainability of the land. Eventually, crop land will be overused and no longer productive. Key informants from academia noted the dominance of agribusiness in the country's economy, with insufficient consideration for ecological factors. This is a crucial concern because there is a link between farm inputs and crop productivity. More farm inputs result in better crop productivity. In the same way, higher crop productivity results in higher income and productivity among ARBs. Another constraint is that unfair contract agreements risk illegal land transactions and conversions. Key informants from academia and NGOs argued that there are concerns over the investor's takeover provisions in agribusiness contracts. Such concern is also reported in one of the findings of Quizon (2019), wherein some ARBs did not benefit from their agribusiness contracts and even found themselves losing their lands.

From this, one can infer that the state of agricultural land is important to

consider in Coleman's (1987, 1990) boat model, especially in agri-related research. This is because the state of agricultural land can affect DAR and ARBs. Thus, it is recommended to explore more on this in another research project, as this is no longer included in the scope of the study.

**B B B ENB**

Another relationship discussed in Coleman's (1987, 1990) is the relationship between Node A and Node B. Node B pertains to knowledge, attitudes, values, motives, goals, beliefs, opportunities, and interests (Coleman, 1987, 1990). In this study, Node B refers to ARBs' knowledge and attitudes toward the implementation of AVAs. The model assumes that the structural and institutional background conditions explain the influence of Node A on Node B.

The study measured DAR's institutional constraints through the knowledge and attitudes of ARBs involved in LA using a survey. The study also identified the constraints between the states of DAR (Node A) and ARBs and the state of ARBs (Node B) using Dyball and Newell's (2015) CLD as a tool to plot KII themes.

There are constraints on how the state of DAR affects ARBs. One of the

constraints is the passive engagement and the inaccessibility of DAR discourage coordination with the government. A DAR national official (KII\_005) explained that there is a lack of knowledge or information by DAR on other existing AVAs due to ARBOs' preference to remain unrecognized by DAR. He also pointed out that there is opposition and avoidance by well-off ARBOs to government intervention. In connection with this, a DAR regional official (KII\_012) elucidated DAR's limited ability to take action without ARB participation in filing cases. If the ARBs are willing to participate, one of the concerns is the inaccessibility of Manila as the venue for resolving legal cases indicated in some of the agribusiness contracts. On the other hand, a UPLB researcher (KII\_003) pointed out the inadequate and passive farmer involvement of DAR in agrarian reform decision making. Another UPLB researcher (KII\_004) purported the lack of linkages between DAR and ARCs to promote agrarian reform due to their institutional capacities.

Also, the multiplicity of agencies involved in AVA implementation complicates and discourages coordination with the government. A DAR regional official (KII\_011) purported that ARBs and investors intentionally withhold information from DAR. This is to prevent extended

delays in the implementation of their agreements. In response, a former NGO legal officer (KII\_001) agreed with the challenges of interagency cooperation. A DAR regional official (KII\_008) also noted the lack of continuity and frequent changes in the interagency task force.

Apart from this, the insufficient expertise and procedures among DAR personnel in agribusiness contract review result in the prevalence of unfair contract agreements with low lease rentals. Key informants from academia, NGOs and DAR at the national and regional levels agreed with the insufficient legal background of assigned DAR personnel in handling AVAs. This is a crucial concern because DAR's inability to provide support services, particularly legal assistance and training, results in ARBs entering unfair contracts without knowledge of DAR's approval. In this case, the study examined the relationship between what ARB-

respondents think about DAR's regulatory capacity to approve contracts and the capacity development of ARBs through legal training (e.g., contract review). Using the chi-square test of association, there is a significant relationship between these two variables. Using Phi and Cramer's V, the findings show a 0.315 correlation coefficient, which mean that the strength of the relationship is very strong. Using the cross-tabulation method, about 62% of the ARB-respondents are unaware that DAR should approve their lease contract and these same respondents have not been given legal training on contract review. The study employed multinomial logistic regression to test the causality of the two variables. The findings reveal a significant causality between the two variables. This means that it is more likely that ARBs have not received any legal training, given that they are unaware that DAR should approve all lease contracts.

| <b>VARIABLE</b>                                                      | <b>VARIABLE</b>                                                             | <b>PHI AND CRAMER'S V</b>                                                      | <b>CROSS-TABULATION METHOD</b>                                                                                                                                   | <b>MULTINOMIAL LOGISTIC REGRESSION</b>          |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| what ARBs think about DAR's regulatory capacity to approve contracts | capacity development of ARBs through legal training (e.g., contract review) | 0.315 correlation coefficient= the strength of the relationship is very strong | 62% of the respondents are unaware that DAR should approve their lease contract and these same respondents have not been given legal training on contract review | significant causality between the two variables |

Table 3. Relationship between What ARBs Think about DAR's Regulatory Capacity to Approve Contracts and the Capacity Development of ARBs through Legal Training

Other than this, the study examined the relationship between what ARB-respondents think about DAR's regulatory capacity to settle the grievances of parties involved in AVA and the capacity development of ARBs through legal training (e.g., contract review). Using the chi-square test of association, there is a significant relationship between these two variables. Using Phi and Cramer's V, the results show a 0.258 correlation coefficient, which means that the strength of the relationship is very

strong. Using the cross-tabulation, about 73% of the ARB-respondents have not yet filed grievances against their investor, and they have not been given legal training on contract review. To test the causality between these two variables, the study employed multinomial logistic regression. The result shows significant causality between the two variables. This means that it is more likely that ARBs have not received any legal training, given that they do not file grievances against the investor.

| VARIABLE                                                                                            | VARIABLE                                                                    | PHI AND CRAMER'S V                                                              | CROSS-TABULATION METHOD                                                                                                                     | MULTINOMIAL LOGISTIC REGRESSION                 |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| what ARBs think about DAR's regulatory capacity to settle the grievances of parties involved in AVA | capacity development of ARBs through legal training (e.g., contract review) | 0.258 correlation coefficient = the strength of the relationship is very strong | 73% of the respondents have not yet filed grievances against their investor, and they have not been given legal training on contract review | significant causality between the two variables |

Table 4. Relationship between What ARBs Think about DAR's Regulatory Capacity to Settle the Grievances of Parties Involved in AVA and the Capacity Development of ARBs through Legal Training

The lack of budget allocation is an important constraint in DAR, which results to lower farm inputs. A DAR national official (KII\_005) explained that the focus of the DAR budget is support services. Nevertheless, another DAR national official (KII\_006) pointed out the necessity of additional financial resources to improve support services for ARBs.

From this, one can infer that the state of

DAR (Node A) has impacts on ARBs (Node B). The insufficient expertise and procedures among DAR personnel in agribusiness contract review result in the prevalence of unfair contract agreements with low lease rentals. Through multinomial logistic regression, the finding reveals that it is more likely that ARBs have not received any legal training, given that they are unaware that DAR should approve all lease contracts.

The last relationship discussed in Coleman's (1987, 1990) boat model relevant in this chapter is the influence of Node B on Node C. The Coleman model assumes that Node B affects the actions, behaviors, and choices of individuals (Node C). This means that ARBs' preferences on what type of AVA schemes—whether LA or GA—to use are influenced by their knowledge and attitudes toward the implementation of AVAs. Thus, the study examined DAR's institutional constraints—which were measured through ARBs' knowledge and attitudes toward the implementation of AVA— (Node B) and the decision of the ARB-respondents to shift to GA once their LA expired (Node C).

Section 5.3.9 of DAR AO 9 of 2006 states that LA is intended to enable the ARBs to develop the skills necessary to assume general control and management of the farm. Based on the survey, most of the ARB-respondents are not shifting to GA once their LA is expired. Using the chi-

square test of association, there is a significant relationship between what the respondents think about the available funding of DAR for AVA and their decision to shift to GA once their LA is expired. The findings reveal that there is a correlation coefficient of 0.303, which means that the strength of the relationship is very strong.

Using cross-tabulation, 57% of the respondents think that the funding of DAR for AVA implementation is inadequate and there is no plan to shift from LA to GA. Also, the study employed multinomial logistic regression to determine the causality between the adequate budget of DAR to help those involved in AVA and the ARB-respondents decision to shift to GA once their LA ended. The finding reveals a significant causality between the two variables. This means that it is more likely that the respondents would not shift to GA because of the inadequate funding of DAR for AVA. An ARB officer (KII\_014) pointed out that they are aware of the challenges, both in terms of capital and the extensive chemical requirements needed to transition to GA.

| VARIABLE                                                   | VARIABLE                                               | PHI AND CRAMER'S V                                                             | CROSS-TABULATION METHOD                                                                                                               | MULTINOMIAL LOGISTIC REGRESSION                 |
|------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| what ARBs think about the available funding of DAR for AVA | ARBs' decision to shift to GA once their LA is expired | 0.303 correlation coefficient= the strength of the relationship is very strong | 57% of the respondents think that the funding of DAR for AVA implementation is inadequate and there is no plan to shift from LA to GA | significant causality between the two variables |

Table 5. Relationship between What ARBs Think about the Available Funding of DAR for AVA and Their Decision to Shift to GA Once Their LA is Expired

In addition, the study determined the relationship between what the respondents think about the monitoring process of DAR on AVA and their decision to shift to GA once the LA ends using the chi-square test of association. The result shows that there is a significant relationship between these two variables. Using Phi and Cramer's V, the finding reveals a correlation coefficient of 0.319, which means that the strength of the relationship is very strong. Using cross-tabulation, 56% of the respondents are unaware of the monitoring of DAR and these same respondents answered that there is no plan to shift from LA to GA. To test the causality between these two

variables, the study employed multinomial logistic regression. The finding reveals that there is no significant causality between the monitoring process of DAR and the respondents' decision to shift to GA. This means that even if the respondents are aware or unaware of the DAR's monitoring process on AVA, it has no effect on their decision not to shift to GA. From this, one can infer that the overall survey data results confirm one of the assumptions of Coleman (1987, 1990) that individuals' knowledge and attitudes (Node B) can influence their actions and decisions (Node C).

| VARIABLE                                                   | VARIABLE                                               | PHI AND CRAMER'S V                                                             | CROSS-TABULATION METHOD                                                                                                                      | MULTINOMIAL LOGISTIC REGRESSION                    |
|------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| what ARBs think about the monitoring process of DAR on AVA | ARBs' decision to shift to GA once their LA is expired | 0.319 correlation coefficient= the strength of the relationship is very strong | 56% of the respondents are unaware of the monitoring of DAR and these same respondents answered that there is no plan to shift from LA to GA | no significant causality between the two variables |

Table 6. Relationship between What ARBs Think about the Monitoring Process of DAR on AVA and Their Decision to Shift to GA Once Their LA is Expired

In general, the findings on the relationships and linkages between the state of DAR and the state of ARBs in the context of AVA are important contributions to the existing literature on AVA. For example, the 2016 FAO study only enumerates the institutional

constraints that DAR and ARBs encountered in the implementation of AVAs. However, the study failed to cover the relationships and linkages between the state of DAR and the state of ARBs.

Using Dyball and Newell's (2015) CLD, the study also made significant contributions in theory by highlighting the importance of the state of culture and economy as well as the state of agricultural land in Coleman's (1987, 1990) boat model, both of which are not factored in in this model. The state of culture and economy and the state of agricultural land are important factors, particularly in research related to agriculture and agrarian reform, to understand the socio-economic environment in which certain policies are made and implementing agencies operate, as well as their impact on the intended beneficiaries. For example, the lack of a conducive culture that supports and promotes agriculture hurts the self-esteem, well-being and productivity of farmers. However, the role of culture and economy and agricultural land are not part of the scope of the research. Thus, it is encouraged to look at these factors in another research-related endeavor.

across all subsystems (not just within the government or community). While Denhardt and Denhardt's (2000) NPS model mostly focuses on what solutions the government, private sector, and ARBs can provide, CLD recognizes that solutions should be in sync across all subsystems in strengthening the AVA implementation.

**D D D D D D D D**

The study used Dyball and Newell's (2015) CLD to plot key informants' solutions. This is to address constraints between the state of policy (Node A) and the state of ARBs (Node D). Figure 3 and Table 7 below summarize seven recommendations based on the solution space of how the state of policy impacts ARBs.

**G G E E G E E**

Dyball and Newell's (2015) CLDs capture the conditions and relationships between four main subsystems: 1) cultural paradigms, 2) community, 3) human health and wellbeing, and 4) ecosystems. By using CLDs, solutions can be traced

| LINK NO. | VARIABLE IN STATE OF POLICY             | MEDIATING VARIABLE                                         | VARIABLE IN STATE OF ARBs                                           | TRENDS          |
|----------|-----------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------|-----------------|
| L1       | Priority for Public Investment          | [Control of Investor] Foreign and Elite Control            | Fair Agribusiness Contracts                                         | Reinforcing (+) |
| L2       | Consistent and Specific Guidelines      |                                                            | Fair Agribusiness Contracts                                         | Reinforcing (+) |
| L3       | Classification of AVA as "Program"      | Budget Allocation, Capacity and Authority of DAR Personnel | Financial Capital and Credit and Farm Inputs and Legal Negotiations | Reinforcing (+) |
| L4       | Unifying Structure                      | Enforcement                                                | Fair Agribusiness Contracts                                         | Reinforcing (+) |
| L5       | DAR as Representative of ARBs           | Capacity and Authority of DAR Personnel                    | Legal Negotiations                                                  | Reinforcing (+) |
| L6       | Penalties and Accountability Mechanisms | Enforcement                                                | Fair Agribusiness Contracts                                         | Reinforcing (+) |
| L7       | Complementary Mechanisms                |                                                            | Income and Productivity                                             | Reinforcing (+) |

Table 7. Solution Space Based on the State of Policy and How It Impacts ARBs

Based on the table above, first, L1 demonstrates that encouraging more public investment reduces investor control, which in turn enables fair agribusiness contracts. Second, L2 demonstrates that consistent and specific guidelines ensure fair agribusiness contracts. Third, L3 demonstrates that the classification of AVA as a program increases its budget allocation and personnel, thus capacitating DAR to provide more support services. Fourth, L4 demonstrates that a unifying structure of DAR strengthen enforcement of the AVA guidelines, which in turn result in fair agribusiness contracts. Fifth, L5 demonstrates that DAR's role as representative of ARBs supports them in

legal negotiations. Sixth, L6 demonstrates that penalties and accountability mechanisms strengthen enforcement of guidelines, which in turn result in fair agribusiness contracts. Seventh, L7 demonstrates that complementary mechanisms set up a conducive market for agriculture, thus affecting the income and productivity of ARBs. From this, one can infer that the CLD results recognize that the solutions derived from the collaborative dialogue and discussion between the government, the private sector and ARBs should be in sync across all subsystems. This is because the state of culture and economy and the state of agricultural land affect both DAR and ARBs.



The study contributes to Denhardt and Denhardt's (2000) NPS model by highlighting the importance of how the state of culture and economy affects DAR and vice versa. Also, it shows that the state of culture and economy impacts ARBs. This is important to consider in the NPS model, especially when the government, private sector and ARBs strengthen the implementation of AVA.

Key informants provided solutions to address the constraints on how the state of culture affects DAR. One of the solutions is that government regulation over foreign rule improves the policy approach and design of AVA. One major concern about AVA is that it is not a program. In effect, there is no specific budget allocated for its implementation. Thus, it is important to make it a program. Other key informants called for specific legislation on AVA implementation. In this case, it is important to have strong and effective laws for AVA because a poorly crafted law could be used to the disadvantage of ARBs. Another solution is that genuine political will secures the policy approach. Several key informants from academia, NGOs and DAR suggested the need for political will and leadership in AVA

implementation because land is a political commodity. Some of them also emphasized the importance of complementary reinforcing mechanisms such as support services, agricultural technologies, rural infrastructure and negotiating powers in the entire value chain for the success of AVA. The need for support services for ARBs to make their lands productive is also suggested in the studies of Flores-Obanil and Manahan (2006) and Pantoja et al. (2017). In connection with this, weakened foreign and elite control reduces challenges to the government. Initiatives and reforms in top management are important to ensure sincere involvement and leadership in AVA implementation. Specifically, top management should be at the forefront of partnerships and negotiations between ARBs and investors.

In addition, the state of culture and economy impacts ARBs. Key informants identified solutions to address the constraints. One of these is the need for the incorporation of local, social, cultural, and economic contexts in agreements to improve awareness regarding AVA contracts. Key informants from academia pointed out that the current LA standards do not consider the local, social, cultural and economic contexts.

Thus, there is a need to incorporate

local context and history into the guidelines of LAs. For example, most AVA contracts are written in English. This explains why ARBs do not understand the terms and conditions of their arrangements. This was also confirmed in the 2016 FAO study, wherein most of the provisions are written in a language that they do not understand. The 2016 FAO study then recommended that contracts and negotiations be conducted in the local language of ARBs. Other than this, there is a need to provide ARBs with legal knowledge to assess contracts before AVA negotiations. This recommendation is also suggested in the studies of FAO (2016) and OXFAM (2016), calling for government intervention to provide legal assistance to ARBs that enter AVA.

Another solution is that increased access to formal microfinance structures results in improved financial choices, such as long-term investment and reduces ARBs' preference for quick returns. Thus, the government should establish access to capital and credit through government banks. Access to capital and credit can help support ARBs. Pantoja et al. (2017) agreed that the provision of credit and access to inputs is a necessity for farmers. The authors argued that individual farmers will always be tempted to enter LA if capital is not provided.

From this, one can infer the importance of genuine political will in implementing the country's agrarian reform program. In line with this, Denhardt and Denhardt's (2000) NPS model assumed that the public desire to contribute to society is the assumed motivational basis of public servants and administrators in the model. However, the desire to contribute to society among DAR personnel might not be enough to ensure that the public interest predominates. When making solutions, DAR personnel, ARBs and private investors should consider the state of culture and economy in which DAR operates. For example, the need for government intervention in providing support for ARBs is vital because of the unequal power dynamics between ARBs and investors. Key informants mentioned investor dominance not only in selecting the type of arrangement but also in identifying the terms and conditions of the contracts. Thus, it is important for DAR's proactive engagement with handling AVA and strong enforcement of the guidelines. These efforts could weaken investor control in the context of AVA to protect ARBs' welfare.

*M L L LM L L L L*

The state of agricultural land is important to consider in Denhardt and Denhardt's (2000) NPS model,

especially in the context of agrarian reform and AVA. This is because the state of agricultural land can affect DAR and ARBs.

Key informants provided solutions to address the constraints on how the state of agricultural land affects DAR. One of these is that resolving land conflicts eases enforcement. Key informants from academia and DAR expressed the need for a comprehensive land ownership database system. Currently, the challenges in the LMIS and land ownership database systems in the Philippines are the root problems in land distribution and the potential return of lands to their original owners. Another solution is that the varying land characteristics (elevation, soil, and crop) make land valuation even more difficult. Key informants from academia and NGOs highlighted the need for the consideration of factors (area and type of crop) in revising the AVA guidelines.

The state of agricultural land can also affect ARBs. One of the solutions is to increase farm inputs, which result in increased income and productivity. Thus, key informants from academia, NGOs and DAR expressed the need for support services to sustain farmers' welfare. To achieve it, there is a need for budget allocations for farm inputs, farm machineries and support services.

Improving farmer's income and productivity is important, especially for the new generation of farmers. Asis (2020) pointed out that many young people are uninterested in farming because they view it as underpaid and underappreciated. Another solution is to promote fair agribusiness contracts to prevent illegal land transactions and conversions. It is difficult to have a long term vision for one's land and enrich it if the farmer does not have land ownership rights and security of tenure.

From this, one can argue that there is value in adding the state of agricultural land to Denhardt and Denhardt's (2000) NPS model. This is important when the government, private sector and ARBs propose solutions on how to improve AVA implementation. Thus, it is recommended to explore more on this in another agri-related research project, as this is no longer included in the scope of the study.



As the main implementing agency of AVA, DAR's capacity can affect the state of ARBs. The study used Dyball and Newell's (2015) CLD to plot key informants' solutions. This is to address the constraints between the state of DAR and the state of ARBs.

Key informants provided solutions to

address the constraints between the state of DAR and the state of ARBs. One of these is the stringent enforcement and penalties that result in the achievement of fair agribusiness contracts. One DAR regional official pointed out that the possible revocation of the contract if there are violations committed is already enough to penalize for non-compliance. However, there should be certainty that contracts will be revoked if there are violations committed. In addition to this, key informants from academia suggested the need for a holistic approach that incorporates various supporting factors (e.g., support services, negotiating powers in rural markets) for the benefit of farmers.

Another solution is that the proactive engagement of DAR with ARBs promotes coordination with the government. Key informants from academia and NGOs suggested the need for DAR's proactive role in handling AVA. For instance, there is a need to push for collaborative AVA monitoring with strong participation from MARPOs. In doing so, there is a need to build the capacity of municipal and provincial officers to conduct the monitoring of ongoing AVAs. Most importantly, DAR's proactive role means that they should foster dialogue and participation among ARBs involved in AVA to know whether they are still benefiting from their arrangements.

One key informant from DAR added the need for the Program Beneficiaries Development (PBD) lawyering to prioritize areas with many AVAs.

In addition, the excellent expertise and procedures of DAR personnel in contract review result in fair agribusiness contracts. Key informants from academia, NGOs, and DAR, both at the national and regional levels, suggested the need for agricultural business expertise among DAR personnel to address AVA concerns. Thus, there is a need to shift legal expertise's focus from land distribution to commercial and business law in LTI. In doing so, DAR personnel could acquire legal and business skills pertinent to agribusiness. Also, there is a need to enhance the accessibility of review mechanisms for AVA. It should be noted that most of the existing AVAs are in Mindanao. If the type of arrangement is LA, this means that the agreement should pass through review and approval at the national government, which is in Manila. Pantoja et al. (2017) recommended that the approval of LAs should be at the provincial level to fast track the approval process. In this case, the authors point out that the assigned provincial officers in the review and approval process should be knowledgeable about the situation in the area.

Apart from this, the increased capacity and authority of DAR personnel in the provision of support services result in higher awareness regarding AVA contracts. Improving the capacity and authority of DAR personnel could help them provide guidance and build the capacity of ARBs to engage effectively with investors during contract negotiations. This recommendation also transpired in the 2016 FAO study, requesting special training to DAR lawyers to enable them in assisting individual ARBs and cooperative involved in AVA. This is because ARBs need legal knowledge to assess contracts before AVA negotiations.

Lastly, the higher budget allocation for DAR results in an increased provision of farm inputs. Currently, there is no specific budget allocation for AVA. Thus, key informants from academia, NGOs, and DAR, both at the national and regional levels, emphasized the necessity of financial resources to improve support services for ARBs.

In examining these, one can infer that the recommendations discussed above are in line with the assumptions of the NPS model as to how the government should promote public interest. One important NPS assumption is that the government should go beyond regulation. Instead, it should serve rather than steer. Denhardt and

Denhardt (2000) argue that the government is no longer the only one in charge precisely because public policies today are the result of several interactions involving multiple groups with different interests. While the government is still an important player, the NPS model recognizes the need to involve other players, such as NGOs and the private sector, in the process of moving society in one direction or another. In the context of AVA, the level playing field between the ARBs and the investor is unequal to begin with. The latter has more corporate and legal resources for contract negotiation than the former. Thus, there is a need for top management support in AVA implementation. Specifically, the top management should be at the forefront of partnerships and negotiations between ARBs and investors.

Another relevant assumption of the NPS model is the moral obligation of the government to assure that solutions that are generated through such processes are fully consistent with norms of justice and fairness (Denhardt and Denhardt, 2000). To do this, there is a need for the recognition of DAR as the overarching agency that results in better capacity and authority for enforcement. Currently, the multiplicity of agencies involved in AVA implementation delays the enforcement of the existing AVA guidelines. Key

informants from NGOs and DAR, both at the national and regional levels, noted the challenges of having interagency cooperation (e.g., the lack of continuity and frequent changes in the interagency task force). For example, PARC is composed of several agencies, and, consequently, obtaining their shared schedule may take longer.

In line with this, it is recommended to simplify the review and approval process of AVA, specifically LAs. The approval of LAs should be at the provincial level to fast-track the approval process (FAO, 2016; Pantoja et al., 2017). In line with this, there is a need for the assigned provincial officers in the review and approval process to be knowledgeable about the situation in the area. Thus, there is a need to build the capacity of DAR municipal and provincial officers assigned to overseeing and monitoring ongoing AVAs. FAO (2016) suggested a default scenario of approval in 90 days if DAR does not act on the contract. In doing so, it can help to put an end to the uncertainty because of delays in the review and approval process.

In addition, the NPS model assumes the active role of the public servant in creating avenues where citizens can articulate their interests. To do this,

Denhardt and Denhardt (2000) argue about the importance of political leadership to lay the groundwork for effective and responsible citizen action. This can happen when people recognize that the government is open and accessible. This means that they recognize that the government is responsive and that it exists to meet and serve their needs. In doing so, it can stimulate a renewed sense of civic pride and civic responsibility. In the context of AVA, proactive engagement of DAR with ARBs promotes coordination with the government. Key informants from DAR national, NGOs and academia provided different recommendations to become proactive in their role in AVA. One recommendation is to provide ARBs with legal knowledge to assess contracts before AVA negotiations. To address ARBs' preference for quick returns through LAs, there is a need for enhancing financial inclusion and education for ARBs through capital and credit access. In addition to this, while DAR is powerless to change the current contracts of ARBs, they ought to offer them alternative job opportunities. Without the capital needed, they will be tempted to enter into unfair contract agreements with low lease rental.

Lastly, Denhardt and Denhardt (2000) argue that a responsive government calls for new skills. The NPS model

assumes that the service delivery role of the government implies that the government will play a conciliating, mediating or even adjudicating role. These new roles will require new skills.

Key informants from DAR at the national level provided recommendations on how to develop the new skills needed for their new roles. One recommendation is the need for competent DAR personnel with skills in financial analysis, agriculture, and legal matters to monitor LAs. Another recommendation is the need for shifting legal expertise's focus from

land distribution to commercial and business law in land tenure improvement. In examining these, one can argue that all of these are important recommendations to strengthen the capacity of DAR personnel assigned in AVA.

In this light, one should keep in mind that the increased capacity and authority of DAR personnel reinforce proactive engagement. Thus, it is recommended to have continuous retooling and knowledge transfer among DAR personnel.





The literature reveals that the impact of AVA on ARBs is quite extreme. There are those who benefit from their arrangements, while others lose their land due to unfair agribusiness arrangements. Thus, the study examined the institutional constraints in the implementation of AVA using Coleman's (1987, 1990) boat model as the theoretical lens and Dyball and Newell's CLD as the tool to plot KII results. The findings reveal that the state of culture and economy affects DAR and ARBs in the implementation of AVA. For instance, investor control weakens DAR's capacity for contract review since investors circumvent it. DAR regional personnel noted the difficulty in obtaining and communicating with investors about the AVA contracts. Both key informants from academia, NGOs and DAR pointed out investor dominance in choosing the type of AVA as well as in determining the terms and conditions of the contract because of its legal and corporate resources.

Aside from the cultural paradigms, the state of agricultural land affects DAR and ARBs. For example, varying land characteristics (elevation, soil, and crop) make land valuation more difficult. There are consideration factors (area and type of crop) in agribusiness arrangements. There is also a concern about the numerous cases of land-related conflicts that remain unresolved. A major root cause of this problem is the country's incomplete and inefficient land ownership database system. There is conflicting content and coverage in the land databases of DAR, DENR and NCIP. Another concern is intensive farm inputs, which risk the sustainability of the land. Eventually, crop land will be overused and no longer productive. This is a concern because of the dominance of agribusiness in the country's economy, with insufficient consideration for sustainability factors.

In examining these, one can infer the value of adding the state of culture and economy and the state of agricultural land in Coleman's (1987, 1990) boat model, which are not included in the model. This is because both affect the state of DAR and the state of ARBs. In addition, Denhardt and Denhardt's (2000) NPS model should consider the state of culture and economy and the state of agricultural land when the government, private sector and ARBs

propose solutions on how to improve AVA implementation. Thus, it is recommended to explore more on this in another agri-related research project, as this is no longer included in the scope of the study.

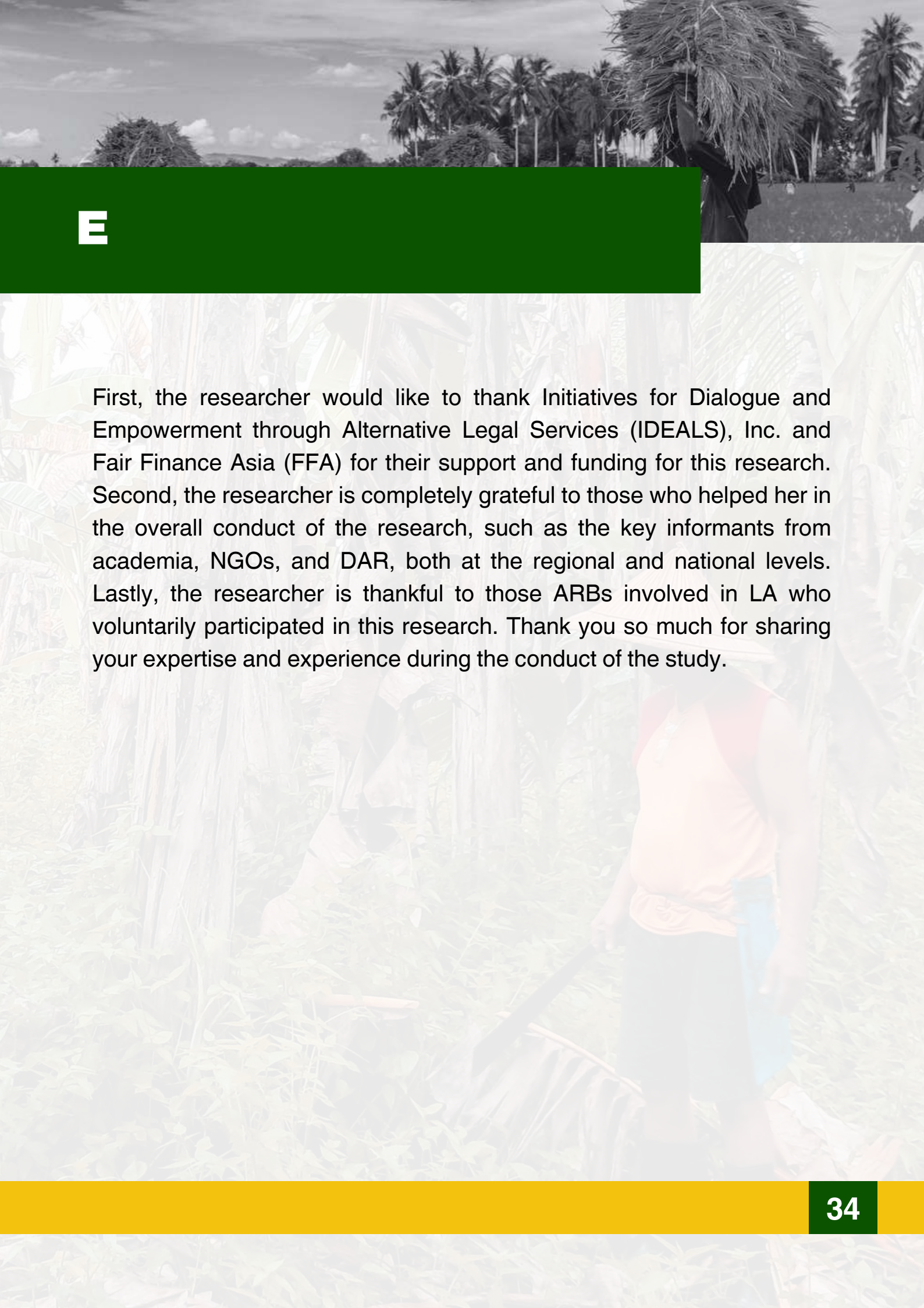
The findings also reveal that the state of DAR affects ARBs. One of the major findings is that DAR's weak implementation of AVA is because of its classification as an activity rather than a legitimate program. Thus, the classification of AVA as an activity devoid any budget allocation and personnel assigned to DAR. Another major finding is that insufficient expertise and procedures in agribusiness contract review result in the prevalence of unfair contract agreements with low lease rentals. Key informants from academia, NGOs and DAR agreed with the insufficient legal background of assigned DAR personnel in handling AVAs. The limited capacity of DAR in reviewing AVAs also transpired in the study of FAO (2016). This is a crucial concern because DAR's inability to provide support services, particularly legal assistance and training, results in ARBs entering into unfair contracts without knowledge of DAR's approval. Another major finding is that passive engagement and the inaccessibility of DAR discourages coordination with the government. Key informants from

academia and NGOs pointed out DAR's passive role in handling AVA concerns.

In examining these, there is a need for improvement in cooperation and coordination between ARBs and DAR personnel for the success of AVA. In this case, Denhardt and Denhardt's (2000) NPS model highlights the importance of political leadership to lay the groundwork for effective and responsible citizen action. This can happen when people recognize that the government is open and accessible. This means that they recognize that the government is responsive and that it exists to meet and serve their needs. In doing so, it can stimulate a renewed sense of civic pride and civic responsibility. In the case of AVA, proactive engagement of DAR means that they should be the first to reach out to ARBs before investors get to them. One DAR personnel suggested the need for knowledge exchange between ARBs and DAR on commodities (e.g., bananas and pineapple) considered in agribusiness.

From this, one can infer that there are challenges to improve the lives of ARBs. The lack of a conducive culture that supports and promotes agriculture hurts the self-esteem, well-being, and productivity of ARBs. DAR's weak implementation of AVA is due to its classification as an activity rather than a legitimized program. Thus, it is important for the government to recognize AVA as a program, which would result in its own dedicated budget allocation as well as well-equipped DAR personnel assigned to it. It would have an important role in improving DAR's capacity and authority in AVA implementation.

Nonetheless, addressing the institutional limits and constraints within DAR might not be enough for the success of AVA. Changes are required in the political-economic environment of the agri-agra industry, in the management of agricultural land, and among ARBs.



# E

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