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2012 Study
By International Alert

Informal Land Markets and Conflict in Maguindanao

Study areas



Kuya, South Upi



Ramcor, Gen. Salipada
K. Pendatun

Informal land markets

Transaction Types, Number of Transactions, Amounts and Areas Covered in Kuya, South Upi, 2004 - February 2012

Year	Number of Mortgages	Number of Sales/Transfers or Waiver of Rights	Amount of Mortgage (Peso)	Amount of Sales/Transfer or Waiver of Rights (Peso)	Land Size Covered (Hectares)
2004	1		32,000		2.5
2006	2		38,000		6.5
2007	2	3	141,000	145,000	16.0
2008	15	23	482,291	1,162,000	106
2009	4	6	99,000	557,500	22.0
2010	1	2	10,000	25,000	6.0
2011	3	1	52,000	4,000	3.5
Jan-Feb 2012	2	1	20,000	15,000	11.0
Total	30	36	874,291	1,908,500	173.4

Informal land markets

- Informal transactions resulted in conflicts, mostly over borders between properties.
- But potentially bigger conflicts could rise from formalizing this market via the grant of CLOAs or patents.

2015 Study
By International Alert
& Human Development Network

Informal Land Markets and Inequality

Research Design

- **Objective:** To examine how the shadow economy on land impacts human development outcomes
- **Question:** How did the land transfers affect the lives of the transacting parties?

Research Design

Methodology:

- Review of descriptive statistics
- Focus group discussions with farmers who sold or pawned land and their sons, and with their wives and daughters
- Key informant interviews with lenders

Research Design

- **Study areas:**
Kuya, South Upi
Cabayuan, Buldon
Christianuevo, Lebak,
Sultan Kudarat



Findings

- Credit-market interlinkages were prevalent in the study areas.
- Land was pawned or sold when emergency financial costs (from schooling and medical needs) needed to be paid.
- Land was used as a guarantee for taking out loans, or payment for unpaid debts.



Findings

- Titled landholdings were similarly traded in secondary land markets. Ease of entry and exit in these markets made them attractive, even if the price of land was lower.
- Decisions to sell or pawn land were made by the owners of the land, whether male or female, except in cases where husbands made the decision to sell or pawn land that was given as dowry to their wives.

Findings

- Many farmers found themselves “hiring out” their labor because they lost their land. Most wives assisted their husbands in farm work, and were paid separately for their labor. Earnings amounted to less than the minimum wage in the ARMM.
- Women were increasingly getting integrated in off-farm and non-farm activities, and have demonstrated an enterprising streak. Many have engaged in retail trade.
- Education was significantly affected by decisions to sell, pawn or transfer land. Many parents sold or pawned their land to generate capital to continue sending their children to school. Others who lost their land had to stop sending their children to school.

Findings

- Capital controllers straddled both informal credit and land markets. They made farm inputs available on credit and took over land that farmers presented as guarantee or payment for their debts. They also participated in a pawn or sale by farmers desperate for cash.
- Land re-concentration is proceeding at a fast pace. In Kuya, South Upi, one family has managed to gain control over 300 hectares of land. In Cabayuan, Buldon a couple accumulated around 200 hectares of land.

Discussion

- Entry into non-farm and off-farm livelihoods has involved more women than men. Most of the men have remained farmers.
- Education remains an important priority for poor families, and is not sacrificed to gain access to unpaid family labor.
- As in other parts of the country, lender-traders have been the principal beneficiaries of informal credit and land markets.

Discussion

- Large properties form pockets of latent conflict (in Buldon, South Upi and Gen. S.K. Pendatun)



Discussion

- Big landowners who have accumulated land through the informal land markets are formidable barriers to redistributive programs.
- At the same time, land reform initiatives must take into consideration the nature and extent of informal land transactions at the barangay level, and their consequences on land coverage, transfer and compensation.

Discussion

- Identity-based inequalities are manifest in the exclusion of certain groups from the vibrant sale, pawning, and transferring of land in these markets. In Kuya, South Upi, Maguindanaon with land titles cannot reclaim their properties due to the violent resistance of the Teduray and Lambangian.
- Income inequalities are also apparent between those who transact in informal versus those who do in formal markets. The former are at a disadvantage in the pricing of land, reflected in the wide differences in land prices per hectare in informal land markets.

Discussion

- The unfinished cadastral surveys and the consequent delay in the formal titling of land excludes farmers from realizing the collateral value of their land in the first instance, and eventually in assuming formal ownership.
- Local strongmen (barangay chairmen, clan leaders, LGU officials) often supervise transactions in informal land markets, which are then recorded in village logbooks.
- There were cases, however, where the same strongmen defected from their role as mediators in land transactions and instead became interested parties in the acquisition of land. These cases indicate ruptures in cognatic kinship ties, which often led to violent flashpoints.

Thank you.

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