

Judicial Realization of Just Compensation: A Doctrinal– Institutional Analysis of Agrarian and Right-Of-Way Expropriation in Philippine Law

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Abstract- This study examines the determination of just compensation in Philippine law through a doctrinal–institutional analysis of agrarian reform (CARP) and right-of-way (ROW) expropriation. While doctrine establishes that just compensation is a judicial function grounded in fair market value and the time-of-taking rule, valuation processes vary across legal regimes. Using thirty-six (36) Supreme Court decisions drawn from a larger corpus of approximately 150 cases, the study identifies patterns in valuation practices and institutional design. The findings reveal a stable doctrinal foundation but a pronounced divergence in institutional design, demonstrating that the realization of just compensation is contingent not on legal standards alone but on the mechanisms through which valuation is operationalized. Agrarian reform cases exhibit a predominantly adversarial, party-driven model, whereas right-of-way expropriation relies on commissioner-assisted processes that institutionalize technical expertise—reflected in the universal use of commissioners in expropriation cases (100%) compared to their near absence in agrarian cases (6%). Evaluated against international benchmarks under the Food and Agriculture Organization Voluntary Guidelines on the Responsible Governance of Tenure (VGGT), the results indicate fragmented compliance within a single jurisdiction, with agrarian regimes aligning more closely with substantive valuation requirements and expropriation regimes exhibiting stronger procedural safeguards. These findings suggest that valuation systems do not uniformly internalize international standards but instead distribute compliance across institutional domains.

Keywords: Just Compensation; Eminent Domain; CARP; Right-of-Way; Judicial Realization; Valuation; VGGT

I. INTRODUCTION

The power of eminent domain rests on a constitutional guarantee: private property shall not be taken for public use without just compensation. In Philippine law, this guarantee is understood as requiring full and

fair equivalence, ensuring that the property owner is placed, as nearly as possible, in the same pecuniary position as if no taking had occurred. While this principle is doctrinally settled, the process by which just compensation is determined in practice remains institutionally complex and analytically underexplored.

Conventional legal analysis treats just compensation as a function of doctrine—anchored on fair market value and the time-of-taking rule—and resolved through judicial determination. Philippine jurisprudence affirms this position, emphasizing that courts retain exclusive authority to determine compensation and are not bound by administrative valuations. However, this doctrinal clarity obscures a deeper question: *how is just compensation actually realized in practice?*

This study addresses this gap by examining just compensation through a doctrinal–institutional framework that integrates legal analysis, empirical case study, and indicator-based evaluation. Using a dataset of thirty-six (36) Supreme Court decisions (see Appendix A), the study compares agrarian and ROW regimes in terms of valuation structure, evidentiary organization, and institutional design. It further evaluates these regimes using VGGT-based indicators, distinguishing between substantive valuation quality and procedural safeguards

From an institutional perspective, compensation is not merely defined by legal rules but shaped by the structures through which those rules are implemented. As Douglass North argues, institutions structure incentives and determine how formal rules translate into real-world outcomes. In the context of eminent domain, valuation depends not only on legal standards

but on how expertise is organized, how evidence is generated, and how decision-making processes are structured. Similarly, law-and-economics scholarship highlights the tension between efficiency and fairness in compensation systems, emphasizing that valuation mechanisms must balance administrative feasibility with market accuracy (Richard Epstein; Thomas J. Miceli). These perspectives suggest that compensation outcomes cannot be fully understood without examining institutional design.

The Philippine system provides a particularly instructive case. While unified by a single constitutional standard, it operates through distinct legal regimes. Agrarian reform under the Comprehensive Agrarian Reform Program (CARP) relies on multi-factor statutory valuation and adversarial presentation of evidence. In contrast, infrastructure expropriation under right-of-way (ROW) laws incorporates commissioner-assisted mechanisms and advance payment schemes that structure valuation procedurally. These regimes differ not only in valuation methodology but in how valuation is institutionally produced.

Recent reforms further highlight this distinction. The adoption of market-based Schedule of Market Values (SMVs) under Republic Act No. 12001 improves the accuracy of administrative valuation. However, it does not alter the constitutional principle that administrative valuation remains provisional. Instead, it reinforces a dual structure in which valuation is initiated administratively but finalized through judicial processes.

This institutional variation raises a critical analytical problem. Existing scholarship—both doctrinal and comparative—tends to treat compensation systems as internally coherent, evaluating them based on statutory design or national-level compliance with international standards such as the FAO Voluntary Guidelines on the Responsible Governance of Tenure (VGGT). These methods, however, ignore the potential for distinct regimes within a single jurisdiction to meet certain aspects of compensation. As a result, systems become internally dispersed but function as a whole.

The study advances the concept of judicial realization, arguing that just compensation is not determined at the point of administrative valuation but is produced through judicial processes that integrate administrative benchmarks, evidentiary inputs, and institutional mechanisms. The findings demonstrate that CARP and ROW systems exhibit distributed compliance with international standards—agrarian regimes being substantively strong but procedurally limited, and ROW regimes being procedurally robust but substantively constrained. The judiciary functions as the integrating institution that reconciles these fragmented elements into constitutionally compliant outcomes.

By reframing just compensation as an institutional process rather than a static legal requirement, this study contributes to broader debates in land governance, eminent domain, and development policy. It suggests that the effectiveness of compensation systems depends not only on legal standards but on the institutional arrangements through which those standards are operationalized. More broadly, it provides a framework for understanding how compensation systems in developing and transitional contexts may achieve functional coherence despite internal institutional fragmentation.

II. LITERATURE REVIEW

Existing scholarship on just compensation in Philippine law has largely developed along doctrinal and statutory lines, focusing on constitutional principles, legislative frameworks, and jurisprudential interpretation. These studies have clarified core elements such as fair market value, the time-of-taking rule, and the judiciary's role in determining compensation. However, this body of work generally treats valuation as a matter of legal definition and doctrinal refinement, with limited attention to the institutional processes through which valuation is produced in practice.

In the context of agrarian reform, scholarship has focused primarily on the implementation of the Comprehensive Agrarian Reform Program (CARP), particularly the application of multi-factor statutory valuation formulas and the recurring disputes between

landowners and the Land Bank of the Philippines. While these studies highlight the complexity of valuation and the challenges of applying statutory criteria, they tend to assume that proper application of the legal framework is sufficient to produce just compensation. Less attention has been given to the procedural and institutional conditions under which valuation evidence is generated, contested, and evaluated.

Similarly, research on right-of-way (ROW) expropriation has emphasized statutory mechanisms governing land acquisition for infrastructure, including advance payment requirements and the use of administrative benchmarks such as BIR zonal values. More recent studies acknowledge the transition to market-based valuation under Republic Act No. 12001, which replaces zonal values with Schedule of Market Values (SMVs). These developments are often framed as improvements in valuation accuracy and consistency. However, much of the literature continues to treat administrative valuation as central to compensation, without fully addressing its provisional nature or the continuing role of judicial determination. Beyond domestic scholarship, international and comparative studies have introduced indicator-based frameworks for evaluating compensation systems. In particular, *Tagliarino's* methodology assesses national legal frameworks against standards derived from the Food and Agriculture Organization's Voluntary Guidelines on the Responsible Governance of Tenure (VGGT), focusing on indicators such as market value equivalence, prompt payment, transparency, and participation. These studies provide a useful benchmark for assessing alignment with global standards and frequently identify the Philippines as relatively compliant.

However, existing comparative approaches operate primarily at the national level and tend to treat legal systems as internally coherent. They do not account for variation across legal regimes within a single jurisdiction, nor do they examine how institutional design shapes the application of valuation standards in practice. As a result, they may obscure important differences in how compensation is structured, implemented, and realized.

Insights from institutional economics and law-and-economics scholarship further suggest that valuation outcomes cannot be explained by legal rules alone. Institutions shape how rules are implemented, how information is generated, and how decisions are made. In the context of eminent domain, valuation depends not only on statutory criteria but on the organization of expertise, the structure of evidentiary processes, and the procedural mechanisms through which compensation is determined. These perspectives highlight the need to move beyond doctrinal and statutory analysis toward an institutional understanding of compensation.

This study builds on and extends these strands of literature by shifting the analytical focus from legal rules and national-level assessments to institutional processes within specific legal regimes. Rather than asking whether Philippine law complies with VGGT standards in general, it examines how compliance is distributed across agrarian and ROW systems. The analysis demonstrates that these regimes exhibit complementary but incomplete forms of compliance, with agrarian systems aligning more closely with substantive valuation requirements and ROW systems aligning more closely with procedural safeguards.

In doing so, the study introduces the concept of judicial realization as a framework for understanding how just compensation is produced. While existing scholarship recognizes that courts determine compensation, it does not fully explain how judicial processes integrate administrative valuation, evidentiary practices, and institutional structures into a final outcome. By combining doctrinal analysis, empirical case study, and indicator-based evaluation, this study shows that compensation is not simply derived from legal rules or administrative benchmarks but is constructed through judicial processes that reconcile fragmented elements of valuation.

Accordingly, the contribution of this study is twofold. First, it provides an institutional explanation for the divergence between doctrinal standards and valuation outcomes, highlighting the role of commissioners, evidentiary organization, and procedural design. Second, it refines comparative approaches to compensation by demonstrating that alignment with

international standards may be internally distributed rather than uniformly achieved within a legal system. By situating Philippine expropriation law within this doctrinal–institutional framework, the study advances a more nuanced understanding of just compensation—one that recognizes the central role of institutions in transforming legal principles into practical outcomes.

III. CONCEPTUAL FRAMEWORK

This study conceptualizes just compensation in the Philippine legal system as a two-stage institutional process in which valuation is not completed at a single point but evolves through distinct phases of determination. Rather than treating compensation as a fixed outcome derived from statutory formulas or administrative assessment, the framework recognizes that value is progressively constructed through the interaction of legal doctrine, institutional design, and evidentiary processes.

At the first stage, administrative valuation functions as the entry point of compensation. Under both agrarian reform and infrastructure expropriation, administrative agencies determine an initial or provisional value of property based on statutory guidelines. In agrarian reform, valuation is guided by multi-factor formulas incorporating elements such as income, comparable sales, and market indicators. In infrastructure expropriation, initial compensation is typically anchored on standardized benchmarks such as zonal values. These mechanisms serve an essential function: they enable the State to proceed with the taking of property and provide immediate or preliminary compensation to landowners.

However, administrative valuation is inherently approximate and policy-constrained. It prioritizes uniformity, speed, and programmatic objectives over case-specific accuracy. As such, it does not, by itself, satisfy the constitutional requirement of just compensation, which demands full and fair equivalence based on actual market conditions and competent evidence.

The second stage is judicial determination, which completes the process of compensation. Courts exercise the exclusive authority to determine just

compensation, evaluating evidence, reconciling valuation methodologies, and applying constitutional standards. At this stage, valuation is no longer formula-driven but evidence-driven, allowing for the correction of administrative limitations. Institutional mechanisms such as the appointment of commissioners in expropriation cases further structure the process, enabling courts to integrate technical expertise into legal adjudication.

The relationship between these two stages is not hierarchical but sequential and complementary. Administrative valuation initiates compensation by providing a baseline value and facilitating the transfer of property. Judicial proceedings, in turn, refine and finalize that value, ensuring compliance with constitutional requirements. The gap between initial and final compensation reflects the difference between administrative approximation and judicial verification. Within this two-stage structure, the study identifies a critical dimension of variation: the institutional organization of valuation expertise. Agrarian reform cases typically operate within an adversarial framework, where evidence is produced and contested by the parties, and the court acts as the primary evaluator. Infrastructure expropriation cases, by contrast, often employ commissioner-assisted mechanisms, transforming valuation into a more coordinated and institutionally supported process. These differing structures influence the coherence, consistency, and accessibility of valuation outcomes.

To evaluate the effectiveness of these institutional arrangements, the framework incorporates standards derived from the Food and Agriculture Organization Voluntary Guidelines on the Responsible Governance of Tenure (VGGT). These standards distinguish between substantive dimensions of valuation—such as the consideration of multiple factors and approximation to market value—and procedural dimensions, including prompt payment, transparency, participation, and access to remedies.

The analysis demonstrates that the Philippine system exhibits fragmented compliance with these standards. Agrarian reform aligns more closely with substantive valuation requirements but is weaker in procedural efficiency. Infrastructure expropriation, conversely,

aligns more closely with procedural requirements but is limited in substantive valuation depth. No single regime fully satisfies both dimensions.

This fragmentation underscores the central role of the judiciary. Courts function as the integration mechanism within the system, reconciling the strengths and deficiencies of each regime. Through judicial determination, fragmented elements of valuation—substantive and procedural—are synthesized into a final outcome that approximates constitutional and international standards.

Accordingly, the framework advances the concept of judicial realization: just compensation is not merely defined by law or calculated administratively, but is ultimately realized through institutional processes within the judiciary. It is at this stage that valuation achieves its full legal and normative significance.

strengths in substantive and procedural dimensions, respectively. Judicial determination functions as the integrating mechanism that reconciles these dimensions and aligns outcomes with VGGT standards.

The conceptual framework illustrates that the Philippine system of just compensation operates through a dual-stage process. At the administrative stage, valuation is initiated through distinct legal regimes: CARP emphasizes substantive valuation design, while ROW emphasizes procedural efficiency. These regimes independently satisfy different components of VGGT standards but remain incomplete when viewed in isolation. The judicial stage functions as the integrating mechanism, where courts evaluate evidence, reconcile valuation approaches, and ensure compliance with constitutional and international standards. Just compensation is therefore realized not at the point of initial payment, but through judicial processes that synthesize both substantive and procedural elements.

IV. MATERIALS AND METHODS

This study adopts a doctrinal–institutional and indicator-based approach to examine the determination of just compensation in Philippine expropriation law. It integrates qualitative legal analysis with structured empirical evaluation to assess how compensation is defined, operationalized, and realized across different legal regimes.

The methodology proceeds in three stages: (1) doctrinal analysis of jurisprudence, (2) institutional comparison of valuation processes, and (3) indicator-based evaluation using international standards.

A. Doctrinal–Institutional Approach

At its core, the study is grounded in doctrinal legal analysis, focusing on the interpretation and application of constitutional principles governing just compensation. It examines how courts define key elements of compensation, including fair market value, the time-of-taking rule, and evidentiary requirements, as articulated in leading cases such as *Export Processing Zone Authority v. Dulay* and *Republic v. Vda. de Castellvi*.

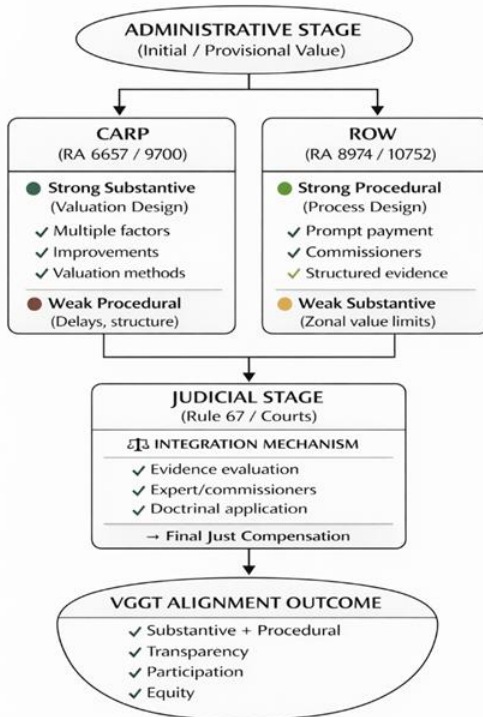


Figure 1.0. Conceptual Framework

Figure 1.0. Conceptual framework illustrating the dual-stage structure of just compensation in the Philippines. Administrative valuation under CARP and ROW provides initial compensation with distinct

This doctrinal analysis is complemented by an institutional perspective. Rather than treating legal rules as self-executing, the study examines how valuation is structured within judicial proceedings, with particular attention to the organization of expertise, the role of commissioners under Rule 67 of the Rules of Court, and the interaction between administrative and judicial processes.

B. Data and Case Selection

The empirical component of the study is based on a dataset of thirty-six (36) Supreme Court decisions decided between 1987 and 2024. These cases are divided into two groups:

- Eighteen (18) agrarian reform (CARP) cases
- Eighteen (18) right-of-way (ROW) expropriation cases

Cases were selected from an initial pool of approximately 150 decisions using purposive sampling based on the following criteria:

1. Doctrinal significance – cases that articulate or clarify key principles of just compensation
2. Representativeness – cases reflecting recurring factual and procedural patterns
3. Citation frequency – cases commonly cited in subsequent jurisprudence

This approach ensures that the dataset captures the dominant doctrinal and institutional characteristics of expropriation law, while maintaining analytical depth.

Table 2.1 — Composition and Source of Case Dataset

Category	Number of Cases	Percentage
CARP Cases	18	50%
ROW Cases	18	50%
Total	36	100%

3.3 Variables and Coding Framework

Each case was systematically coded using a structured framework capturing both doctrinal and institutional variables:

A. Institutional Variables

- Presence or absence of commissioners

- Structure of evidence (party-driven vs. institutionally integrated)

B. Valuation Dimensions (Constitutional Equivalence)

- Economic dimension – approximation to fair market value
- Temporal dimension – application of the time-of-taking rule
- Evidentiary dimension – sufficiency and organization of evidence

C. Additional Compensation Elements

- Recognition of damages
- Award of interest

3.4 Descriptive Institutional Patterns

Preliminary tabulation reveals clear and quantifiable institutional differences between regimes. The use of commissioners is universal in ROW cases (100%) but is almost absent in agrarian cases (6%). Similarly, structured integration of valuation evidence—typically through commissioner reports—is present in all ROW cases (100%), whereas agrarian cases rely predominantly on party-driven presentation of evidence (89%).

In doctrinal terms, the economic dimension of just compensation is consistently recognized across both regimes, appearing in 94% of agrarian cases and in all ROW cases (100%). However, variation emerges in the temporal dimension, with the time-of-taking rule applied in only 33% of agrarian cases compared to 72% of ROW cases. While evidentiary support is generally present in both regimes—89% in agrarian and 100% in ROW—the organization of such evidence differs significantly.

These patterns establish that while doctrinal standards are consistent, valuation processes differ fundamentally in their institutional structure.

Table 3.1— Institutional Structure of Valuation

Indicator	CARP (n=18)	ROW (n=18)
With Commissioners	1 (6%)	18 (100%)
Without Commissioners	17 (94%)	0 (0%)

Structured Evidence (Integrated)	2 (11%)	18 (100%)
Party-Driven Evidence	16 (89%)	0 (0%)

Table 3.2— Core Valuation Dimensions

Table 3.3 — Additional Compensation Elements

Indicator	CARP (n=18)	ROW (n=18)
Interest Awarded	9 (50%)	12 (67%)
Damages Recognized	Rare	16 (89%)
Dimension	CARP (n=18)	ROW (n=18)
Economic (FMV recognized)	17 (94%)	18 (100%)
Temporal (Time-of-taking applied)	6 (33%)	13 (72%)
Evidentiary (Supported valuation)	16 (89%)	18 (100%)

3.5 VGGT Indicator Framework

To extend the analysis beyond domestic doctrine, the study incorporates indicator-based standards derived from the Food and Agriculture Organization Voluntary Guidelines on the Responsible Governance of Tenure (VGGT). These indicators are adapted from comparative legal studies, including the methodology developed by Tagliarino, which evaluates national laws based on their alignment with international compensation standards.

Ten (10) indicators are used to assess both substantive and procedural dimensions of valuation:

Substantive Indicators	Procedural Indicators
Consideration of multiple valuation factors	Availability of negotiation
Approximation to market value	Prompt payment
Inclusion of improvements	Judicial review of transparency of valuation process

Equity in compensation outcomes	Applicability across land types
	Participation and accessibility

TABLE 3.4— VGGT Indicator Classification

Each indicator is framed as a legal question and evaluated based on statutory provisions, jurisprudence, and institutional practice.

E. Scoring System

To operationalize the indicator-based evaluation, the study adopts a three-point scoring system:

Score	Classification	Description
2	YES	Full compliance with VGGT standard
1	PARTIAL	Incomplete or limited compliance
0	NO	Absence of compliance

A score of “YES” is assigned where the law explicitly and generally satisfies the indicator. A score of “PARTIAL” is assigned where compliance is limited, conditional, or unclear. A score of “NO” is assigned where the legal framework does not address the indicator.

Each system (CARP and ROW) is evaluated across all ten indicators, yielding a maximum possible score of 20.

Table 3.5 presents the indicator scoring matrix used in the analysis:

Indicator	CARP	ROW
Multiple factors	2	1
Market value	1	1
Improvements	2	2

TABLE 1.2 — VGGT Scoring System

Equity	1	1
Negotiation	1	1
Prompt payment	0	2
Judicial review	2	2
Transparency	1	2
Applicability	1	2
Participation	1	1

3.6 Scoring and Compliance Index

Each indicator is scored using a three-point system:

- 2 = Yes
- 1 = Partial
- 0 = No

Total scores are converted into percentage values:

$$(1) \quad \text{Compliance (\%)} = \frac{\text{Actual Score}}{20} \times 100$$

This produces an overall compliance index for each system:

- CARP: 60%
- ROW: 75%

The index provides a quantitative measure of alignment with VGGT standards while preserving the qualitative basis of legal evaluation.

3.7 Dual-Dimensional Analysis

To capture differences between valuation content and valuation process, the study further disaggregates indicators into two dimensions:

- Substantive (valuation quality)
- Procedural (process quality)

Separate sub-indices are computed for each dimension, allowing for a more nuanced analysis of institutional strengths and weaknesses.

3.8 Integration of Methods

The methodology integrates three levels of analysis:

1. Doctrinal analysis – defining legal standards
2. Empirical case analysis – identifying institutional patterns

3. Indicator-based evaluation – assessing alignment with international norms

This combined approach allows the study to move from description to explanation, linking legal doctrine with institutional practice and normative benchmarks.

3.9 Limitations

The study acknowledges several limitations. First, the use of purposive sampling may limit generalizability, although it ensures doctrinal relevance. Second, the scoring system simplifies complex legal provisions into numerical values, which may not fully capture contextual nuances. Third, the analysis focuses on Supreme Court decisions and does not account for lower court variations.

Despite these limitations, the methodology provides a structured and transparent framework for analyzing how just compensation is determined and realized in practice.

3.10. Operational Definitions

The following terms are defined as they are operationally used in this study to ensure clarity and consistency in the analysis:

Just Compensation
 Refers to the full and fair equivalent of the property taken, consistent with constitutional standards. In this study, it is treated as a judicially determined outcome, not conclusively fixed at the administrative stage.

Administrative Valuation
 Refers to the initial or provisional determination of property value by administrative agencies or statutory mechanisms. It includes formula-based valuation under agrarian reform and standardized benchmarks such as zonal values and Schedule of Market Values (SMVs). In this study, administrative valuation functions as a baseline input subject to judicial review and adjustment.

Zonal Value (BIR Zonal Value)
 Refers to the standardized property values issued by the Bureau of Internal Revenue (BIR) for taxation purposes and historically used as the basis for initial compensation in expropriation. Zonal values are

characterized by generalization and may diverge from actual market conditions. In this study, they are treated as administrative benchmarks that do not determine just compensation.

Schedule of Market Values (SMVs)
 Refers to market-based property values adopted under Republic Act No. 12001, replacing zonal values as the primary administrative benchmark. SMVs improve the accuracy and uniformity of valuation but function only as baseline estimates subject to judicial evaluation.

Judicial Realization
 Refers to the process by which just compensation is ultimately determined through judicial proceedings. It involves the evaluation of evidence, reconciliation of valuation methods, and integration of administrative inputs into a constitutionally compliant outcome.

Agrarian Cases
 Refers to cases arising under agrarian reform laws, particularly those involving disputes over valuation between landowners and the Land Bank of the Philippines. These cases are characterized by multi-factor statutory valuation and predominantly adversarial evidence presentation.

Right-of-Way (ROW) Expropriation Cases
 Refers to cases involving the acquisition of private property for infrastructure projects. These cases are characterized by commissioner-assisted valuation and structured evidentiary processes.

Commissioners
 Refers to court-appointed experts under Rule 67 tasked with examining property, receiving evidence, and submitting valuation reports to assist the court. In this study, commissioners represent institutionalized expertise and coordinated evidence integration.

Expert Witness
 Refers to a party-retained valuation expert who presents opinion evidence in support of a party's claim. Unlike commissioners, expert witnesses operate within an adversarial framework.

Structured Evidence
 Refers to valuation evidence that is organized and

synthesized through institutional mechanisms, particularly through commissioner reports. It reflects a coordinated approach to evidence presentation.

Party-Driven Evidence
 Refers to valuation evidence independently presented by the parties without institutional integration, often resulting in competing and fragmented valuation claims.

Economic Dimension
 Refers to the requirement that compensation approximates fair market value. In this study, it is operationalized as the recognition and application of valuation principles consistent with market-based determination.

Temporal Dimension
 Refers to the requirement that property value is determined at the time of taking. It is operationalized as the explicit application of the time-of-taking rule in judicial decisions.

Evidentiary Dimension
 Refers to the requirement that compensation be supported by competent and sufficient evidence, including both the presence and organization of valuation data.

VGGT (Voluntary Guidelines on the Responsible Governance of Tenure)
 Refers to the international framework developed by the Food and Agriculture Organization used in this study as a benchmark for evaluating both substantive and procedural aspects of compensation.

Substantive Indicators
 Refers to indicators measuring the content and accuracy of valuation, including multiple valuation factors, market value equivalence, inclusion of improvements, and equity.

Procedural Indicators
 Refers to indicators measuring the process through which valuation is conducted, including negotiation, prompt payment, judicial review, transparency, applicability, and participation.

Compliance Index
 Refers to the aggregated score derived from VGGT indicators, expressed as a percentage, used to assess the overall alignment of each legal regime with international standards.

Dual-Dimensional Model
 Refers to the analytical framework distinguishing between substantive and procedural compliance, used to compare the performance of agrarian and ROW systems.

V. RESULTS

This section presents the findings of the study in two parts. First, it reports the empirical results derived from the analysis of thirty-six (36) Supreme Court decisions involving agrarian reform (CARP) and right-of-way (ROW) expropriation. Second, it evaluates both regimes using indicator-based standards derived from the Food and Agriculture Organization Voluntary Guidelines on the Responsible Governance of Tenure (VGGT).

A. Empirical Results: Institutional Patterns in 36 Cases
 The analysis of thirty-six (36) Supreme Court decisions—eighteen (18) CARP cases and eighteen (18) ROW cases—confirms a consistent doctrinal foundation but reveals a pronounced divergence in institutional structure and evidentiary organization.

Across both datasets, the economic dimension of just compensation is strongly recognized. Fair market value is acknowledged in 94% of CARP cases and in all ROW cases. Similarly, evidentiary support for valuation is present in 89% of CARP cases and 100% of ROW cases, indicating doctrinal stability in the requirement that compensation be supported by competent evidence.

However, differences emerge in the temporal dimension. The time-of-taking rule is applied in only 33% of CARP cases, compared to 72% of ROW cases, suggesting a more consistent temporal framework in expropriation proceedings.

The most significant divergence lies in the institutional organization of valuation. Commissioner-assisted valuation is present in all ROW cases (100%) but in only 6% of CARP cases. This indicates that valuation in ROW proceedings is systematically structured through court-integrated expertise, whereas CARP valuation remains largely adversarial and judge-centered.

This distinction is mirrored in the organization of evidence. Structured evidence integration is observed in all ROW cases but in only 11% of CARP cases, where valuation is predominantly driven by the parties. The absence of institutional mechanisms in CARP results in fragmented evidentiary presentation, while ROW cases benefit from coordinated and synthesized valuation processes.

Additional compensation elements further highlight this divergence. Damages are recognized in 89% of ROW cases but are rarely addressed in CARP cases. Interest is awarded in 67% of ROW cases compared to 50% of CARP cases, reflecting a broader and more consistent approach to compensation in expropriation proceedings.

These findings demonstrate that while doctrinal standards are consistent across regimes, valuation outcomes are shaped by institutional structure. CARP operates within an adversarial model of valuation, whereas ROW relies on institutionalized expertise through commissioners, resulting in more structured and consistent valuation processes.

B. VGGT Indicator-Based Results

To assess alignment with international standards, the study applies ten (10) indicators derived from the VGGT framework. These indicators evaluate both substantive and procedural dimensions of compensation.

a. SUBSTANTIVE INDEX

Indicator	CARP	Score	ROW	Score
Multiple factors	YES	2	PARTIAL	1
Market value	PARTIAL	1	PARTIAL	1
Improvements	YES	2	YES	2

Equity	PARTIAL	1	PARTIAL	1
TOTAL		6 / 8		5 / 8
Result		75%		62.5%

Table 4.1— Substantive Index

b. PROCEDURAL INDEX

Indicator	CARP	Score	ROW	Score
Negotiation	PARTIAL	1	PARTIAL	1
Prompt payment	NO	0	YES	2
Judicial review	YES	2	YES	2
Transparency	PARTIAL	1	YES	2
Applicability	PARTIAL	1	YES	2
Participation	PARTIAL	1	PARTIAL	1
TOTAL		6 / 12		10 / 12
Result		50%		83%

Table 4.2— Procedural Index

The table shows a clear divergence between substantive and procedural compliance. CARP performs more strongly in the substantive dimension (75%), reflecting its structured approach to valuation through multiple factors and recognition of improvements. However, it performs significantly weaker in the procedural dimension (50%), particularly due to deficiencies in prompt payment and institutional structure.

Conversely, ROW demonstrates strong procedural compliance (83%), driven by prompt payment requirements and structured valuation processes, but exhibits lower substantive compliance (62.5%) due to reliance on zonal valuation.

These results confirm that compliance with VGGT standards is not uniform but distributed across legal regimes, with each system satisfying different dimensions of the standard.

The results show that both CARP and ROW systems exhibit partial and uneven compliance.

CARP demonstrates stronger alignment with substantive valuation indicators. It satisfies requirements relating to the use of multiple valuation factors and the inclusion of improvements, reflecting a structured approach to determining value. However, CARP performs weakly in procedural indicators, particularly in prompt payment, where delays in compensation remain a persistent issue.

ROW expropriation, by contrast, demonstrates stronger compliance with procedural indicators. The requirement of immediate payment based on zonal value ensures prompt compensation, and the use of commissioners enhances transparency and procedural organization. However, ROW performs less strongly in substantive valuation, as reliance on zonal values does not fully capture property-specific market conditions.

Both systems demonstrate strong compliance in judicial review, reflecting the constitutional principle that courts determine final compensation.

C. Compliance Index

To quantify the level of alignment, the study applies a three-point scoring system (Yes = 2, Partial = 1, No = 0) across the ten indicators.

The results show:

- CARP: 12 out of 20 (60%)
- ROW: 15 out of 20 (75%)

This indicates that ROW demonstrates higher overall compliance, driven primarily by stronger performance in procedural indicators.

However, the difference in scores should not be interpreted as indicating overall superiority. Rather, it reflects differences in the dimensions of compliance.

D. Dual-Dimensional Analysis

To further clarify these differences, the indicators are disaggregated into substantive and procedural dimensions.

In the substantive dimension, CARP achieves a higher score (75%) compared to ROW (62.5%), reflecting its stronger alignment with valuation principles. In the procedural dimension, ROW significantly outperforms CARP (83% vs 50%), reflecting its stronger institutional structure and process design.

TABLE 5.1 — Dual VGGT Compliance Model

Dimension	CARP	ROW
Substantive (Valuation)	75%	62.5%
Procedural (Process)	50%	83%
Overall (from prior)	60%	75%

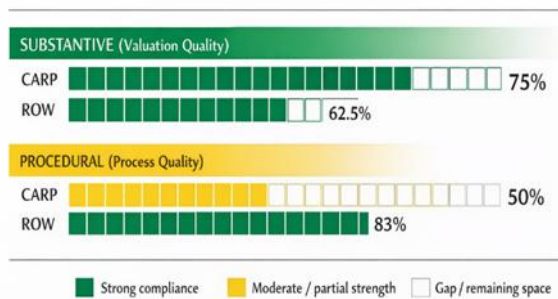


Figure 2.1 — VGGT Dual Compliance Model

The visualization highlights the structural asymmetry between regimes: CARP dominates in substantive valuation quality, while ROW demonstrates superior procedural performance. The imbalance confirms that compliance is distributed across dimensions rather than concentrated within a single system.

Disaggregating VGGT compliance into substantive and procedural dimensions reveals a clear structural asymmetry between CARP and ROW systems. CARP achieves a higher score in the substantive dimension (75%), reflecting its stronger alignment with valuation principles such as the use of multiple factors and recognition of improvements. However, it performs significantly weaker in the procedural dimension (50%), particularly due to deficiencies in prompt payment and structured valuation processes.

Conversely, ROW expropriation demonstrates strong procedural compliance (83%), driven by mechanisms

such as advance payment, transparency through commissioner reports, and broader applicability. However, its substantive compliance is lower (62.5%), reflecting limitations in valuation methodology due to reliance on zonal values

This dual-dimensional analysis reveals a clear structural asymmetry:

- CARP is substantively strong but procedurally weak
- ROW is procedurally strong but substantively limited

E. Synthesis of Findings

The results demonstrate that compliance with both constitutional standards and VGGT indicators is not uniformly achieved within a single legal regime. Instead, compliance is distributed across institutional structures.

Administrative valuation under both CARP and ROW provides only an initial approximation of compensation. It is through judicial proceedings that valuation is evaluated, refined, and aligned with constitutional requirements.

The empirical findings thus support the study’s central proposition: just compensation is not determined at the administrative stage but is judicially realized. The quality of this realization depends on how valuation expertise is organized within the legal system.

VI. DISCUSSION

The findings of this study demonstrate that the determination of just compensation cannot be fully explained by doctrinal standards alone. While Philippine jurisprudence consistently affirms fair market value, the time-of-taking rule, and evidentiary sufficiency, these principles do not, by themselves, determine valuation outcomes. Instead, compensation emerges from the institutional structures through which these principles are operationalized.

From an institutional perspective, this result is consistent with the insight that formal legal rules do not directly produce outcomes but are mediated by the organizations and processes that implement them. In

the context of eminent domain, valuation depends on how expertise is structured, how evidence is generated, and how decision-making authority is exercised. The empirical contrast between agrarian reform (CARP) and right-of-way (ROW) expropriation illustrates this clearly.

Agrarian reform operates within an adversarial, party-driven framework in which valuation evidence is produced and contested by litigants and evaluated directly by the court. While this structure allows for the application of multiple valuation factors and aligns with substantive standards of market-based compensation, it also produces fragmentation in evidentiary presentation and variability in outcomes. The absence of institutional mechanisms for synthesizing valuation evidence places a greater burden on judicial discretion and increases dependence on party capacity.

By contrast, ROW expropriation institutionalizes valuation expertise through the systematic use of court-appointed commissioners. This transforms valuation from a purely adversarial process into a coordinated and structured one, in which technical evidence is integrated and organized prior to judicial determination. As a result, ROW systems exhibit stronger procedural coherence, greater transparency, and more consistent application of evidentiary standards. However, this procedural strength is accompanied by limitations in substantive valuation, particularly where administrative benchmarks constrain the depth of market-based analysis.

This divergence reveals a critical insight: compensation systems may achieve functional adequacy not through uniform compliance with all standards, but through the distribution of strengths across institutional domains. Agrarian systems prioritize substantive valuation accuracy, while ROW systems prioritize procedural efficiency and coordination. Neither system independently satisfies both dimensions, yet both contribute to the overall functioning of the compensation regime.

This finding has important implications for the interpretation of international standards. Indicator-based frameworks such as the VGGT typically

evaluate legal systems as unified entities, assessing compliance across dimensions such as market equivalence, prompt payment, transparency, and participation. However, the Philippine case demonstrates that compliance may be internally differentiated, with different regimes satisfying different components of the standard. As a result, national-level assessments may obscure the institutional mechanisms through which compliance is actually achieved.

Within this fragmented structure, the judiciary assumes a central integrative role. Courts do not merely apply legal standards; they function as the institutional site where disparate elements of valuation are reconciled. Administrative benchmarks, party-generated evidence, and commissioner reports are evaluated and synthesized within judicial proceedings, producing a final determination that reflects both substantive and procedural considerations. This process supports the study's central concept of judicial realization, in which just compensation is not predetermined but constructed through institutional interaction.

From a law-and-economics perspective, this institutional arrangement reflects an inherent tension between administrative efficiency and valuation accuracy. Systems that prioritize speed and uniformity tend to rely on standardized benchmarks, while systems that emphasize accuracy require more complex, evidence-intensive processes. The Philippine experience suggests that these objectives are not easily reconciled within a single institutional design but may instead be distributed across complementary regimes and ultimately integrated through judicial review.

The policy implications of this analysis are significant. Efforts to reform compensation systems often focus on improving valuation methodologies, such as adopting market-based benchmarks or refining statutory formulas. While these reforms enhance substantive accuracy, they do not address the institutional conditions under which valuation is produced. The findings of this study suggest that improving just compensation requires attention not only to valuation inputs but also to institutional design, particularly

mechanisms for integrating expertise, organizing evidence, and ensuring procedural coherence.

In the context of ongoing reforms, including the transition to market-based valuation systems, policymakers should consider how administrative improvements interact with judicial processes. Enhancing valuation accuracy at the administrative stage will have limited impact if institutional mechanisms for evidentiary integration remain weak. Conversely, strengthening procedural structures without addressing substantive valuation limitations may produce efficient but systematically biased outcomes. Effective reform requires aligning both dimensions within a coherent institutional framework. More broadly, this study contributes to global debates on land governance and development by demonstrating that compensation systems in developing and transitional contexts may operate through institutional fragmentation rather than systemic uniformity. Rather than viewing fragmentation as a deficiency, it may be understood as a functional arrangement in which different institutions perform complementary roles. The challenge lies in ensuring that these roles are effectively integrated, particularly through judicial processes that reconcile competing standards and produce coherent outcomes.

VII. CONCLUSION

This study set out to examine how just compensation is determined in the Philippine legal system by analyzing the interaction between doctrinal standards and institutional processes across agrarian reform (CARP) and right-of-way (ROW) expropriation. While the constitutional framework provides a unified definition of just compensation—anchored on fair market value, the time-of-taking rule, and evidentiary sufficiency—the findings demonstrate that the realization of this standard is neither automatic nor uniform across legal regimes.

The empirical analysis of thirty-six (36) Supreme Court decisions confirms that doctrinal consistency coexists with institutional divergence. CARP and ROW systems apply the same constitutional principles but differ significantly in how valuation is structured

and produced. CARP operates within an adversarial, party-driven model that emphasizes substantive valuation factors but lacks procedural coherence. ROW, by contrast, employs commissioner-assisted mechanisms that institutionalize expertise and procedural structure, but relies on valuation methods that only partially reflect market realities.

When assessed using indicator-based standards derived from the Food and Agriculture Organization Voluntary Guidelines on the Responsible Governance of Tenure (VGGT), these differences translate into a pattern of fragmented compliance. CARP demonstrates stronger alignment with substantive valuation requirements, while ROW demonstrates stronger alignment with procedural safeguards. Neither regime independently satisfies both dimensions. The compliance index and dual-dimensional analysis reinforce this asymmetry, showing that overall alignment is distributed rather than consolidated.

These findings lead to the central conclusion of the study: just compensation in the Philippine legal system is not determined at the point of administrative valuation, but is judicially realized. Administrative mechanisms—whether through formula-based valuation in agrarian reform or zonal value payment in infrastructure expropriation—serve only as initial approximations that enable the taking of property. It is through judicial proceedings that valuation is tested, refined, and aligned with constitutional requirements. The judiciary thus performs a critical institutional function. Courts do not merely resolve disputes; they act as the integration mechanism through which fragmented elements of valuation—substantive and procedural—are synthesized into a coherent and legally sufficient outcome. Judicial determination bridges the gap between administrative approximation and constitutional equivalence.

This reconceptualization has important implications. First, it shifts the analytical focus from legal rules alone to the institutional processes through which those rules are implemented. Second, it suggests that improving the system of just compensation requires not only doctrinal refinement but institutional integration. A regime that is substantively robust but

procedurally weak, or procedurally efficient but substantively limited, cannot independently achieve full compliance with constitutional and international standards.

Accordingly, reform efforts should aim to integrate the strengths of both systems: the valuation rigor of CARP and the procedural structure of ROW. This includes institutionalizing technical expertise across regimes, improving access to valuation processes, and ensuring that compensation is both accurate and timely. Alignment with VGGT standards requires a system in which substantive and procedural elements are not divided across legal frameworks but coordinated within a unified institutional structure.

Ultimately, just compensation is not merely a legal requirement but an institutional achievement. It is realized through processes that combine doctrine, evidence, and institutional design. The Philippine experience shows that the path to full compliance lies not in choosing between valuation accuracy and procedural efficiency, but in integrating both within a coherent system.

VIII. RECOMMENDATIONS AND FUTURE RESEARCH

The findings of this study demonstrate that the Philippine system of just compensation is not deficient in doctrine but fragmented in institutional design. While constitutional principles—fair market value, time-of-taking valuation, and evidentiary sufficiency—are consistently recognized, their realization varies depending on how valuation is structured across legal regimes. The divergence between agrarian reform (CARP) and right-of-way (ROW) expropriation, coupled with the transition from BIR zonal values to market-based valuation under Republic Act No. 12001, highlights the need for reform that is integrative rather than piecemeal. At the same time, these findings open important directions for future research that can further refine both theory and practice.

A central recommendation is the integration of substantive and procedural elements of valuation within a unified institutional framework. CARP

demonstrates strength in substantive valuation through its multi-factor approach, while ROW exhibits procedural strength through structured mechanisms such as advance payment and commissioner-assisted valuation. RPVARA reinforces this direction by replacing zonal values with Schedule of Market Values (SMVs), thereby improving the substantive accuracy of administrative valuation. However, SMVs, like zonal values before them, function only as baseline estimates and do not displace the constitutional requirement that just compensation is determined by the courts. Reform should therefore ensure that SMVs are systematically integrated into judicial processes as evidentiary inputs, while preserving the capacity of courts to adjust valuations based on case-specific factors.

The institutionalization and strengthening of commissioners should be a priority. The empirical findings clearly show that commissioner-assisted processes significantly enhance the coherence, transparency, and consistency of valuation in ROW cases. Extending this mechanism to CARP and other expropriation regimes would address the fragmentation inherent in adversarial, party-driven valuation. This requires establishing clear standards for the qualification, accreditation, and independence of commissioners, ensuring that they possess the necessary technical expertise while remaining neutral to the parties. Commissioners should be mandated to apply recognized valuation methodologies and to integrate SMVs as baseline references, subject to adjustment based on market evidence. Procedural rules should also clarify the evidentiary weight of commissioner reports, requiring courts to explicitly evaluate and justify their treatment of such reports.

Reform must also address the methodological integrity of valuation. While RPVARA improves the quality of administrative benchmarks, it does not eliminate the need for robust valuation analysis. Courts and commissioners must continue to apply recognized approaches—such as sales comparison, income capitalization, and cost methods—to ensure that compensation reflects actual market conditions. Future research may extend this inquiry by examining the comparative performance of different valuation methods and their impact on compensation outcomes,

including the extent to which SMV-based valuations converge with or diverge from judicially determined values.

Timeliness of compensation remains a critical concern, particularly in agrarian reform. While ROW expropriation benefits from advance payment mechanisms, CARP continues to experience delays that undermine the principle of full and fair compensation. RPVARA's standardization of valuation may reduce disputes and facilitate faster resolution, but additional reforms are necessary, including enforceable timelines, coordinated institutional processes, and the consistent imposition of interest for delayed payments. Future empirical research incorporating trial court data and administrative records would be valuable in identifying the structural causes of delay and evaluating the effectiveness of reform measures.

Enhancing accessibility and participation is equally important. The adversarial structure of CARP proceedings and the technical complexity of commissioner-assisted valuation in ROW cases can both limit meaningful participation by landowners. Providing access to technical assistance, simplifying evidentiary procedures, and ensuring transparency in the application of SMVs would improve procedural fairness. Participation must be substantive rather than formal, enabling affected parties to engage effectively in both administrative and judicial stages. Future research using qualitative methods, such as surveys and interviews with landowners, appraisers, lawyers, and judges, could provide deeper insights into the barriers to participation and the functioning of valuation processes in practice.

A broader reform priority is the development of a unified valuation framework that fully integrates RPVARA into expropriation law. The current system operates through separate legal regimes with differing standards and procedures, resulting in inconsistency and fragmentation. Harmonizing valuation principles across CARP, ROW, and related legal frameworks would promote coherence and predictability. However, such integration must preserve the constitutional role of courts, ensuring that

standardized values do not override judicial determination. Future comparative research across jurisdictions may provide useful models for integrating administrative valuation systems with judicial processes while maintaining safeguards for fairness and accuracy.

Alignment with international standards, particularly those embodied in the Food and Agriculture Organization Voluntary Guidelines on the Responsible Governance of Tenure (VGGT), should guide both reform and research. RPVARA advances compliance with substantive indicators such as market value equivalence and transparency, but does not fully address procedural dimensions such as participation, accessibility, and institutional integration. Achieving full compliance therefore requires a holistic approach that integrates both dimensions. Comparative studies examining how other jurisdictions balance valuation accuracy and procedural safeguards would further enrich this analysis and provide benchmarks for reform.

Finally, the central role of the judiciary must be recognized and strengthened. As this study demonstrates, courts function as the institutional mechanism through which fragmented elements of valuation are integrated into a constitutionally compliant outcome. The transition from zonal values to SMVs enhances the quality of administrative inputs, but does not eliminate the need for judicial evaluation. Strengthening judicial capacity—through clearer guidelines on the use of commissioners, improved standards for evaluating expert evidence, and greater doctrinal consistency—will be essential to ensuring that improved valuation benchmarks translate into just outcomes. Future research may extend the concept of judicial realization beyond expropriation, examining how courts construct value in other areas of law such as taxation, land use regulation, and environmental compensation.

The path toward a fully compliant system of just compensation lies not in reforming individual components in isolation, but in integrating substantive valuation accuracy, procedural efficiency, and judicial oversight

within a coherent institutional framework. RPVARA provides a critical foundation by improving the substantive accuracy of valuation through SMVs, but must be complemented by procedural and institutional reforms to achieve full effectiveness. At the same time, continued scholarly inquiry—empirical, comparative, and interdisciplinary—will be essential in refining this framework and ensuring that it remains responsive to evolving legal and economic conditions. Ultimately, just compensation is not achieved through rules alone, but through institutions and knowledge systems capable of realizing those rules in practice.

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