



sentra

SENTRO PARA SA TUNAY NA REPORMANG AGRARYO  
FOUNDATION, INC.

## **THE CONTINUING SAGA OF THE FARMWORKERS OF HACIENDA LUISITA**

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### **THE ACQUISITION OF THE HACIENDA BY THE COJUANCOS**

In 1957, Jose Cojuanco Sr., bought majority shares of the Central Azucarera de Tarlac (CAT), including the 6,453-hectare Hacienda Luisita from the Spanish company Compañia General de Tabacos de Filipinas (Tabacalera) thru a loan from the Central Bank. The CAT and hacienda are transferred to Cojuangco's Tarlac Development Corporation (TADECO), an agricultural corporation.

### **MARCOS FILED A CASE**

On May 7, 1980, the Marcos government filed a case against TADECO before the RTC of Manila for specific performance to compel defendants TADECO, and the heirs of the late Jose Cojuangco, Sr. to turn over "Hacienda Luisita" to the Ministry of Agrarian Reform for the purpose of subdivision and sale at cost to "small farmers" or "tenants".

On December 2, 1985, the Manila RTC rendered a decision that orders the Cojuangcos to transfer control of Hacienda Luisita to the Ministry of Agrarian Reform, which will distribute the land to small farmers after compensating the landowners P3.988 million.

The Cojuangcos elevated the case to the Court of Appeals which was docketed as CA G.R. 08634. March 17, 1988, the Solicitor General, CB governor and the Department of Agrarian Reform (DAR) filed a motion to dismiss the civil case against the Cojuangcos pending before the Court of Appeals on the ground that Hacienda Luisita would be covered by agrarian reform. Thus, on May 18, 1988, the Court dismissed the case against the Cojuangcos.

### **THE STOCK DISTRIBUTION PLAN and MOA**

On May 9, 1989, the landowners, along with then DAR Secretary Philip Juico, Tarlac governor and the mayors of Tarlac City, Concepcion, and La Paz, the three

municipalities covering the hacienda, held referendum among Luisita farm workers to present the SDO. Thereafter, Juico, Tadeco and HLI signed Memorandum of Agreement on the SDO.

In the MOA of May 11, 1989, HLI was designated as the SECOND PARTY to which the TADECO has transferred and conveyed the agricultural portions of Hacienda Luisita and other farm-related properties in exchange for shares of stock of the farm workers. The agricultural lands in Hacienda Luisita which was covered by the MOA consisted of 4,915.75 hectares with an appraised value of P196, 630 million or approximately P40, 000 per hectare.

Based on the MOA the farmworkers supposedly owned 33.296% of the outstanding capital stock of the HLI, which was P355, 531,462 or 355,531,462 shares at 1 peso per share before May 10, 1989. In the stock distribution plan 33.296% of capital stock or P118, 391,976.85 or 118,391,976.85 shares will be distributed to farmworker beneficiaries within 30 years. Thus, the P118 million worth of shares of stocks would be distributed to the farm workers not as a "one-shot deal" but for a period of thirty years at 1/30 per year

As likewise provided on the MOA, the qualified beneficiaries of the stock distribution plan shall be the farmworkers who appear in the annual payroll, inclusive of the permanent and seasonal employees, who are regularly or periodically employed by the TADECO

Thus, the distribution of the farmworkers' shares of stock is actually based on the number of hours of work or mandays in the hacienda. The mandays in turn, are based on the system of guaranteed mandays, wherein the management of the HLI allocates the number of mandays available for manual work. Moreover, if a farmworker will be dismissed from employment for any cause and therefore his name will not appear in the annual payroll, he will not receive any shares of stock for the year he was dismissed onwards. On the otherhand, a newly employed worker, although he is not a resident of the hacienda and should therefore not be beneficiary of the SDO, as his name appeared on the annual payroll, will receive such shares of stock on the basis of his mandays.

### **DISMISSAL OF FARMWORKERS AND LOW WAGES**

In the year 2003, the daily wage for seasonal workers is P199.17 and for casuals, P194.50 which translates to a maximum of P1, 327.80 and P1, 296, respectively, per month based on 80 guaranteed mandays. After deductions for the loans and advance pays, the average take home pay is P18 for the seasonal, or P9 for the casual for a 2-manday week.

Aside from the diminishing mandays and horrendous and intolerable take home pay, the area of the land originally placed under SDO likewise diminished by Land

Use Conversion (LUC).

As guaranteed mandays dwindle, massive lay-off of farm workers in sugar-coated forms like early retirement (replete with quit claim/waiver documents) or the more direct retrenchment become widespread.

### **THE LAND USE CONVERSION IN HACIENDA LUISITA**

On August 15, 1995, HLI applied for conversion a 500 hectares land of the hacienda.

On September 1, 1995, the Sangguniang Bayan ng Tarlac reclassified 3,290 hectares of hacienda Luisita from agricultural to commercial, industrial and residential purposes.

On August 14, 1996, DAR approved the conversion of 500 hectares of the 3,290 hectares of reclassified Luisita land and has already been converted into the Luisita Industrial Park.

The 500 hectares were sold for over two billion pesos (P2,000,000,000.00) yet, the farmworkers were only given P37.5 million by treating the same as 3% of gross sale from the production. In this year of 2006, sixty six (66) hectares is converted to make way for infrastructure projects like the Subic-Clark-Tarlac Expressway.

### **THE PETITIONS FOR THE REVOCATION OF THE SDO**

On September 28, 2003 elections for farm workers' and supervisors' representatives to the HLI Board of Directors only 15.26% of the shares voted thereof. Around 95% of the farm workers boycotted the elections as a protest to the SDO and because the four board seats were useless against seven management seats.

On October 14, 2003, the Supervisory Group of Hacienda Luisita, Inc. filed petition before the DAR to revoke SDO, saying the HLI was not giving them dividends, their one percent (1%) share in gross sales and thirty percent (33%) share in the proceeds from the conversion of 500 hectares of land. They likewise cited other violations by the HLI of the MOA and that their lives have not improved contrary to the promise and the rationale for the adoption of the SDO.

On October 7, 2003, during the opening of the milling season, more than a thousand farmworkers gathered to protest the SDO, land-use conversion, joblessness at the hacienda.

On December 4, 2003, around 80% of the 5,339 farmworkers at the hacienda through their organization, AMBALA, filed a petition to DAR to nullify and rescind the SDO and to stop land-use conversion at the hacienda.

### **THE TASK FORCE LUISITA AND PRESIDENTIAL AGRARIAN REFORM COUNCIL(PARC)**

On November 6, 2004, members of the Central Azucarera de Tarlac Labor Union (CATLU) and members of the United Luisita Workers' Union (ULWU) simultaneously staged a strike and blocked the mill's Gate 1 and Gate 2. The strike arose from the deadlock in the negotiations for a collective bargaining agreement (CBA) between CATLU and HLI (HLI) and the illegal dismissal of 327 farm workers belonging to ULWU on October 1, 2004.

On November 16, 2004 a violent dispersal of striking workers leave seven (7) dead, scores were injured. This has been known as the infamous Hacienda Luisita Massacre.

On November 22, 2004, the DAR issued Special Order No. 789 which called for the strengthening of the Task Force Stock Distribution Option through the PARC Secretariat.

On Nov. 25, 2004, the DAR task force stock distribution, later renamed Task Force Luisita, convened for the first time to discuss the petitions by Luisita supervisors and farmworkers. Prior thereto, HLI filed with the DAR its answer to the petition/protest filed by the supervisory group of respondent Zuniga and Andaya.

On March 15, 2005, DAR deployed 10 teams to 10 barangays within the hacienda to conduct focus group discussions with 453 farmers concerning their understanding of SDO, the supposed benefits thereof, the home lots and other provisions of the agreement, their recommendations on the SDO, and to determine whether there is truth to the allegations of the farmworkers that they have been pushed deeper into the quagmire of poverty by the SDO and MOA.

### **THE DAR TERMINAL REPORT AND RESOLUTIONS OF PARC**

In July 2005, Task Force Luisita submitted its report on findings and recommendations to DAR Secretary Nasser C. Pangandaman especially as regards the investigation conducted on March 15, 2005.

In August 2005, Pangandaman created a special legal team to review the legal issues in the task force's report.

On September 23, 2005, DAR special legal team submitted its terminal report on the two petitions, recommending the revocation of the 16-year-old SDO agreement in Hacienda Luisita.

On 23 December 2005, PARC issued Resolution No. 2005-32-01 which recalled/revoked the SDO plan of TADECO/HLI and placed the lands subject SDO plan under the compulsory coverage scheme of the CARP.

On January 3, 2006, HLI filed its motion for reconsideration of the said resolution.

### **PETITION FOR CERTIORARI AND TRO ISSUED BY SC**

In February 2006, despite the pendency of the Motion for Reconsideration it has filed, HLI filed a petition for certiorari and prohibition against the PARC et al., before the Supreme Court.

Meantime, on May 3, 2006 PARC denied the motion for reconsideration of HLI.

In June 2006, the Supreme Court issued a Temporary Restraining Order (TRO) which enjoins PARC and DAR to implement/execute the resolution revoking the SDO.

### **RECENT DEVELOPMENTS**

In June of this year, HLI issued demand letters to the farmworkers to stop the cultivation of the hacienda. The farmworkers were given deadline until October 30, 2009. However, the farmworkers defied the demand and the deadline.

In October of this year, HLI again issued another letter to the farmworkers requiring the farmworkers to register with HLI. They were given until November 15, 2009. But, the farmworkers will again defy the order.