HOW PARTICIPATORY IS PARTICIPATORY DEVELOPMENT?

A Review of the Philippine Experience

GELIA T. CASTILLO

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PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

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FOREWORD

About two-thirds of the Philippine population reside in the rural areas, earning an average family income of only half of their urban counterparts. It is, therefore, not surprising that much interest has been expressed in the progress of rural development strategies, the impact they have had on rural communities, the means by which they can be made more effective, and the various alternatives that exist.

This timely book by Gelia Castillo deals with a number of contemporary and, to some extent, controversial issues regarding Philippine rural development. More specifically, it looks into two important aspects of rural development, namely: rural institutions and people's participation. The former is about institutional changes in the rural areas: changes in the way things are being done, as well as changes in social organization and in the relationships among the actors in that setting. Whether these changes are deliberately designed and created, e.g., Samahang Nayon, Masagana 99, compact farms, etc., or result spontaneously from social, economic and political changes that take place over time, e.g., the relationships between farmer and hired farm labor, and between landlord and tenant, they nonetheless form part and parcel of the Philippine rural setting. Thus, to fully understand rural development in the country, one must appreciate these institutional changes.

The other aspect of rural development which Castillo examines is that of people's participation. Who should participate? Who are "the people"? Are they interested in participating? What constitutes participation? Does participation make a difference? What experience have we had in the practice of people's participation? These are some of the questions that the author grapples with in her work.

The coverage alone, as well as the complexity of the issues involved, suggests how courageous the author had been in venturing into this study. Her work demanded that she personally sieve through volumes upon volumes of research reports, evaluative studies, surveys, graduate theses, etc., organize their findings into an integrated,

readable form, and derive insights from many otherwise apparently innocent observations.

Through this book, the author has done for us a great service. Not only do we now have access to the results of scattered studies on important aspects of rural development in the country. We can also appreciate them from the vantage point the author has taken, as well as enjoy her fluid, thought-provoking and insightful style.

Gelia Castillo has, indeed, made another valuable contribution to our better understanding of Philippine rural society.

FILOLOGO PANTE, JR.

PREFACE

In research as well as in many other things in life, support to do what one wants to do is not always possible but the Philippine Institute for Development Studies, particularly Dr. Filologo Pante, helped make this wish come true. Donald Wadley of USAID, Manila encouraged me to include Participatory Development, Part II and provided me access to materials as well as field exposure. It took more than two years to complete this project because the tasks of review, synthesis and interpretation could not be entrusted to somebody else. I had to go through the "digesting" process myself using previous and current exposure to rural development as both "sieve" and "context".

Each chapter has an extended summary for those who want to skip the details which substantiate the more generalized observations. From the materials I've been through, my conclusion is that: The Philippines has its share of problems but lack of creativity is not one of them. This book illustrates the Filipino's versatility in institutional designing. What "deeds" emanate from "design" is for the reader to find in these pages.

GELIA T. CASTILLO

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CHAPTER I

INTRODUCTION

RURAL INSTITUTIONS AND PARTICIPATORY DEVELOPMENT: THE "SOFT" SECTOR IN AGRICULTURAL AND RURAL DEVELOPMENT

Every society, every community has, through the years, evolved its own ways of getting things done. Any development effort, whether by design or by default, touches on these established patterns of doing things and after about three decades of trying to "develop" and "grow", the importance of institutions as old patterns in transition or as emerging, new creations has come to the fore in a big way. Furthermore, the so-called "disappointment over a lack of progress in improving the lives of the very poor has led to a reexamination of present approaches to development." In the meantime, popular participation or *"people participation in their own development"* has become very much a part of the development rhetoric.

For a slice of historical perspective regarding the role of rural institutions, let us turn to the first *Asian Agricultural Survey* thirteen years ago.[1] On the assets and liabilities for agricultural development prospects in Asia, the *Survey* team noted that

> in the past two years, government officials, agricultural scientists, farmers, political leaders and urban workers have become much more aware of the need for agricultural development and there is now an urgency for action that was absent before. [But] "translating this sense of urgency" into action programs capable of being implemented requires "a vision, skill and experience that are lacking in most countries. Governments in the region displayed little understanding of the several elements that together generate

agricultural growth." The team lamented the lack of vision among persons in positions of administrative power and even among advisory and professional personnel, and in staff papers and notes on policy actions and alternatives available for government decision. Added to this lack of vision on what can and must be done for sustained rural progress are the various organizational constraints such as: crass political interference, graft and corruption, *bureaucratic struggles that stem from government over-organization and departmental proliferation,* and confusion resulting from multiple lines of authority and responsibility.

Considering the problems in Asia, the members of the Survey Team are *unanimous in the view that the only valid route, the single strategy to sustained rural development is a movement toward a farming based on the application of the latest in science and technology. It is "intolerant" of development strategies that call for a judicious mixing of some aspects of modern sciences with the so-called realities of traditional wisdom and methods. They also indicated that there seems little validity in the general argument that land reform is a necessary one condition to further agricultural development although, in the long run, many countries will not be able to escape the need for major tenurial reforms.* Whatever weaknesses were found relative to land tenure seemed less of a constraint on output expansion than the technical constraints of poor varieties, inadequate fertilizer, irrigation, etc. In a study group of the 1968 International Seminar on Change in Agriculture, it was observed that in an ossified society where no movement is possible without changes in structure, land reform could be an indispensable ingredient before other changes can take place.

The *First Asian Agricultural Survey* likewise emphasized that in the process of moving to scientific agriculture, the cultivator will be involved in two levels of decision-making: *the decisions he can make that will affect only his own farm and those choices that demand collective action.* The latter involves decisions regarding pest control, feeder road construction, irrigation management, and use of farm equipment. It was pointed out that "indeed, *the gains from joint action provide the basic rationale for encouraging the establishment of farmer organizations and neighborhood or village associations.*" (Underscoring supplied)

Almost ten years later in the *Second Agricultural Survey,*[2] the proposed comprehensive strategy for agricultural growth and rural development placed emphasis on

the need to realign institutions with the technologies available in rural areas, or to create new institutions, where necessary, in order to facilitate rapid increases in productive employment opportunities and to reduce poverty. The misalignment of institutions has in the past led to pervasive

> market imperfections, constraints on the mobilization of resources, natural and investible (including labor), limitations on the creation of effective demand, and obstacles in the way of providing more employment. [In their view], a rural development program should have two essential objectives: *to increase the productivity of the rural poor, and to ensure their full participation in planning and executing the program.* The wide discrepancies between previous intentions and past performance in rural development have been primarily due to lack of commitment at the top. Programs oriented towards economic betterment of the poor have also been handicapped by substantial knowledge gaps; in particular, the *capacity of indigenous rural institutions to deliver goods and services to the poorer sections of society are rarely assessed before poverty-redressal programs are launched.* (Underscoring supplied)

Organizational problems have been reiterated in the 1977 *Survey,* e.g., the negative effects of hierarchical structures of patron-client relationships and the need for effective horizontal groupings of small farmers and laborers. Semi-spontaneous, small primary organizations operating on the basis of direct participation and serving well-defined common interests have likewise been regarded as "more likely to ensure member loyalty than large, formal cooperatives."

Our guess is that even a decade or two from now, the organizational and institutional components would still constitute a major problem. In the meantime, every agricultural and rural development project tinkers with institutions and organizations. They either create new structures or restructure existing ones. Such tinkerings cannot be without consequences. As a matter of fact, they are meant to be, for they constitute the essence of both development goals as well as project strategy. Institutional innovations are never neutral in impact for even when orphaned of sponsorship and deprived of support, they do not just die. They have a way of leaving "white elephants", a large fund of distrust and ill-will, and a residual skepticism of anything vaguely similar. Even in the worst of circumstances, they also provide a modicum of experience with alternative ways of organizing for development.

In a paper entitled *The Technology of Rural Development,*[3] McInerney underscores the role of institutional infrastructure ("institution" embraces a variety of formal and informal human groups; behavior patterns; social, legal and administrative systems; and established practices in social, political and economic activity that have an important bearing on the workings of rural societies). He regards

"institutional factors" as the "non-technical counterpart to the physical production components of the rural system, which condition the reaction of that system to change. Thus, the establishment or modification of institutional arrangements must become a prime focus for attention in the process of fostering rural development." He therefore thinks that "institutional designing" deserves as much attention as institution-building. In his *Conditions for Successful Innovation in Agriculture,* he spells out that

> It is assumed that to be successful, an innovative project must: (a) generate economic effects sufficient to justify its adoption in terms of the conventional appraisal calculus; (b) create social and distributive effects consistent with the rural development strategy; and (c) promise a continuing development effort which sustains change in a desired direction throughout the rural system. . .
>
> The first requirement for successful innovation is the availability of a package of technical components that is *complete, reliable* and *suitably* designed for the conditions within which it is to be applied. . .
>
> Second, the technological package must be consistent with the human attributes, attitudes and abilities in the region. . .
>
> Finally, it is essential that the newly introduced technology have a high probability of technical success at its first trial, and be seen to offer reliability. . .

If all these conditions were fulfilled, it would indeed be a paradise prescription for rural development.

This is roughly equivalent to the concept of a *perfect rice plant* which needs no fertilizer; does not allow weeds; is drought-tolerant, disease and insect-resistant, flood-avoiding and typhoon-escaping; labor-intensive; and most of all, high-yielding for the poor farmer and low-yielding for the rich to take care of the equity issue.

Another way of looking at the social aspects of technological innovation is offered by Nash who prefers to conceptualize the problem as an agro-system involving all the cultivators as they are locked into a pattern and tied into the cities. The assumption is that

> whatever is on the farmer's mind is probably less interesting than the buffetings and constraints against him as an actor in a system of agronomy and of political city relationships. . . *The tinkerers and the felt needs of village people will not provide the solution to their economic and social problems. Farmers themselves only make small marginal and incremental changes. . . The developed products which will change the shape of Southeast Asia are being made in research laboratories somewhere in the world and not in*

> *community discussions and self-help which were never very fundamental to the process of social change.* If one compares the difference between IR 8 and a Peace Corps worker, one gets the kind of image for which I am striving. . . Change used to be thought of as some kind of supervised, bureaucratic enterprise without social upheaval. People who were tied to the government were sent out, worked in some kind of hierarchy and tried to give some knowledge to the benighted masses and farmers. This kind of supervised, bureaucratic change has been notoriously slow, unsuccessful, and usually unimaginative.

The image of social change Nash has is one of

> social risk — an open challenge in which nobody has an idea of the outcome. . . a government is needed which can take these social risks, which has confidence that however it turns out, — the government is willing to live with it. [4]

Rural development is notoriously slow, complex and up to now quite bereft of magic. "Miracles" are terribly short-lived but not necessarily because "supervised, bureaucratic change" has been unimaginative. After all these years of institutional experimentations in agriculture and rural development, one can only be humble and less sanguine on what will work, for verdicts of success and failure carry their own risks. A project is sometimes regarded a failure because it has not had a chance to succeed while another might be considered a success because it has not had a chance to fail. Considering that most, if not all, of the developing world are under some form of authoritarian regime, it is difficult to imagine a leader attempting an open challenge, a "social risk" about which nobody has an idea of the outcome. Although "undesirable" outcomes abound, it is not because the rulers have deliberately been willing to take the great social risk but perhaps because the results of their chosen modes of institutional change had been unanticipated or had "backfired" relative to their original intent.

Economists, of course, use efficiency principles to explain institutions. As Roumasset proposes

> If property rights are well established, contracts are easily enforced, information costs are negligible, and numbers are sufficient to make attempts to monopolize unstable, then, factors of production will be allocated efficiently and recieve their competitive factor payments, whether markets exist or not.[5]

From a simple-minded perception, anytime all these conditions are present in a particular setting, the only possible outcome is

efficiency but it is precisely because imperfections abound that we are in continuous search for the explanations to emerging institutional patterns. We likewise tinker with a variety of institutional forms with the hope of achieving productivity, employment and equity in our agriculture and rural development programs.

The Hayami-Ruttan induced innovation hypothesis is another proposed explanation which states that ". . . institutional innovations occur because it appears profitable for individuals or groups in society to undertake the costs. It is unlikely that institutional change will prove viable unless the benefits to society exceed the cost. Changes in market prices and technological opportunities introduce disequilibrium in existing institutional arrangements by creating profitable new opportunities for the institutional innovations."[6]

There is some intellectual discomfort in the *ex ante* formulations of McInerney and Roumasset which tend to be counsels and conditions of perfection while the *post factum* interpretation of Hayami and Ruttan seems too much of an irrefutable explanation. To what extent do these "explanations" actually explain or are they in fact handy conceptual descriptions of past and extant institutional happenings?

For an answer to this question, a distinction between *"motive as description and motive as explanation"* offers a useful analogy. Development literature, especially on peasantry, is fraught with motivations, attitudes and values offered as explanations for our underdevelopment such as fatalism, familism, lack of innovativeness, low aspirational levels, lack of empathy, dependence upon government authority, lack of deferred gratification, perceived limited good, interpersonal distrust, etc. But curiously enough, these very elements which are offered as explanations for underdevelopment are also regarded as the characteristics of an underdeveloped society. For example, lack of innovativeness is inferred from the peasants' failure to respond favorably to innovations, therefore using *lack of innovativeness* to explain lack of positive response to innovation in circular reasoning.[7]

Let us turn to Berelson and Steiner's explication which says that

> since motives are both inferred from and taken to account for purposive behavior, there is always the danger of accepting circular reasoning — of taking a motive as an explanation of the very behavior from which it was inferred. When the conditions that produce or arouse a motive are known

> or when there are independent measures of it, motives help to explain behavior. When such conditions are not met, motives may serve to describe behavior but they do not explain it. For example, in looking at motive as description, "A man works hard and long hours, talks about the importance of getting ahead and asks his wife to invite important people to dinner." This behavior is conveniently summarized by the observer that he is ambitious or has so-called achievement motivation. That inductive statement is descriptive and may be predictive of other acts; for example, the probability that he will volunteer for a Sunday work assignment. But the statement is in no sense explanatory. It is seductive but fallacious to say that he works hard because he is ambitious; we know no more about the causes of the observed behavior than we did before we applied the term.[8]

Considering the distinction between "motive as description and motive as explanation," is the principle of efficiency an explanation or a description? When Roumasset says that factors of production will be allocated efficiently "if property rights are well-established, information costs are negligible, and numbers are sufficient to make attempts to monopolize unstable," he is in fact describing a *situation of efficiency* and, therefore, *efficiency cannot be used to explain efficiency.* It is a useful definitive and descriptive concept but it does not explain the emerging labor contracts between the farmer and the landless and the changing sharing and rental arrangements between landlord and tenant. Such factors as population pressure on land, quality of land, new technology, land reform legislation, family obligations, etc. are potential explanations.

The attempt to reduce explanations to its most fundamental element is certainly a desirable theoretical objective and so is the need to move to a higher level of abstraction or to an even simpler mode of explication. This could, however, be reductionism to a point where a proposed explanation is so basic and fundamental that it can explain everything. If one moves high enough in abstraction, a concept can be used to explain any social phenomena. Just like the *principle of efficiency,* we can also invoke the *principle of social organization* to account for every instance of social change such that no matter what is observed can be adequately explained by the proposition that "society is organized". There is a pattern, a regularity, and a level of predictability which characterizes all social phenomena which seems to rationalize itself in terms of social organization. In this case, the explanation "society is organized"

has become so fundamental and so universal as to have limited heuristic value. From a theoretical standpoint, an economy of concepts is worth striving for but from a development policy oriented perspective, "handles" or "levers" must reveal themselves or must be made evident as instruments to be acted upon or at least to be taken into account.

Since institutions lie at the heart of agriculture and rural development, they constitute an entire research arena relatively unexploited compared to many other aspects of development. Because there is quite an element of the "process", the "behavioral" and the "ideological" imbedded in rural institutions, they do not conveniently lend themselves to neat modeling and easy quantification, hence, the "soft sector" label. It is curious that when technology fails to "deliver", *institutions* take the blame but when technology produces, institutions purportedly do not matter. The current interest in the small farmer and the rural poor opens a fresh mandate to reexamine rural institutions more seriously and systematically with a view to building an operationally-relevant body of knowledge so absolutely essential in the design, implementation and evaluation of development projects. As a matter of fact, development project experiences around the world are themselves objects of study for they provide us the true-to-life "experiments" in institutional innovation.

By way of an initial effort, we can start with the following descriptive categorization of a whole range of institutional phenomena:

(a) Pre-designed, planned or "created" institutional innovations such as Masagana 99, Samahang Nayon, compact farms, land reform legislation, irrigation association, etc.
(b) Institutional adjustments which come as a spontaneous response to changes in the environment whether physical, social, economic, or political. Changing labor contracts between farmer and hired farm labor (the landless) and evolving sharing arrangements between landlord and tenant which are outside the legal framework are examples.
(c) Institutional conflicts and/or accommodations between and among the "created" institutions and between the old and the new ways of getting things done; between the traditional informal and the legal formal means. Noteworthy among these is the harmony or disharmony among and between

the requirements of Masagana 99, Samahang Nayon, land reform, etc. The traditional paternalistic relations obtaining between landlord and tenant and the emerging contractual, formal provisions of land reform legislation is another illustration.

(d) Institutional "leakages" resulting from (1) imperfections in the translation from design to implementation or emerging from (2) misconceptions regarding the nature of existing institutions as a basis for designing new and "modern" or modernizing ones. Upon the implementation of every created institution, all kinds of aberrations popularly known as "anomalies" or "irregularities" occur. An illustration of the first type of phenomena is the incidence of "fake" farmer-borrowers who took advantage of uncollateralized loans. The second problem pertains to such things as "bayanihan" (mutual help or traditional forms of cooperation) as the oft-repeated basis for expecting cooperatives to succeed. As a consequence, a string of new institutions exist in form but not in substance, hence, in a sense, even the "aberrations" become institutionalized.

A research agenda on rural institutions could very well include the following:

1. Identification, inventory and description of existing rural institutions with respect to nature, prevalence, locale, manner of "practice", and role or function in the rural community.
2. Historical studies of particular institutions in order to trace roots; discern emerging patterns; assess likely directions as well as possible sources of changes in pattern. Analyses of how institutional innovations impinge on traditional or prevailing institutional arrangements in a locality.
4. Investigations of rural people's response to and perceived benefits or disadvantages from institutional changes, whether spontaneous or designed.
5. Studies on the impact of different institutional arrangements on the achievement of development goals such as productivity, employment, equity, community and family relationships.

All these require an examination of both anticipated and

unanticipated consequences, the direct as well as derivative impact. Although we should always aim for explanations, at this stage, it is imperative to have good empirical descriptions no matter how messy, rather than arrive at premature perfect explanations of phenomena we have yet to identify and describe accurately. In the meantime, we will probably rediscover leadership, ideology, culture, attitudes, values, etc. which lurk behind the structures just as we are now returning to concepts of people participation, grassroots, indigenous, bottom-up, etc. As the Kikuchi *et al* paper concludes

> It is also important to recognize that the new systems represent an institutional innovation based on the indigenous organizational principles of the village community. This experience suggests strongly that the effective design of rural development to promote social equity and stability should begin with the study of organizational principles at the grassroots.[9]

On the other hand, Roumasset and Smith remind us that

> tinkering with organizational constraints may detract attention from the fundamental source of rural-poverty-population pressure on a limited and declining resource base. It may also detract support from promising investment opportunities. For example, investment in irrigation and research on appropriate technology have substantial potential for improving productivity and rural welfare by increasing the demand for labor. In general, organizational reform will only be productive when new organizations are made possible, not when established institutions are prohibited.[10]

Needless to say, this research agenda represent a "full plate" which would require the skills and competencies of more than one discipline with each contributing its particular theory and methodology to the comprehension of rural institutions. There are those who would leave institutions aside research-wise because they are not only difficult to conceptualize and operationalize but also politically and culturally sensitive. But some of the most important things in life are difficult precisely because they are important. This is one area where research lags behind "practice" for the "creators" of institutions have been more risk-taking in designing them than researchers have been persistent in studying them. But unless some time, talent, and effort are systematically devoted to it, institutions will always remain "soft" yet they are the essence of what development and social change is all about.

Fortunately, we are not starting from scratch in this venture. Numerous studies have been done in and around the margins of this research agenda but most of them have been prompted by sectoral concerns such as agricultural credit, irrigation, technology transfer, land reform, etc. which are embodied in development programs and projects such as Masagana 99, irrigation associations, Samahang Nayon, compact farms, farmers' associations, seldas, etc. In many instances, research comes as evaluation studies to find out how the program is doing or how its particular target clientele is responding to particular institutional innovations. Some studies have tried to examine the nature and dynamics of traditional forms of cooperation which for a long time have been the rationale and basis for hope that different organized groups would meet the needs for group action on many problems of agriculture and rural development.

Although institutional change or reform is an objective and/or a consequence of development programs and projects, rarely have studies on them been regarded specifically as research on rural institutions. As an intermediate and modest step in the accomplishment of the broad research agenda outlined earlier, this research report has two parts.

Part I attempts to review, organize, analyze, and synthesize available research, data and relevant experience on the following:

(a) Pre-designed rural institutions such as Masagana 99, Samahang Nayon irrigation associations, compact farms, seldas, group lending etc.
(b) Changes taking place in indigenous rural institutions and traditional forms of cooperation.
(c) Emerging labor contracts between farmers and hired workers and evolving tenure relations between landowners and tenants post land reform as reflected in changing pay rates for weeding, harvesting and threshing, and variations of subtenancy relationships.

This project took the view that it is prudent to determine what can be learned from what exists before embarking on expensive field data-gathering which often results in a "reinvention of the wheel". At the moment, much valuable information is scattered and/or buried in many research reports, evaluation studies, graduate student theses, surveys, etc. which are neither readily available nor easily comprehensible. This project is a painstaking effort to bring

the results of research on Philippine rural institutions and participatory development to other researchers, teachers, policy makers, development implementors and students of agriculture and rural development. As stated elsewhere, a Philippine social science is not possible without an empirically-generated, systematically organized and cumulatively developed body of knowledge about our own society. It is hoped that this end-product would contribute toward a better understanding of Philippine rural society through Philippine experience.

Part II examines and reviews the following:

(a) Integrated rural development and Philippine versions of integration;
(b) Concept and practice of "felt needs";
(c) The operational definitions and methodology of people participation; and
(d) Field experiences with rural organizations and people participatory approaches.

This volume is divided into 8 chapters.

Part I – *Changing Rural Institutions*

I – Introduction
Rural Institutions and Participatory Development: The "Soft" Sector in Agricultural and Rural Development

II – Samahang Nayon: A New Design for Cooperative Development

III – Compact Farms and Seldas: An Attempt at Group Farming

IV – The Other Sides to Masagana 99

V Changing Land and Labor Relations in Agricultural Production

Part II – *Participatory Development: Concept and Practices*

VI – Integrated Rural Development and Philippine Versions of Integration

VII – The Concept and Practice of Felt Needs and People Participation

VIII – Field Experiences with Rural Organizations and People Participatory Approaches

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CHAPTER II

SAMAHANG NAYON: A NEW DESIGN FOR COOPERATIVES DEVELOPMENT

When Presidential Decree No. 27 decreed "the emancipation of the tenants from the bondage of the soil, transferring to them the ownership of the land they till and providing the instruments and mechanisms" for its implementation, the development of farmers cooperatives was envisioned as a direct support to the Agrarian Reform Program. Among its objectives are:

a) To prepare farmers to become better producers
b) To ensure timely payments of land amortization
c) To enforce savings among farmers
d) To encourage farmers to perform activities collectively, and
e) To develop marketing outlets for farm products.[1]

Based on his diagnosis that the failures of cooperatives in the past were due to lack of cooperative education, inadequate capital, and poor management, Dr. O. J. Sacay, the architect of the new Cooperatives Development Program, conceived the notion of a pre-organizational stage. The institutionalization of a pre-cooperative called a Barrio Association or what is now popularly known as the Samahang Nayon (SN) was deemed as vitally important in order to teach prospective members on the inner workings of the cooperative and lay a stronger foundation for its organization. Simply put, Sacay said that "in the Samahang Nayon, members will do nothing but learn, save

and practice discipline." This sums up the three major features: *Education, Capital Build-up and Discipline.*

The educational process is composed of: Phase I – Pre-membership and Phase II – Manpower Development. The first phase included lessons on agrarian reform, history and principles of cooperatives and Samahang Nayon (SN) rationale, organization, policies and requirements. The second was devoted to management training, both for officers and members, training of agricultural counselors and technical lessons on agriculture for members. It was believed that "an extended 65-week period of education and training is more than sufficient to prepare Samahang Nayon members for the more complicated business of a cooperative."

The compulsory savings program was designed to generate funds for investment in a cooperative. The assumption is that "if farmers invested their own money, they would see to it that the cooperative is run efficiently." Furthermore, it was argued that if they had equity in the cooperative, unsecured loans to cooperatives could be granted on a matching basis. Encouraging farmers to save and extending credit to them against their own savings was regarded as the only way to solve the perennial repayment problem. Two types of savings were instituted. One is the *Barrio Savings Fund* (BSF) which would come from farmers who borrow from financial institutions such as the rural bank, Philippine National Bank, and the Agricultural Credit Administration through the 5 percent deducted upon release of their loan and deposited in the fund. For members who do not borrow, a monthly savings of ₱5.00 is required. The accumulated savings would be invested in the financial institution members borrow from. It essentially means purchasing equity in existing rural banks which the Samahang Nayon may establish. The other is the *Barrio Guarantee Fund* (BGF) which will be built from members' contributions of one cavan per hectare per season. This fund is intended to guarantee land amortizations of tenants who are paying for their land and 30 percent of annual collections can be utilized for the payment of insurance premiums at a coverage of at least ₱2,000 each for life insurance. It will likewise finance the full-pledged marketing cooperative. The capital build-up program is premised on "strength in numbers" such that a few pesos per member multiplies many-fold when added up.

On the matter of discipline, a member of the Samahang Nayon must observe three cardinal rules:

a) he must practice improved cultural practices;
b) he must save; and
c) he must pay for annual land amortizations on time.

Penalties for violations of these rules range from fines, suspensions, management take-over of a member's farm by the Samahang Nayon and expulsion. As declared guarantor of land payments, the Samahang Nayon is expected to collect land amortization payments and has authority to take recourse measures on defaulting farmers. Sacay, therefore, argues that "if the Cooperatives Development Program fails, Land Reform is likely to fail, too."

In the network of cooperative organization, the village-level Samahang Nayon serves as the foundation of a larger municipal or provincial level organization called the Kilusang Bayan (Cooperatives), which all together make up the Cooperative Union of the Philippines. Under the scheme, the Samahang Nayon can engage in business activities only as part of a large business venture. It can join a marketing cooperative, a cooperative bank, an irrigation cooperative, an insurance cooperative, etc. The "Samahang Nayon can, therefore, become the multi-functional organization, but it can engage in business only as part of a major business undertaking." "With functional specialization," Sacay believes that "cooperatives can be better managed."

The Cooperatives Development Program is based on the following premises:

a) That *cooperatives facilitate the distribution of wealth and income.*
b) That *they are a means for rural development.* Cooperatives bring about, in some degree, "closer integration and greater interdependence among rural people and groups. They serve as effective channels for the dissemination of practical technical improvements to farmers. They help reduce the cost of credit, cost of goods and services, and, in some measure, increase the net prices received by them. Cooperation is an exercise in education. Through this process, members of the organization are transformed from otherwise passive to dynamic participants in the drive for their own advancement."

c) That *cooperatives must be built from the bottom up.* To institutionalize cooperation demands and educational process, where the rural people are gradually prepared to meet their responsibilities and build up the necessary resources required for full-scale cooperative endeavors.

d) That *cooperatives development must be systematic and system-oriented.* To succeed and develop, "cooperatives must be functionally interrelated with all other agencies and institutions which have to do with their operational success such as: financing institutions, government or private supervisory agencies, technical agencies, marketing outlets, etc. All types of cooperatives have to be united and properly operating; by mutual interaction and proper management, they eventually consolidate themselves into a potent social and economic force in the national scene and enlarge their influence in the interest of the cooperative ideology."[2]

It has also been argued that "through the cooperatives, a small man's activities are fused into larger operations to attain leverage with the economies of scale. Through the cooperative institutions, innovative productions, processing techniques and easy credits are systematically transmitted to the grassroots level. Through the cooperative process, the small man is given a little more dignity; a sense of belongingness with his other brethren in sweat dignity; and the realization that he, too, can attain the economic common denominator with his brothers.[3]

Even at the lowest level of the Samahang Nayon, and at its simplified form, the concepts underlying the new Cooperatives Development Program are quite complex but nevertheless designed to remedy the weaknesses of previous efforts while at the same time trying to fulfill new objectives.

An early assessment of farmers' response to end participation in the Samahang Nayon stage of the program is provided by a three-year research project carried out by the Agricultural Credit and Cooperatives Institute (ACCI) of the University of the Philippines at Los Baños.[4] In many ways, the research tells us how concepts translate into perceptions, operations and tangible impact. This paper attempts to present and analyze relevant data from this and other sources with respect to the following:

A. Characteristics of SN officers and members compared to non-members
B. SN's organizational structure in action
C. SN's direct and indirect educational activities and members' learning
D. SN members' response to the Savings Program
E. The pursuit of discipline in SN
F. An early assessment of performance and prognosis of the future

A. *Samahang Nayon (SN) Members, Officers and Non-Members: Who are They?*

Basic to the assessment of any development program is an understanding of who the beneficiaries or the participants are. Equally important, if not more so, is some indication as to who are left out or who are not participating. Since the Cooperatives Development Program has been designed as supportive of agrarian reform, we must know the tenure status of SN members so that its actual contribution toward this role can be determined. Furthermore, the dynamics of what happens in any organization depends as much on the characteristics and response of its members as on the structure and objectives that brought about its creation.

1. *Tenure Status*

The composition of SN membership immediately tells us that agrarian reform, particularly shift in tenure status, would not be of major consideration since 61 percent of members are owners (43 percent) and non-farmers (18 percent). See Table 2.1. A mere 2 percent of total SN respondent members are amortizing owners. In a later study of 812 SNs during the Development Phase II stage, only 144 or 17.7 percent reported having members who are recipients of Certificates of Land Transfer. If these non-members who are lower in the tenure ladder than members were to be drawn into the SN fold, its supportive role for land reform might be considerably enhanced although the tenacity of share tenancy cannot be ignored. Table 2.2 shows the extent of tenure shift before and after joining the SN. Of the share tenants studied, 24 percent changed tenure mostly to leasehold. Lessees remained lessees except for 4

TABLE 2.1
TENURE STATUS OF SN OFFICERS, MEMBERS AND NON-MEMBERS

Tenure Status	*Officer*	*Officer-Agricultural counselor*	*Agricultural counselor only*	*Members*	*Sub-total*	*Non-Members*
			(In Percent)			
Share tenant	12	14	20	22	18	66
Lessee	17	19	22	21	19	33
Share Lessee	1	1	*	*	*	1
Amortizing Owner	2	2	3	2	2	–
Part-owner	9	9	11	9	9	–
Owner-cultivator	32	38	28	28	30	–
Owner-Non-operator	4	4	2	3	4	–
Non-farmer	23	13	14	15	18	–
Total	100	100	100	100	100	100
No. Reporting	2158	248	310	1614	4330	858

*less than 1 percent

Source: ACCI, "Socio-Economic Status of Members During Samahang Nayon Development Phase," UPLB, April 1978.

TABLE 2.2
NATURE OF TENURE SHIFT BEFORE AND AFTER SN MEMBERSHIP

Before SN Membership	*After SN Membership*							
	No. of members responding	*Share Tenant*	*Lessee-Share*	*Lessee*	*Amortizing owner*	*Part-owner*	*Owner cultivator*	*Owner Non-cultivator*
				(In Percent)				
Share tenant	1682	76.0	0.4	21.00	2.0	0.4	0.4	0.1
Lessee-share	26	–	77.0	15.0	–	0.8	–	–
Lessee	746	–	–	95.0	4.0	0.4	0.4	–
Total	2454							

Source: ACCI, *op. cit.*

percent who became amortizing owners. *The role of the SN in this tenurial change is evident in that more than half of the shiftees (54 percent) said they would not have shifted without the SN.* About a third said they would have done so even without the SN. More than 40 percent of the shifting non-members responded in the same manner. *When shiftee-members were asked whether the SN gave them assistance in the process, half of them replied positively.* Among the problems encountered in tenure shifting were landlord harrassment, psychological problems, loss of goodwill and friendship, etc. The assistance from SN came in the following manner:

1) SN brought the matter to proper authorities
2) SN helped me a lot in overcoming my psychological problems
3) SN provided me and my family, security from physical harrassment of the landlord
4) SN convinced my landlord
5) SN helped me financially
6) SN helped me find other source of income

At this stage in the implementation of land reform, it is worth noting that non-shifters gave "being happy and contented with present condition" as their major reason for holding on to current tenure status. Other reasons mentioned are: "Don't want to be labelled ungrateful"; "relative owns the land I till"; and "I earn more by maintaining present tenure status." Share tenant officers, members as well as non-members did not differ in their rationale for remaining share tenants. With regard to sharing of produce among share tenants, there was some shift away from 50-50 to 75-25 from the period before to after membership. However, a similar trend, although to a slightly lesser degree, was observed among non-SN members. This tendency is not necessarily an unqualified benefit for share tenants because almost 60 percent of them indicated that landlords do not contribute to farm expenses. Furthermore, contrary to the common sense belief that landlords dominate farm-related decisions in a tenancy system, data from this as well as from other research projects very definitely show that tenants themselves (for more than 90 percent of respondents, whether SN members or non-members), not landlords, decide on the variety to be planted, the use of chemicals, and the application and rate of fertilization.

One of the oft-cited virtues of tenancy is the persistent creditor role of the landlord vis-à-vis the tenant. Table 2.3 shows two discernable trends with respect to this role:

a) *Whether for members or non-members of SN, the proportion of share tenants who continued to receive production and subsistence credit have declined but it has declined more for SN members.*
b) *SN officers, more than members and non-members, appear to continuously enjoy these benefits from the landlord including credit for education, hospitalization, housing, etc.* Perhaps this is one significant incentive even for SN officers to remain share tenants despite land reform and SN.

Among those who are on leasehold, the average rental was 16.9 cavans per hectare before SN and 17.8 after SN. This is one cavan less than the rental for non-members which was 17.9 before and 18.9 now. Perhaps this difference could not be attributed to SN membership since the rental was already one cavan less for members than for non-members even before the former joined the SN. *What is more important is the fact of high rental for both groups considering that for most lessees, they shoulder all the cost of farm inputs and have to pay the fixed rental regardless of amount harvested and in spite of natural calamities.* This high rental has some implications for SN viability since membership entails additional financial obligations and imposes more burden on the lessees. In the event of crop failure or other competing family demands on income, plus the need to pay this rental, SN financial requirements are not likely to have high priority.

2. *Farm and Farming Circumstances*

Seventy-eight percent of the SN farmer members grow rice; 13 percent produce corn and 9 percent produce both. Forty-seven percent have rainfed farms; 43 percent obtain water from gravity irrigation and 10 percent have a combination of pump and gravity. Practically all of the corn farmer-members (97 percent) cultivate rainfed farms. Due to the absence of irrigation, 44 percent of the farmers grow only one crop of rice and 55 percent, two crops. Only 1 percent practices triple cropping. These circumstances regarding cropping pattern and availability of irrigation are similar to the situa-

TABLE 2.3
KIND OF CREDIT EXTENDED BY THE LANDLORD TO THE SHARE TENANT BEFORE AND AFTER SN MEMBERSHIP AND COMPARABLE PERIOD FOR NON-MEMBERS

Kind of Credit	*Officers*		*Officer-Agricultural Counselors*		*Agricultural Counselors only*		*Ordinary members*		*Sub-total*		*Non-members*	
	BSN	*ASN*	*BSN*	*ASN*	*BSN*	*ASN*	*BSN*	*ASN*	*BSN*	*ASN*	*Period before*	*Comparable period after*
	— Percent of total no. reporting —											
Production	86	72	100	42	71	42	79	46	82	53	74	58
Subsistence	34	31	28	–	28	–	29	25	31	24	43	33
Education	20	21	–	–	14	14	9	11	12	11	18	16
Hospitalization	17	21	28	14	14	14	14	8	16	12	13	8
Housing	10	10	–	–	–	–	8	3	7	4	5	7
Others	–	–	14	–	–	–	8	–	6	–	2	–

Source: ACCI, Socio-Economic Status of Members During SN Development Phase.

tion of non-members. For almost half of the farmers who have rainfed farms and grow only one crop a year, we can expect income to be quite low unless off-farm and non-farm sources were available. The chances of having access to such opportunities are rather limited. An earlier sutdy of prospective SN members found that more than half (52 percent) of the farmers depended on farming alone; 18 percent had farm and off-farm work; 25 percent, farm and non-farm; and 5 percent were engaged in all three types of work. Off-farm income was derived mainly from hired work in other rice and corn farms, some in coconut drying, a little in fishing, and a few in sugarcane harvesting. Non-farm employment consists of carpentry and construction jobs; retail and other small business; employee, cottage industry and transport occupations.[5]

On the average, SN officers have been farming for 21 years; members, for 23.5 years; and non-members, for 22.9 years. They have, however, been operating their present farms for more than 17 years. It appears that these farmers are faced not only with occupational immobility in that they have been farmers most of their lives but also with "farm fixity" in the sense of having operated the same farm for almost 20 years. Considering population pressure on agricultural land and the slow emergence of non-farm jobs, this immobility would be aggravated by declining farm size. Data in Table 2.4 support this portent of the future. About two-thirds of SN officers and members operate farms of 2 hectares and smaller, but almost 80 percent of non-members belong to this farm size category. Twenty percent of the former and 8 percent of the latter have farms of 3 hectares and bigger. *SN membership is, therefore, composed mostly of small farmers. However, non-members are even smaller.*

If SN is intended to assist farmers, ideally, all farmers should belong to it but this is almost never the case in real life. Nevertheless, we need to know how many of the farmers have been brought into SN's fold. Table 2.5 points out that majority of the farmers in the barrio have yet to join SN. *Only 41 percent of rice farmers, a third of corn farmers and a third of rice and corn farmers belong*. This has to be kept in mind because if SN becomes the channel for all government services, then majority of the farmers will not benefit from them. However, for a young nationwide movement, SN has probably recruited more members than any other farmers' organization

TABLE 2.4
SIZE OF FARM CULTIVATED AND SN MEMBERSHIP

Farm Size in Hectares	*SN Membership*					
	Officers	*Officer – Agric. Counselors*	*Agric. Counselors only*	*Members*	*Sub-total*	*Non-members*
			—Percent—			
1.0 and below	35	32	36	40	36	55
1.1 – 2.0	30	31	32	30	30	24
2.1 – 3.0	15	13	16	15	15	13
3.1 – 7.0	16	19	13	13	16	7
7.1 and above	4	5	3	2	3	1
Total	100	100	100	100	100	100

TABLE 2.5
PERCENT OF DIFFERENT TYPES OF FARMERS IN THE BARRIO WHO ARE SN MEMBERS

Type of Farmer	*No. of SNs reporting*	*Average number of farmers per barrio*	*Average number of SN farmer-members*	*Average number of SN farmer members as percent average number of farmers in the barrio*
				— Percent —
Rice farmers	512	118	48	41.0
Corn farmers	195	86	29	34.0
Rice and corn farmer	222	92	33	36.0
Poultry/livestock raisers	78	33	22	67.0
Other Crop Farmers				
A. Tobacco	43	70	28	40.0
B. Coconut	169	93	27	29.0
C. Sugar	48	30	12	40.0
D. Abaca	36	53	14	26.0

Source: ACCI, "Third Partial Report on the Evaluation of the Development Phase II of Samahang Nayon," March 1977.

especially because majority of its members have never belonged to any organization before.

Since SN also aims to prepare farmers to become better producers, their exposure and response to agricultural innovations is important. Compared to non-members, rice and corn farmer-members of SN are more inclined to use recommended farming practices such as certified seeds, herbicides, straight row planting, pesticides, insecticides, and improved varieties. After membership in the SN, members based their rate of fertilization more on recommendations and information from technical and institutional sources rather than non-technical sources such as neighbors and their own judgment. *In general, members were more "modern" in their agricultural practices than non-members and became even more so after joining SN. They also take more advantage of information from government field workers and technicians while non-members rely more on neighbors.*

3. *Occupation and educational attainment*

As earlier discussed, 82 percent of the SN members were farmers and 18 percent, non-farmers. Among the officers and members, 31 percent are private and government employees; 21 percent are engaged in retail and small business/cottage industry; 20 percent are teachers; 5 percent, electricians, technicians, mechanics and transport workers; 6 percent carpenters and construction workers; 3 percent practice their profession; and the rest are other kinds of blue-collar workers. As expected, more of the non-farmer officers have college education than the farmer-officers (60 vs. 17 percent) while among the members, 36 percent of the non-farmers and only 6.3 percent of the farmer-members have college education. *Among the SN officers, there were more non-farm occupations than farmers. They also have higher education than members. These facts deserve emphasis because SN, which is mainly a farmers' organization, is led more by non-farmers than by people with occupational needs and interests similar to their own. (See Table 2.6.)*

What is more instructive is the evident relationship between tenure status and educational attainment. Table 2.7 shows education rising with each higher step in the tenure ladder such that share tenants have the lowest percentage with college education while owner-cultivators have the highest. *In general, farmers who own their land have more schooling than tenants and lessees. For every*

TABLE 2.6
EDUCATIONAL ATTAINMENT OF SN OFFICERS AND MEMBERS

	Officers	*Members*
	(In Percent)	
Advanced studies	0.6	0.3
College graduate	16.6	6.0
College undergraduate	11.7	4.6
High school graduate	22.0	9.6
High school undergraduate	15.6	14.1
Elementary graduate	24.4	34.5
Primary graduate	8.5	27.0
No schooling	0.6	3.9
	100.0	100.0

Source: Arnold M. Naldoza, "Samahang Nayon Officers' Responsivity to Management Training," Unpublished M.S. Thesis, U.P. at Los Baños, March 1979.

tenure status, officers are more educated than members. Since there are more owners than share tenants and lessees among the SN members, their level of education as a group is higher than that of non-member farmers who are mainly share tenants and lessees.

4. *Household Characteristics, Possessions and Decision-Making Patterns*

Sixty-three percent of SN members are between 36 and 55 years old; 17 percent are above 56; and 21 percent are below 35. The average SN member is middle-aged, about 48 years old. He has a household size of six, with two breadwinners. Only a little over one-half of the members consider their income adequate for food and clothing (Table 2.8). Adequacy for education, housing and other needs was felt by less than 50 percent.

Comparing SN officers, members and non-members with respect to adequacy of their income for different household needs such as food, clothing, education, housing, etc., Table 2.8 shows a definite pattern with more officers expressing adequacy than members and non-members. The latter feel least adequate about their income. All three groups consider their income more adequate for food and

TABLE 2.7
EDUCATIONAL ATTAINMENT AND TENURE STATUS OF SN OFFICERS AND MEMBERS

Educational Attainment	*Share Tenant*		*Lessee*		*Amortizing owner*		*Part owner*		*Owner Cultivator*		*Owner Non-Cultivator*	
	Officer	*Member*	*Officer*	*Member*	*Officer*	*Member*	*Officer*	*Member*	*Officer*	*Member*	*Officer*	*Member*
N =	*308*	*379*	*416*	*343*	*53*	*71*	*167*	*85*	*791*	*478*	*107*	*36*
						(In Percent)						
College graduate plus	5.2	1.9	5.5	1.2	3.8	4.2	6.0	3.6	15.6	7.3	37.4	30.6
College undergraduate	8.4	2.1	8.9	5.3	13.2	–	14.4	–	8.5	3.8	19.6	8.3
High school graduate	19.5	6.1	18.5	7.3	28.3	7.1	29.9	9.4	26.3	12.1	15.9	19.4
High school under-graduate	21.7	14.0	16.8	9.3	5.7	50.7	16.2	14.1	17.3	16.3	12.2	16.7
Elementary graduate	31.2	38.2	35.6	33.5	35.8	11.3	24.5	35.3	23.5	37.5	14.9	13.9
Primary graduate	13.0	34.5	13.7	3.5	13.2	23.9	7.2	34.1	8.5	20.1	–	11.1
No schooling	1.0	3.2	1.0	8.4	–	2.8	1.8	3.5	0.3	2.9	–	–
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Arnold M. Naldoza, "Samahang Nayon Officers' Responsivity to Management Training," Unpublished M.S. Thesis, U.P. at Los Baños, March 1979.

TABLE 2.8
ADEQUACY OF INCOME FOR BASIC NEEDS AS PERCEIVED BY SN OFFICERS, MEMBERS AND NON-MEMBERS

	Percent reporting adequacy of income for different needs		
	Officers	*Members*	*Non-members*
Food	63	54	44
Clothing	61	52	37
Education	56	46	31
Housing	57	47	32
Other needs	49	40	23

Source: ACCI – Socio-Economic Status.

clothing than for education, housing and other needs. This pattern is subtantiated by more specific material indicators. More officers than members and more members than non-members possess the following items: durable house roof and wall; distinct house partitions for bedroom, kitchen, dining rooms; water sealed or flush toilets; electric lighting; deep well or piped-in water supply; range cooking stove; and other household appliances (Table 2.9).

Whether in terms of perceived income adequacy for basic family needs or material household possessions, SN officers are better off than non-members.

If the cooperative way is going to become part of the rural Filipino's life style, it must be accepted not just by the individual member but by his family. The role of the farmer's wife in family decisions, directly or indirectly related to SN and farming matters, is therefore a relevant concern. Table 2.10 shows that although 40 percent of the respondents say the husband himself makes the decision in joining an organization and paying the Barangay Guarantee Fund, more than half indicate a joint husband-wife decision. Borrowing funds for household and farming operations and repaying loans are predominantly joint decisions although the wife holds the family

TABLE 2.9
HOUSEHOLD POSSESSIONS OF SN OFFICERS, MEMBERS AND NON-MEMBERS

	Officers	*Members*	*Non-Members*
		(In Percent)	
House roof (a) Light	30	39	51
(b) Durable	58	49	35
(c) Mixed	12	12	14
	100	100	100
House wall (a) Light	25	34	49
(b) Durable	43	32	21
(c) Mixed	32	34	30
	100	100	100
House partition			
(a) Single room	8	15	24
(b) Distinct bedroom with utility room	47	55	60
(c) Distinct bedroom, kitchen, dining room and living room	45	30	16
	100	100	100
Toilet facilities			
(a) None	3	4	7
(b) Pit (open, covered, or raised)	36	44	58
(c) Water sealed or flush	61	52	35
	100	100	100
Lighting fixtures			
(a) Gasera/lampara	49	60	74
(b) Petromax	24	19	8
(c) Electric	27	21	18
	100	100	100
Sources of drinking water			
(a) Rain/stream	12	13	11
(b) Community well	25	32	39
(c) Private deep well/pipe	55	47	42
(d) National Water Sewerage Authority	8	8	8
	100	100	100

Table 2.9 (con't.)

TABLE 2.9
HOUSEHOLD POSSESSIONS OF SN OFFICERS, MEMBERS AND NON-MEMBERS

Cooking stove			
(a) "Tungko"	67	76	85
(b) Cemented "pugon"	11	12	8
(c) Heater range	22	12	7
	100	100	100
Appliances			
(a) None	13	20	30
(b) Radio/sewing machine/flat iron	72	72	67
(c) TV/piano/stereo/refrigerator	15	8	3
	100	100	100

TABLE 2.10
FAMILY DECISION-MAKING PATTERNS FOR SN OFFICERS, MEMBERS AND NON-MEMBERS*

	Husband	*Wife*	*Husband and Wife*	*Other Elder Family Member*
			(In Percent)	
1. Joining an organization	44	3	51	1
2. Borrowing funds for farm operation	30	3	66	1
3. Borrowing funds for household expenses	16	13	70	–
4. Repayment of loans	25	4	70	1
5. Payment of BGF	40	3	56	1
6. Handling family finances	3	86	9	2

*There is hardly any difference in the patterns for the three groups, hence the data pertain to all of them.

purse for more than 85 percent of respondents. *In the light of the Filipino wife being at least a joint decision-maker on matters relevant to the SN and related activities, it is unfortunate that at the moment, the SN is almost completely a man's world with only 10 percent female membership.*

5. *Organizational Membership, Non-SN Training and Leadership Experience*

Table 2.11 shows that SN officers and members are more "organization men" than non-members. Almost 60 percent of the officers and 40 percent of the members belong to other organizations while only 22 percent of the non-members do so. Joining the SN is, therefore, not an entirely novel experience for many officers and members. They already belong to other civic, political, professional, religious, and community organizations. Needless to say, *SN has attracted 60 percent of its members and 40 percent of its officers from among those who were previously "organization-shy".* One can also hazard a guess that among the "joiners", there is not only overlapping membership but also multi-organizational leadership, i.e., the same person being an officer of several organizations.

TABLE 2.11
AFFILIATION OF SN OFFICERS, MEMBERS AND NON-MEMBERS WITH OTHER ORGANIZATIONS

	Officers	*Members*	*Non-members*
		(In Percent)	
Belong to the organization	59	40	22
Do not belong	41	60	78
	100	100	100

When asked which farmers' organization they would prefer to join — one where most of the members are relatives or one where few or none of the members are relatives, a distinct pattern can be identified, with 44 percent of the officers, 59 percent of the members, and 71 percent of non-members choosing the former. *This suggests the more familistic, traditional inclinations of non-members*

compared to the more open, objective and universalistic attitudes of officers and members in their choice of colleagues in a farmers' organization. Although the preferences are different, the reasons given for their particular preference are very similar. Those who expressed preference for a farmers' organization where most of the members are relatives gave the following reasons for their choice: (a) stronger unity and cooperation, (b) more understanding, respect and discipline, (c) mutual assistance, and (d) trust. Others said that with relatives, their doubts can easily be voiced out and the organization is easier to manage. Those who prefer to join an association where only a few or none of the members are relatives gave essentially the same reasons for their preference except for the desire to avoid nepotism and to have more ideas from other people. With non-relatives, they also felt that jealousy could be avoided. While the other group said that with relatives one can easily express his doubts, those who favored non-relatives think that this would enable them to decide freely. Curiously, both those who prefer relatives and those who opt for non-relatives have roughly the same reasons for their preference. The desire for stronger unity and cooperation is the most prominent reason given by both.

In terms of non-SN training, less than half of the officers and about a third of the members have undergone some kind of training. The situation is worse for non-members. Only 12 percent of them have received this benefit. Among those who had, they participated in a variety of training programs for local government (barangay), leadership seminars, farmers' classes, family planning and health programs, community development training, manpower skills development and even training sponsored by the Armed Forces.

Although at the national level, one gets the impression that "the whole world is undergoing training", it is nevertheless surprising that 54 percent of SN officers, 69 percent of members and 88 percent of non-members have never attended any training program before SN came along. For non-members this experience may continue to elude them. Most likely, there are those who can be called "professional trainees" in the sense that they repeatedly get training opportunities, while others have never had access to any (Table 2.12).

Leadership activities in the form of calling, organizing and presiding over meetings; initiating and implementing projects; settling interpersonal conflicts among farmers; bringing barrio problems to

TABLE 2.12
PARTICIPATION IN NON-SN TRAINING BY SN OFFICERS, MEMBERS AND NON-MEMBERS

	Officers	*Members*	*Non-members*
		(In Percent)	
Have participated in Non-SN training	46	31	12
Have not participated in Non-SN training	54	69	88
	100	100	100

the attention of government officials; and being consulted on village matters are within the experience of more than two-thirds of the officers and less than 40 percent of the members. Only slightly over 10 percent of non-members have had similar experiences.

In summary, officers have had more organizational leadership and training experiences than members and members have more than non-members. Those who already have, stand to gain even more in joining the SN (Table 2.13).

6. *Attitudes toward Group and Community Action for Problem-Solving*

One of the basic assumptions of the cooperatives development program is that "a group can have better bargaining power than farmers transacting individually. As a group, they are in a better position to obtain higher prices for their produce and lower costs for their inputs. By pooling their produce and purchases, they can decrease the cost of transportation and get discount on bulk purchases."[6] To determine what inclinations respondents have toward group or community action in solving a potential farming problem, the following questions were asked: "What would you do: If a fertilizer dealer refuses to sell fertilizers unless the group of farmers buys chemicals? If a financing institution refuses to grant loans for the group's farming operations? If the sole buyer of palay in the barrio persists in buying the palay at a much lower price than the prevailing price?" Questions were also asked to assess their attitudes to-

TABLE 2.13
LEADERSHIP EXPERIENCES OF SN OFFICERS, MEMBERS AND NON-MEMBERS

	Percent who indicated having the particular leadership experience		
	Officers	*Members*	*Non-members*
1. Calling and organizing meetings	71	38	10
2. Presiding over meetings	69	36	10
3. Initiating and/or implementing barrio projects	60	35	9
4. Being consulted on matters affecting barrio	67	40	12
5. Settling interpersonal conflicts related to farmers' activities	59	37	13
6. Bringing barrio problems to the attention of government officials	64	39	12

ward inter-village cooperation in procuring inputs and marketing outputs; responsibility for the development of the community and the organization. An attempt was also made to find out their most pressing problem in the community and whether they think the SN can help solve this problem as well as help realize their expectations in life.

Table 2.14 shows that respondents are almost equally divided in their desire to act independently or jointly with other villages with respect to procuring inputs and marketing outputs. However, *officers were more inclined than members, and members more than non-members, to favor inter-village action on these two matters. Of the three groups, non-members opt most for action independent of farmers in other villages.* Rural people have often been accused of wanting to leave development responsibility in the hands of barrio officials. Data from this study fail to support this old notion. Eighty-four percent of officers and 82 percent of members believe that the development of the barrio is everybody's concern. However,

only 77 percent of non-members subscribe to this view. More non-members (23 percent) than members (18 percent) and officers (16 percent) said that "the development of a barrio depends on the barrio officials" Consistent with this trend is the tendency for more non-members to regard the President as the most important man in the organization while more of the officers and members mentioned the "entire membership" as important.

TABLE 2.14
SN OFFICERS', MEMBERS' AND NON-MEMBERS' ATTITUDES TOWARD GROUP AND COMMUNITY ACTION IN SOLVING PROBLEMS

	Officers	*Members*	*Non-Members*
		(In Percent)	
1. Alternatives of procuring farm inputs and marketing outputs			
a. For all the farmers in a given village to buy and sell together (independent of farmers in other villages)	50	54	60
b. For all the farmers in adjacent villages to buy and sell together	50	46	40
	100	100	100
2. Responsibility for the development of the barrio			
a. The development of a barrio depends on the barrio officials	16	18	23
b. The development of a barrio is everybody's concern	84	82	77
	100	100	100
3. The most important man in an organization			
a. President	77	82	84
b. Other officers	4	2	3
c. Entire membership	19	16	13
	100	100	100

Table 2.14 (Continued)

	Officers	*Members*	*Non-Members*
		(In Percent)	
4. Actions to be taken in case a fertilizer dealer in the area refuses to sell fertilizer unless the farmer will buy chemicals			
a. As a group, we will decide not to buy from that dealer and look for another source. As a group, we will report the matter to the authorities	47	40	10
b. I will report it to the authorities myself. As individuals, we will look for other sources.	22	22	40
c. I cannot do anything. I will continue to buy. I will stop applying fertilizer.	22	28	40
d. I will resort to substitutes	2	3	3
e. Others	7	7	7
	100	100	100
5. Actions to be taken in case a financing institution in the area refuses to grant loans for farming			
a. *Group actions* such as: Uniting with fellow farmers to having a meeting with SN members and talk with bank officials. As a group, we will report the matter to authorities. Group will not do business with the bank. We will establish our own bank. As a group, we will look for other financing institutions outside the barrio.	52	50	13
b. *Individual actions* – I will go to the bank myself and talk to bank officials. I will report			

Table 2.14 (Continued)

	Officers	*Members*	*Non-Members*
		(In Percent)	
to authorities myself. As an individual, I will look for outside financing institution which will grant me a loan. I will go to private money-lenders myself, I will sell assets to accumulate funds.	37	39	63
c. Others	11	11	14
	100	100	100
6. Actions to be taken in case the only buyer of palay in the barrio wants to buy the palay at a price lower than the prevailing price			
a. *Group actions* -- As a group, we will contact outside buyer/dealer; we will discuss the matter with SN officials so we can look for another buyer. We will stock the palay and wait for a higher price.	66	61	42
b. *Individual actions* — As an individual, I will look for another buyer; I will sell it to the buyer; I will deposit palay with SN and discuss the matter with SN officials for appropriate action; I will report to the Price Stabilization Council or proper authorities.	31	35	55
c. Others	3	4	3
	100	100	100
7. Opinion on whether SN can solve the most pressing problem in the barrio			
a. Yes	70	68	40
b. No	6	5	5
c. No comment	7	9	29
d. It depends	17	18	26
	100	100	100

Table 2.14 (Continued)

	Officers	*Members*	*Non-Members*
		(In Percent)	
8. Reasons why barrio people participate in community projects			
a. It may be compulsory	3	3	8
b. They enjoy working together	10	9	9
c. They see community benefits from it	63	62	56
d. Because of good relations (pakikisama)	19	21	22
e. They see individual benefits from it	3	3	3
f. Others	2	2	2
	100	100	100
9. Opinions on whether SN can help realize their aspirations			
a. Yes	74	72	35
b. No	4	3	4
c. No comment	8	8	16
d. Don't know	14	17	45
	100	100	100

With respect to group or individual actions in dealing with community problems facing farmers, from almost half to two-thirds of SN officers and members chose courses of action that are group-oriented. On the other hand, majority of non-members favored individual actions and even helpless resignation to their inability to do anything about the situation. This observation may be illustrated in the following: while officers and members are more inclined to act as a group in deciding to boycott the dealer who forces farmers to buy chemicals with their fertilizer and to look for another source, non-members will act as individuals in looking for another source or will even stop buying fertilizers. With respect to ob-

taining loans from a financing institution, more than 60 percent of non-members would go as individuals to bank officials, authorities or even private money lenders. However, more than half of the officers and members would unite with fellow farmers to meet with bank officials, report the matter to authorities or will even consider establishing their own bank. In wanting to obtain a better price for their palay, officers and members will contact an outside buyer as a group or will stock palay for a higher price, while non-members will continue to sell the palay to the same buyer anyway or look for another buyer as an individual.

When asked about the most pressing problems in the community, the following were the most frequently mentioned: lack of irrigation; lack of infrastructure; high price of inputs; poor transportation facilities, etc. Problems of tenancy, credit, population explosion, health and sanitation facilities were least mentioned. In the light of the fact that two-thirds of non-members and about a fifth of SN members are share tenants, it seems that this state of affairs does not bother them sufficiently to consider tenancy a problem. Apparently, problems of population and health at the village level are not perceived on the same scale of urgency defined at the national scene. Since the SN was organized to help solve some of our rural problems, respondents were asked whether they thought the SN could do so. Seventy percent of officers and members replied in the affirmative while non-members were mostly non-committal or conditional in their response. Only 40 percent thought SN could solve the most pressing problem of the barrio. They were more skeptical about SN in this role. Perhaps this is one reason why they have stayed out of the organization so far. *It is interesting that although majority of the three groups believe that barrio people participate in community projects because they see community benefits from it, non-members have a slightly greater tendency to think that compulsion is the reason for people's participation.* SN officers and members (more than 70 percent) also expressed great faith in SN's potential for helping them realize their aspirations. On the other hand, sixty-five percent of non-members are uncertain about this. Only a third gave an unqualified "Yes".

7. *Samahang Nayon: Size and Location*

No matter how skeptical one is about cooperatives or anything like it, SNs as pre-cooperatives at the village level all over the coun-

try cannot be sneered at. Although not all of the 40,110 barrios have an SN over a 5-year period (1974-1979), the number of organized SNs grew from 15,320 in 1974 with a membership of 676,575 to 21,235 with a total membership of more than a million (1,028,927). Assuming one SN per barrio, this means more than half of total villages covered. Those that have been registered increased from 11,575 SNs with 545,582 members to 18,180 and 933,536 members. Average membership per SN is about 51. Trends in size show that SN's growth peaked during the second year and has slowed down to practically a "halt" by the fifth year (Tables 2.15 to 2.20). This early peak and rapid deceleration in growth is probably characteristic of nationwide undertakings which receive maximum support during the first two years and not much after that.

Where are the SNs located in terms of the nature of the communities where they have been organized? From Table 2.21, we can see that the rich municipalities have not been sought out for this purpose. Sixty-five percent of the SNs can be found in barrios of fourth to sixth class municipalities. On the average, the barrios are accessible with 3.5 kilometers from the highway and 7.7 kilometers from the municipal center. About three-fourths of them have all-weather roads, regular daily public transportation and the usual public buildings like the elementary school, chapel, basketball court and barrio center. A little more than 40 percent have health centers and rice mills. Only about a fifth have a high school and an SN office. Almost 70 percent have no electricity and about 60 percent have no gravity irrigation. One-fourth has some pump irrigation. The average number of households per barrio is 214. Assuming that the SN member is a household head (which is usually the case), if the average SN size is 50, that means a fourth of the households in half of our villages have been reached by SN.

B. *SN's Organizational Structure in Action*

To develop and maintain organizational viability so that SN will be able to fulfill its multiple long-range goals described earlier and the more immediate objectives of learning, saving and instilling discipline, the following committees have been established: Board of Directors; Committees for Education and Training; Finance and Development; Audit and Inventory plus the Agricultural Counsellor. By the title alone of these committees, one can readily guess the

TABLE 2.15
ORGANIZED SAMAHANG NAYON AND MEMBERS

REGION	1974		1975		1976		1977		1978		1979	
	SN	Members	SN	Members	SN	Members	SN	Members	SN	Members	SN	Members
I	2,009	85,859	2,118	96,126	2,168	98,151	2,319	101,067	2,320	101,337	2,323	102,409
II	862	47,111	934	51,120	988	54,555	1,033	55,907	1,035	56,404	1,033	56,422
III	1,670	87,422	1,796	106,205	1,907	118,831	2,021	128,727	2,025	131,531	2,027	131,714
IV	1,884	74,015	2,096	86,451	2,223	96,380	2,307	99,536	2,379	96,099	2,381	96,495
V	1,355	56,830	1,411	62,362	1,497	65,955	1,516	69,422	1,558	71,669	1,559	71,997
VI	1,770	70,098	1,985	74,521	2,639	105,257	2,665	105,912	2,681	107,047	2,682	107,529
VII	1,667	66,115	1,739	73,642	1,789	78,885	1,846	83,308	1,847	88,628	1,909	91,875
VIII	873	29,339	1,613	58,245	1,851	63,808	2,081	74,264	2,111	76,019	2,120	76,520
IX	497	22,035	586	26,302	643	32,321	736	41,151	740	41,161	785	41,659
X	1,575	83,296	1,626	85,209	1,683	104,296	1,774	109,348	1,947	116,824	1,953	117,504
XI	1,158	54,395	1,107	60,713	1,189	67,682	1,266	73,825	1,308	77,084	1,309	78,071
XII	–	–	910	41,721	1,011	49,835	1,111	52,643	1,138	55,389	1,154	56,732
TOTAL	15,320	676,575	17,921	822,617	19,588	835,956	20,675	995,110	21,089	1,019,192	21,235	1,028,927

TABLE 2.16
REGISTERED SAMAHANG NAYON AND MEMBERS

REGION	1974		1975		1976		1977		1978		1979	
	SN	Members	SN	Members	SN	Members	SN	Members	SN	Members	SN	Members
I	1,704	78,534	1,787	85,141	2,002	90,552	2,038	94,953	2,041	97,560	2,089	97,820
II	598	34,155	755	42,676	813	47,877	877	51,037	912	53,014	914	53,014
III	1,485	83,520	1,608	97,432	1,763	114,636	1,892	125,190	1,898	126,836	1,909	127,263
IV	1,365	60,043	1,590	74,026	1,749	83,763	1,833	86,162	1,871	86,442	1,879	86,535
V	864	40,177	1,000	47,046	1,095	51,238	1,169	57,759	1,196	59,409	1,201	59,516
VI	1,379	54,644	1,542	63,410	2,178	94,917	2,205	100,072	2,254	100,755	2,256	100,780
VII	1,084	45,967	1,152	51,949	1,269	59,718	1,327	68,138	1,339	68,772	1,390	69,557
VIII	629	20,035	1,230	45,244	1,501	55,114	1,753	65,124	1,784	66,898	1,825	69,684
IX	381	17,082	462	21,563	507	25,491	576	28,864	587	29,415	612	31,511
X	1,212	67,057	1,362	72,332	1,499	97,909	1,584	99,589	1,716	107,192	1,720	107,869
XI	874	44,368	837	48,436	1,187	61,879	1,247	69,298	1,278	74,476	1,290	75,321
XII	–	–	786	37,546	928	47,854	1,054	50,522	1,080	53,589	1,095	54,666
TOTAL	11,575	545,582	14,111	686,801	16,491	828,948	17,555	896,708	17,956	924,358	18,180	933,536

TABLE 2.17
ANNUAL GROWTH OF ORGANIZED SAMAHANG NAYON AND MEMBERS STARTING 1974 TO 1979

REGION	1974-1975		1975-1976		1976-1977		1977-1978		1978-1979	
	SN	Members	SN	Members	SN	Members	SN	Members	SN	Members
I	109	10,267	50	2,025	151	2,916	1	270	3	1,072
II	72	4,009	54	3,435	45	1,352	2	497	(2)	18
III	126	18,783	111	12,626	114	9,896	4	2,804	2	183
IV	212	12,436	127	9,929	84	3,156	72	(3,137)	2	396
V	56	5,532	86	3,593	19	3,467	42	2,247	1	328
VI	215	4,423	654	30,736	26	655	16	1,135	1	482
VII	72	7,527	50	5,243	57	4,423	1	5,320	62	3,247
VIII	740	28,846	238	5,563	230	10,456	30	1,755	9	501
IX	89	4,267	57	6,019	93	8,830	4	10	45	498
X	51	1,913	57	19,087	91	5,052	173	7,476	6	680
XI	(51)	6,318	82	6,969	77	6,143	42	3,259	1	987
XII	910	41,721	101	8,114	100	2,808	27	2,746	16	1,343
Total	2,601	146,042	1,667	113,339	1,087	59,154	414	24,082	146	9,735

*Figures in parenthesis are of negative sign, meaning decrease in number.

TABLE 2.18
ANNUAL GROWTH OF REGISTERED SAMAHANG NAYON AND MEMBERS STARTING 1974 TO 1979

REGION	1974-1975		1975-1976		1976-1977		1977-1978		1978-1979	
	SN	Members	SN	Members	SN	Members	SN	Members	SN	Members
I	83	6,607	215	5,411	36	4,401	3	2,607	48	260
II	157	8,521	58	5,201	64	3,160	35	1,977	2	000
III	123	13,912	155	17,204	129	10,554	6	1,646	11	427
IV	225	13,983	159	9,737	84	2,399	38	280	8	93
V	136	6,869	95	4,192	74	6,521	27	1,650	5	107
VI	163	8,766	636	31,507	27	5,155	49	683	2	25
VII	68	5,982	117	7,769	58	8,420	12	634	51	785
VIII	601	26,209	271	9,870	252	10,010	31	1,774	41	2,786
IX	81	4,481	45	3,928	69	3,373	11	551	25	2,096
X	150	5,275	137	23,577	85	3,680	132	7,603	4	677
XI	(37)	4,068	350	13,443	60	7,419	31	5,178	12	845
XII	786	37,546	142	10,308	126	2,668	26	3,067	15	1,077
Total	2,536	141,219	2,380	142,147	1,064	67,760	401	27,650	224	9,178

*Figure in parenthesis is of negative sign, meaning decrease in number.

TABLE 2.19
ANNUAL PERCENTAGE CHANGE OF ORGANIZED SAMAHANG NAYONS AND MEMBERS STARTING 1974 TO 1979

REGION	1974-1975		1975-1976		1976-1977		1977-1978		1978-1979	
	SN	Members	SN	Members	SN	Members	SN	Members	SN	Members
I	5.43	11.96	2.36	2.11	6.97	2.97	0.04	0.27	0.13	1.06
II	8.35	8.51	5.78	6.72	4.55	2.48	0.19	0.89	(0.19)	0.03
III	7.55	21.49	6.18	11.89	5.60	8.33	0.20	2.17	0.99	0.14
IV	11.25	16.80	6.06	11.49	3.78	3.28	3.12	(3.45)	0.08	0.41
V	4.13	9.73	6.09	5.76	1.27	5.26	2.77	3.24	0.06	0.46
VI	12.15	6.31	32.95	41.25	0.98	0.62	0.60	1.07	0.04	0.45
VII	4.32	11.39	2.88	7.12	3.19	5.61	0.05	6.39	3.36	3.66
VIII	84.77	98.12	14.76	9.55	12.43	16.39	1.44	2.36	0.43	0.66
IX	17.91	19.37	9.73	22.88	14.46	27.32	0.54	0.02	6.08	1.21
X	3.24	2.30	3.51	22.40	5.41	4.84	5.75	6.84	0.31	0.58
XI	(4.40)	11.62	7.41	11.48	6.48	9.08	3.32	4.41	0.08	1.28
XII	0.00	0.00	11.10	19.45	9.89	5.63	2.43	5.22	1.41	2.43
Average	16.98	21.59	9.30	13.78	5.55	6.32	2.00	2.42	0.69	0.96

*Figures in parenthesis are of negative sign, meaning percentage decrease.

TABLE 2.20
ANNUAL PERCENTAGE CHANGE OF REGISTERED SAMAHANG NAYON AND MEMBERS
STARTING 1974 TO 1979

REGION	1974-1975		1975-1976		1976-1977		1977-1978		1978-1979	
	SN	Members	SN	Members	SN	Members	SN	Members	SN	Members
I	4.87	8.41	12.03	6.35	1.79	4.86	0.15	2.75	2.35	0.27
II	26.25	24.95	7.68	12.19	7.87	6.60	3.99	3.87	0.22	0.00
III	8.28	16.66	9.64	17.66	7.32	9.12	0.32	1.32	0.58	0.34
IV	16.48	23.29	10.00	13.15	4.80	2.86	2.07	0.33	0.43	0.11
V	15.74	17.09	9.50	8.91	6.76	12.73	2.31	2.86	0.42	0.18
VI	11.82	16.04	41.25	49.69	1.24	5.43	2.22	0.68	0.09	0.03
VII	6.27	13.01	10.16	14.96	4.57	14.10	0.90	0.93	3.81	1.14
VIII	95.55	125.84	22.03	21.82	0.06	18.16	1.77	2.72	2.29	4.16
IX	21.26	26.23	9.74	18.22	13.61	13.23	1.91	1.91	4.26	7.13
X	12.38	7.87	10.06	32.60	5.67	3.84	8.33	7.63	0.23	0.63
XI	(4.23)	9.17	41.82	27.75	5.05	11.99	2.49	7.47	0.94	1.14
XII	0.00	0.00	18.07	27.45	13.58	5.58	2.47	6.07	1.39	2.01
Average	21.90	25.88	16.87	20.70	6.45	8.17	2.28	3.84	1.25	1.00

*Figure in parenthesis is of negative sign, meaning percentage decrease

TABLE 2.21
PERCENT DISTRIBUTION OF 812 SN BARRIOS BY CLASS OF MUNICIPALITY

Class of Municipality By Annual Income	*Percent*
First (above ₱1.5 million)	6.2
Second 1 to 1.5 million	11.2
Third 0.5 to 1.0 million	17.5
Fourth 0.3 to 0.5 million	20.4
Fifth 0.1 to 0.3 million	33.4
Sixth Below 0.1 million	11.4
	100.0

very "rational" and task-oriented functions they are expected to perform such as: planning, training, budgeting, auditing, savings mobilization, organizational and financial management, and technology transfer for agricultural modernization. We are in fact introducing elements of technocracy and the ethos of planning in development at the village level. How have all these fared in practice? How have this organizational structure and the attendant functions been operationalized and what problems have been encountered in the process of implementation?

From Table 2.22, we can make the following observations:

a) Of the 4 committees, the Board of Directors has been the most active with more than three-fourth of them functioning in 1976. The Finance and Development Committee is the least active.

b) A decline in proportion of SNs with functioning committees occurred between 1974 and 1976. In other words, there are evidences of increasing inactivity although more Boards of Directors than other committees continue to meet.

(c) The most frequently mentioned reasons for inactivity are waning of members' and officers' interest in SN; lack of time due to competing occupational demands; and lack of know-how. What is culturally intriguing is the reluctance to perform the auditing function on the grounds that the Secretary-

TABLE 2.22
ACTIVITIES OF DIFFERENT SN COMMITTEES (812 SNs)

	Board of Directors	*Education and Training Committee*	*Finance and Development Committee*	*Audit and Inventory Committee*
1. Had been meeting for the 6-month period before the interview.				
	— Percent —	— Percent —	— Percent —	— Percent —
Yes	76	39	33	52
No	24	60	65	46
No response	—	1	2	2
Total	100	100	100	100
2. Functioning Committees	1974 1976	1974 1976	1974 1976	1974 1976
Percent of total SNs	81.5 76.0	62.1 39.0	39.6 33.0	53.9 52.0
3. Most frequently mentioned reasons for not having met during the 6-month period.				
	Breakdown of members' interest in SN Board of Directors are losing interest in SN Lack of time of Board members due to business or employment.	Lack of time Lack of interest on the part of committee members Inadequate training of committee members Lack of training materials Lack of assistance from MDO/BDW	Inactive committee Lack of interest Busy members Lack of time Don't know what to do Problems are discussed in the Board's meeting and in the General Assembly.	Lack of time because of employment Secretary-Treasurer is completely trusted Don't know how to audit Ashamed to do it Don't want to have misunderstanding with Secretary-Treasurer

Table 2.22 (Continued)

	Board of Directors	*Education and Training Committee*	*Finance and Development Committee*		*Audit and Inventory Committee*
4. Have written plans of activities.			Have written budget by the Secretary- Treasurer		
Yes	28.0	36.3	17.3	20.3	
No	72.0	62.4	81.0	79.7	
No response	–	1.3	1.7	–	
	100.0	100.0	100.0	100.0	

5. Most frequently mentioned reasons for not having written plans or written budget.

Don't know how to do it	*Don't know how to plan*	*Don't know how to plan*
No need for written plan as it may not be followed anyway	Useless for it will not be followed anyway	No need to plan as it will not be followed anyway
The MDO/BDW should take care of this	MDO/BDW should take care of it	MDO/ BDW should take care of this
Lack of time, non-functioning SN, lack funds, still con cing members		(Reasons for no written budget)
		Don't know how to prepare a written budget
		No need to prepar written budget
		Useless for it will be followed anyv
		SN inactive; low coll tion, nothing budget

Table 2.22 (continued)

	Board of Directors		*Education and Training Committee*		*Finance and Development Committee*		*Audit and Inventory Committee*	
6. Who were involved in the preparation of the plan.							Written budget preparation	
	Committee prepared it	55%	Committee	65.1%	Committee	73%	Others prepared the budget	50%
	Others did it	28%	Others	14.7%	SN manager himself	10.3%	Secretary-Treasurer did everything himself	46%
	President himself	15%	Vice-President himself	11.0%	SN manager gave instructions to others	8.0%		
			Committee to do it	9.0%	SN manager was not involved in the preparation	9 %		

Treasurer is completely trusted, that they are ashamed to audit him and would like to avoid a misunderstanding with the Secretary-Treasurer. In a small community, "auditing" implies lack of trust on the custodian of funds, hence some hesitance to carry out this function among some co-villagers. It is encouraging, however, to note that this reluctance does not seem to be so widespread and that the new rules are more accepted than rejected. Sixty percent of SN auditors said they have audited the Secretary-Treasurer's accounts and a similar proportion of Secretary-Treasurers admit to having been audited. Methods of auditing range from counting cash on hand, checking bank accounts and entries into all books and verifying passbooks and ledgers. Less than 20 percent who audited mentioned cursory checking only. Of the 161 or 20 percent of the SNs which have written budgets, 65 percent of the auditors said they have evaluated the written budgets. One wonders at this point whether this gap between the expertise and sophistication of those who know and "the accounting naivete" of the rest of the membership does not contribute to the temptation to use such expertise in "spiriting" away the funds.

Of the three major reasons for SN inactivity, lack of know-how would seem to be the most amenable to solution by way of training activities. Lack of time due to their jobs and lack of interest in SN need to be examined together. Perhaps they could find the time if they were more interested. Furthermore, many studies have pointed out that farmers are underemployed, even "idle" for a good part of the year. It is, therefore, curious that lack of time has been frequently mentioned as a reason for non-functioning committees. It is probably more of a rationalization than a reason. Inability to attend meetings cuts out opportunities for the uninterested to become interested, hence, the lack of interest is further reinforced. A rather novel but apparently "sensible" reason for the Finance and Development Committee's failure to meet is that there is "nothing to discuss". But perhaps it is symptomatic of something else that SN members feel that such an important committee has "nothing to discuss".

d) In this era of planned change, planning lies at the heart of

any undertaking but the planning process is not sufficient in and of itself. The plan must be epitomized in a written document. Since planning and writing out the plan require some expertise, it is not surprising that SN members choose more educated, even if non-farmers, for their officers. The written plan, however, is far from being popular. Only about a third of the Board of Directors, and the Education and Training Committees have a written plan and about a fifth have a written budget. Not surprising as the major reason for failure to comply is the lack of know-how. Some of them understandably assign this task to the Municipal Development Officer (MDO) or the Barrio Development Worker (BDW). "It is their job", so to speak. But a more resistant reason is the officers' skepticism as to the usefulness of the plan which "will not be followed anyway". It is, therefore, the process, the essence, substance and purpose of the plan which "will not be followed anyway". It is, therefore, the process, the essence, substance and purpose of the plan rather than the production of the document itself which deserve to be emphasized. The planning process must be viewed as a learning experience in the "scientific approach" to problem-solving in the context of their own peculiar problem-solving in the context of their own peculiar problems at the village level.

e) Another deliberate or side objective of the plan preparation is the opportunity it affords for members to be involved, to participate in the development process. While in 10 to 15 percent of the SNs, the President himself, the Vice-President, and the SN manager had prepared the plan alone for their respective committee, or had instructed others to do it, for majority of the SNs, it was committee work. What is worth noting is that almost half of the Secretary-Treasurers prepared the written budget themselves. While this might be an indication of their specialized expertise, it could also be a danger signal for the SN particularly since the budget represents funds available, and proposed expenditures. A broader-based understanding of the organization's financial situation is one means of safeguarding their funds.

One possible indicator of SN's viability is the extent to

which it undertakes projects as an organization. Such projects also help develop SN's relationships with the community. About 6 percent of 812 SNs studied said that they have organized and initiated projects; 3 percent coordinated projects initiated by private organizations and 9 percent coordinated projects initiated by government agencies. This suggests that SN might usefully perform a project initiator-coordinator role which would provide the organization and its members first-hand experience in project identification, initiation, and management particularly at the stage when they are not yet allowed to engage in business. It can also be an information-receiver-disseminator for matters directly or indirectly related to SN but which are of community-wide interest, thus enhancing its credibility.

Since the officers of an organization provide leadership and set the pace for what happens or does not happen in SN, it is important to find out what members consider the most important characteristics of an SN leader. From Table 2.23, *we can see that human relations skills are at the top of their list.* This is understandable in the light not only of SN's own mandate and its internal group structure but also of the need to relate to other SNs, representatives of development agencies, politicians, landlords, and the rest of the community. Competence comes as a far second to human relations abilities. Their sensitivity to personal integrity is revealed in the 15 percent who emphasized honesty, trustworthiness, and incorruptibility. Seven percent mentioned being a good disciplinarian. Having time for SN was considered important only by less than 3 percent although earlier, it has been pointed out that "lack of time" is one of the major reasons for SN officers' inability to perform their designated functions. One wonders at this point what *lack of time* really means. Is it possible that officers, particularly those who are non-farmers do not consider SN activities worth their time although they relish whatever power and prestige go with the position? Do SN officers carry multiple-responsibilities because of affiliation with other organizations? At any rate, the requirements of technocracy at the village level for such an organization as SN have yet to gain prominent recogni-

TABLE 2.23
MOST IMPORTANT CHARACTERISTICS THAT MUST BE POSSESSED BY AN SN LEADER (5292 RESPONDENTS)

		Percent
1.	Abilities in human relations	45.4
2.	Competence	19.3
3.	Honest, trustworthy, incorruptible	14.8
4.	Good disciplinarian	6.9
5.	Industrious	4.3
6.	Can communicate with all classes of people	4.1
7.	Have time for SN	2.8
8.	Polite but firm and decisive	1.1
9.	Fair and just	0.5
10.	Status	0.2
11.	No answer	0.6

tion. Competence which lags much behind human relations abilities in members' perceptions of what is desirable in their leader would need to be deliberately developed and added to the repertoire of skills possessed by these leaders. This is purportedly the objective of training activities.

When officers were asked whether they liked their present position, eighty-seven percent said "Yes" and more than three-fourth of those who did would readily accept a reelection to the position. Twenty-one percent said they would either be reluctant or would not accept a reelection although they liked the present position. Reasons for disliking the present position centered on the complaint that it takes too much of their time. Members' assessment of their officers' performance shows that almost 80 percent of them are satisfied with their Presidents, Vice-Presidents, Secretary-Treasurers, Managers, and Auditors. The least satisfactory performance was attributed to the Agricultural Counsellor with less than 60 percent of members giving a satisfactory verdict.

As an organization designed to prepare farmers to become better producers, the role of the Agricultural Counsellor in the SN is very strategic. Anyone who has been trained for this purpose immediately receives some direct benefits in the form of exposure to modern farming practices which is one of the reasons specified by members

for joining SN. At least 3 evidences attest to the importance members attach to the role of agricultural counsellor:

1) While 87 percent of other officers said they like present position, practically everyone (97 percent) of the Agricultural Counsellors expressed this same feeling for their job.
2) Seventy-five percent of Agricultural Counsellors occupy other positions. They are holding it concurrently with being President, Vice-President, Secretary-Treasurer, and Manager. This means they have been willing to serve in this dual capacity despite the fact that there is no remuneration for their services.
3) Although a little more than half of the Agricultural Counsellors had conducted training for fellow SN members and only 9 percent had put up demonstration projects, about 70 percent of them claim to have been consulted by other farmers on farm practices, with an average of 23 farmers per SN having done so. In turn, Agricultural Counsellors consulted Farm Management Technicians. If this had taken place only after 12 months of incumbency, then some technology transfer or at least some new knowledge has been transferred.
4) Majority of farmer-members regard adoption of modern farming practices and production of high yield as the marks of a progressive farmer (Table 2.24). Supportive of this view is their mention of wanting to learn modern agricultural prac-

TABLE 2.24
CHARACTERISTICS OF A PROGRESSIVE FARMER AS VIEWED BY SN OFFICERS AND MEMBERS (5292 RESPONDENTS)

		Percent of total respondents who mentioned each characteristic
1.	Adopts modern farming practices	74.5
2.	Produces high yield	48.9
3.	Member of a farmers' association	19.9
4.	Respected by other farmers	17.4
5.	Not indebted	11.8
6.	Cultivator of large area of land	5.8
7.	Blessed with good luck	4.4
8.	Others	24.5

tices as one important reason for joining SN. It might also be inferred that being respected by other farmers is related to the possession of these two qualities which have a direct bearing on the role of the Agricultural Counsellor. Only about a fifth mentioned being "member of a farmers' association" as the characteristic of a progressive farmer. Therefore, membership in SN is considered as a far, far less salient quality of a progressive farmer than being a modern high-producing one. It is also worth noting that about 12 percent maintain some conservatism regarding credit. They think that a "progressive farmer" should not be indebted. This is contrary to the current thrust which more or less focus on credit as the avenue to purchased inputs and modern farming. Curiously, being a large farmer is not necessarily associated with being a progressive farmer – but about 5 percent still feel that a progressive farmer is one who is "blessed with good luck."

On SN's ability to develop on its own, a fifth of the SNs believe that they could manage without the Barrio Development Worker and about a fourth said the same about the Municipal Development Worker. This represents either a rather optimistic view of their own capability or a pessimistic view of the BDW's and MDO's contribution toward the development of SN. However, almost two-thirds of the SNs admitted that SNs could not develop without government assistance. Some clues supportive of possible pessimism on the part of officers regarding the role of MDO/BDWs in the development of the SN (Table 2.25) show that about half of the officers indicated that MDOs visited monthly. The rest visited less fequently, including about 9 percent who said "never" or "once since SN organization". Visits made by BDWs are much less frequent and more than half did not answer. Their visits were more social and incidental rather than instrumental and task-oriented in nature. In the case of the MDOs, the most specific purposes of their visits were to conduct training and examine the book of accounts. Other visits were more incidental and social. More frequently, it is to inquire about SN problems.

To elaborate upon the finding that majority of respondents believe SNs could not develop without government assistance, even if they were not as positive with respect to MDO/BDWs, let us examine the members' reasons for joining SN (Table 2.26). Apparently they believe that SN could improve their living conditions and that they

TABLE 2.25
FREQUENCY OF VISITS OF MDO/BDW TO THEIR SN AS REPORTED BY 2390 OFFICERS

		MDO	*BDW*
		(In Percent)	
1.	Lives in the barrio	1.9	1.5
2.	Weekly	7.7	4.7
3.	Monthly	41.2	17.8
4.	Bi-monthly	7.9	3.6
5.	Quarterly	10.3	5.4
6.	Irregular	15.6	5.4
7.	Once since SN organization	3.9	2.8
8.	Never	4.8	3.0
9.	No response	6.7	55.8
Activities of MDO/BDWs during their SN Visits		Percent of Total Respondents	
1.	Ask SN problems	72.5	6.2
2.	Conduct training	57.5	–
3.	Incidental visits	46.0	27.7
4.	Meet the Board and Committee	30.0	5.8
5.	Social visits	13.4	22.2
6.	Examine the book of accounts	11.6	11.6
7.	No answer	11.6	59.6

are convinced of its good objectives. Both of these are vague and general and could be indicative of how they perceive SN. Nowhere in these reasons do the respondents specifically suggest that they want to save, learn, be disciplined and act as a group. However, they want to avail of services from SN and the government, to learn modern farm practices, to qualify for a Certificate of Land Transfer (CLT) and to obtain supply of farm inputs. It should not be a surprise to anyone that people join organizations supposedly designed for them because of what they could get from it for their own advantage and hardly because they want to contribute to it and help others. They are self-rather than other-oriented, "opportunistic", rather than altruistic in outlook. Although membership in SN is regarded as mandatory for CLT, only 10 percent mentioned this as their reason for

TABLE 2.26
MAJOR REASONS FOR JOINING THE SAMAHANG NAYON
(2390 OFFICERS AND 1600 MEMBERS)

		Percent of total respondents mentioning each reason
1.	Believe SN could improve living conditions	62.8
2.	Convinced of the good objectives of SN	50.1
3.	To avail of services from government	28.9
4.	To avail of services from the SN	28.8
5.	To know the programs of government	18.3
6.	To learn modern farm practices	17.2
7.	It is a felt need	13.1
8.	To qualify for CLT or acquire land	9.9
9.	To obtain supply of farm inputs	9.2
10.	Forced to join	1.9
11.	Curiosity	1.4
12.	Other reasons	12.4

joining and only 2 percent admitted being "forced to join". For those who had hoped to see the SN as a "doubled-edged" organization for cooperation as well as for a more effective lobbying force for farmers, this was not an explicitly stated reason for joining SN. Perhaps those who seek group action as a source of power to promote their own against "outside" interests are not the people who join government-sponsored organizations.

C. *SN's Direct and Indirect Educational Activities and Members' Learning*

The Training Program

In the new cooperatives development program, education is one of the three basic components, in addition to capital build-up and the practice of discipline. To carry out this massive educational scheme, the following training courses were required:

Type of Training	Number of Lessons	Number of Weeks Duration
1. Pre-Membership (Phase I)	8	10
2. Development Phase (Phase II)		55
a) Management training for officers	20	10
b) Technical training for Agricultural Counsellors	20	2
c) Technical training for members	20	12
d) Product specialization	8	16
e) Management training for members	12	12

For Phase I, the 8 pre-membership lessons consisted of one lesson on agrarian reform, 2 lessons on history and general principles of cooperatives and four lessons on Samahang Nayon: its rationale, organization, policies and requirements. The last lesson cited the factors that work toward the success of Samahang Nayon.[7]

These training courses were programmed such that officers who were trained by trainors could in turn train the members in cooperative management; and the Agricultural Counsellors, who were trained by agricultural technicians and extension agents, could in turn train the ordinary members in technical agriculture.

The cooperative management for officers consisted of lessons in managing cooperative, including leadership and decision-making process, the special SN features such as the capital build-up through savings and the practice of discipline, records keeping and reporting, and the structuring of the Philippine cooperative system: The cooperative management for ordinary members differed with that prescribed for officers in that specific management techniques such as planning, supervising, accounting and reporting were not given to the ordinary members.

The training on technical agriculture for both the Agricultural Counsellors and other SN members consisted of lessons on fertilizer and pesticide application; the steps in the scientific techniques of growing rice, corn, and vegetables, and the raising of hogs and poultry, including procedures in obtaining loans for financial requirements. The product specialization course included lessons on domestic crafts and cottage industry to provide members and their families with sources of income besides farming.[8]

For the massive educational program, a total of 65 weeks or one year and 3 months from the organizational and pre-membership educational stage to management training for members have been allocated. The training strategy was one of "training the trainors" who in turn trained the next trainees. The ACCI study, however, observed that the actual conduct of the training was abbreviated as shown by less actual sessions and shorter duration than required for all the courses. Furthermore, on the average, only a little more than one third of the SNs completed all the training courses. For the ordinary members, Agricultural Counsellors and officers, only an average of 58 percent attended all the training courses offered by their SNs. The highest percentage of attendance was reported for Agricultural Counsellors (83 percent); followed by Presidents (78 percent); Secretary-Treasurers (73 percent); Managers (63 percent); Vice-Presidents (61 percent); and Auditors (59 percent). The lowest percentage of attendance was for ordinary members (28 percent). Reasons cited for failure to attend all the training courses were: "no time", physical incapacity, and such other reasons like "training has not yet been held", "not aware of training" or "officers were newly elected".

"Evidences" of learning

Two groups of workers were instrumental in organizing Samahang Nayons; the Barrio Development Workers (BDW) of the Ministry of Local Government and Community Development and Volunteers Barrio Workers (VBW), most of whom were elementary school teachers. One small way of gauging barrio people's familiarity with the organizers who were also the trainors was to ask if they knew the names and address of the organizers. In general, these two groups of workers were known but the VBWs were even more known (96 percent) than the BDWs (87 percent). As expected, the organizers were less known by the non-members (72 percent for VBW) than by the members. The BDWs were less known (46 percent). The vigor with which pre-membership education was pursued is evidenced by the fact that 82 percent of all members finished all the 8 lessons and 29 percent of non-members attended at least one lesson. After a year, 15,729 barrios in 1,342 municipalities were covered by the program with 10,419 Samahang Nayons organized and reporting more than half a million members (559,054). Some

2,260 field workers and 8,778 volunteer barrio workers were mobilized for this task. There was roughly one worker per 50 members organized. In addition to this personalized strategy, mass media were extensively used. The Samahang Nayon jingle was aired every 15 minutes all over the country. Of the eleven leaflets distributed, 43 percent of members did not get any, 41 percent received 1 to 7 and 16 percent got 8 to 11 leaflets. However, when asked what their source of information on SN was, 94 percent of members mentioned the VBW and BDW. Only 5 percent cited radio and printed matter as source. Almost 60 percent of non-members have also learned from the BDWs and VBWs either from a spill-over or an initial interest in SN which did not materialize into membership. More of the non-members mentioned mass media (15 percent) as their source. Spill-over information also came from other barrio leaders and barrio residents. Whether in agricultural extension, family planning, health education or Samahang Nayon, personal sources of information play the lead role. Radio and printed matter are supportive of, not substitutes of, "personal message carriers".

For some idea about message absorption, Table 2.27 shows us that members have a distinct advantage over non-members as far as knowledge about agrarian reform, cooperative principles and Samahang Nayon is concerned. Perhaps it is no exaggeration to say that these pre-membership lessons could be the most extensive and systematic "educational" campaign that has been undertaken on agrarian reform. An average of two thirds of members gave correct answers to nine agrarian reform questions and to three queries on cooperative principles. Although average rating on the latter was almost as high as that for agrarian reform, the concept of "limited returns to capital" is the least understood of the three principles and it happens to be the least attractive feature of cooperatives. Unfortunately, the performance on Samahang Nayon questions were the lowest of the three subject-matter areas. In two important and difficult SN concepts such as the possibility of borrowing from SN and the intended uses of the forced savings, only a third answered correctly. One can therefore say that the SN pre-membership education had been more successful in carrying the agrarian reform than the SN message.

Before assessing the impact of management training on officers and members, we need to find out how much of the required training program was actually carried out. Table 2.28 indicates that only a

TABLE 2.27
PERCENT OF RESPONDENTS WHO GAVE CORRECT RESPONSES TO QUESTIONS FROM PRE-MEMBERSHIP EDUCATION LESSONS

	Members	*Non-Members*
A. *Questions on agrarian reform*		
1. Valuation of land	33	7
2. Number of years to pay the land	85	47
3. To whom payment of land is given	64	29
4. First instrument that will serve as provision title of land ownership	64	21
5. Beneficiaries of PD 27	66	34
6. Maximum hectarage of irrigated rice land a farmer can own	71	30
7. Right of retention of land owner	77	41
8. First requirement before he becomes owner of the land he tills	57	18
9. Guarantor of the payments for the land transfer	85	38
Weighted Average	67	29
B. *Questions on cooperative principles*		
Democratic control	73	20
Limited returns to capital	49	10
Patronage refund	68	17
Weighted Average	64	16
C. *Questions on Samahang Nayon*		
Ownership of SN	74	31
Possibility of borrowing from SN	32	8
Intended uses of 5% forced savings	32	4
Sources of fund of SN for paying land amortization of a defaulting member	57	13
Weighted Average	46	14

TABLE 2.28
ACTUAL CONDUCT OF MANAGEMENT TRAINING COMPARED TO REQUIREMENTS. (REPORTED BY 806 SNs)

	ACTUAL CONDUCT		*REQUIRED PROCEDURE*	
	Average No. of Weeks	*Average No. of Sessions*	*Total No. of Weeks*	*Total No. of Sessions*
Management training for officers	5.8	11.3	10	20
Management training for members	6.5	9.0	12	12

little over half of the lessons were given over half of the prescribed number of weeks. In other words, fewer lessons were given over a shorter period of time.

Table 2.29 gives us a rough idea of the extent to which the different lessons had been absorbed. For the four subject-matter areas, officers have consistently scored higher than members in tests of message absorption given to them. Both groups exhibited their lowest performance in the lessons on disciplinary measures. Apparently, the "discipline" portion of the SN lessons was the least learned while 'functions of officers" were the "most absorbed".

For the success of Samahang Nayon, however, we need to translate concept-learning to actual behavior. About two-thirds of the officers contributed to the BGF and the BSF (Table 2.30). Officers were not that much responsive than the members although they

TABLE 2.29
RATINGS OBTAINED BY OFFICERS AND MEMBERS ON DIFFERENT LESSONS FROM THE TRAINING PROGRAMS

	Officers	*Members*
1. Functions of officers	83.0	65.5
2. BGF requirements	82.9	65.6
3. BSF requirements	76.7	57.3
4. Disciplinary measures	42.5	34.7

TABLE 2.30
PERCENT OF OFFICERS AND MEMBERS WHO CONTRIBUTED TO THE SAVINGS PROGRAM

	Officers	*Members*
1. Contributed to the Barangay Guarantee Fund	64.5	55.5
2. Contributed to the Barangay Savings Fund	66.4	60.0

scored much higher in terms of learning. This is rather discouraging because officers should set the pace for the entire group. To explore the relation between attendance in training, knowledge, and actual contribution to the savings program, we present Table 2.31. Among the officers, there is no relation between attendance and knowledge about requirements. A very high percentage knew the requirements whether or not they attended training. For the members, the same trend is evident with respect to the BGF but not for the BSF. The most predominant observation is the relation between attendance in training and contribution; and between knowledge and contribution. Data suggest that among those who attended training and were knowledgeable, there were more officers and members who contributed than those who did not contribute. However, there is no one-to-one relationship between training attendance, knowledge and contribution because more than half of those who knew about the requirements did not contribute to the savings program. To recapitulate, training attendance does not seem to be necessary to acquire knowledge but knowledge is a positive factor in promoting contribution. Apparently, knowledge about the savings program came from sources other than through direct attendance in the training program. Perhaps word-of-mouth transfers from those who attended to those who did not, plus mass media, are as much a source of information as actual attendance in training lessons. The latter, in turn, is supportive of contributions to the savings program. Attendance in the training lessons apparently represents a greater commitment to SN which is most likely reinforced further by the opportunity to get together with fellow SN members and SN trainors during the training process.

TABLE 2.31
RELATION BETWEEN ATTENDANCE IN TRAINING, KNOWLEDGE ABOUT BSF AND BGF REQUIREMENTS AND CONTRIBUTION TO THE TWO FUNDS

	OFFICERS				*MEMBERS*			
	B S F		*B G F*		*B S F*		*B G F*	
Knowledge about requirements	*Attended training*	*Did not attend*	*Attended training*	*Did not attend*	*Attended training*	*Did not attend*	*Attended training*	*Did not attend*
Knew	89	85	91	85	47	36	85	86
Did not know	11	15	9	15	53	64	15	14
Total	100	100	100	100	100	100	100	100
Contribution to the fund								
Contributed	71	57	68	54	75	54	72	48
Did not contribute	29	43	32	46	25	46	28	52
Total	100	100	100	100	100	100	100	100
	Knowledge-able	Not Knowledge-able			Knowledge-able	Not Knowledge-able		
Contributed	72	57			69	56		
Did not contribute	28	43			31	44		
Total	100	100			100	100		

The most intriguing research finding about the knowledge gained from the management training lessons on four subject matters is that the number of correct answers to questions on management lessons is negatively related to SN officers and members' educational attainment. Simply stated, the higher the educational attainment is, the lower the knowledge scores are. This finding is certainly most unexpected. In an attempt to explain this contradiction to what is usually expected, Naldoza offers the following observations: "The highly educated respondents preferred not to be physically present throughout the sessions on the allegations that 'alam ko na ang topic' (I already know the topic); 'magbabasa na lang ako ng manual' (I'll just read the manual); 'bakit sasama ako sa mga mababang pinag-aralan at mas kailangan nila ang lecture' (Why should I join those with low education who need the lectures more) and a host of other excuses." Data on educational attainment shown in an earlier table reveal that most of the highly educated respondents are non-farmers who are teachers, private/government employees and persons who are in private practice of their profession. Even more discouraging is the evidence which suggests that the more educated the respondent is, the less likely he is to contribute to BGF and the higher one is in the tenure structure, the lower is his compliance with the BGF. Owner-operators have less compulsion to join SN and comply with requirements.

With respect to the functions of officers, knowledge about them was not significantly related to the degree of performance of these functions. In a manner of speaking, this means that knowing what their functions are does not mean they will actually perform them.[9] Given all of these negative findings and their implications, we feel that the process of translating knowledge and conceptual understanding into "desired behavior" is not at all understood especially when the issue of motivation arises and the behavior expected of the individual involves making a financial contribution. This negative relationship between respondent's educational attainment and knowledge gained from management training and between knowledge and performance of functions deserves further study because the basic assumption behind training is challenged.

Unlike these negative observations, a more definitive and encouraging role for agricultural training can be gleaned from Table 2.32. Agricultural counsellors who have completed all agricultural

TABLE 2.32
RELATIONSHIP BETWEEN COMPLETION OF LESSONS, CONDUCT OF TRAINING FOR OTHER FARMERS, CONSULTED BY OTHER FARMERS, AND FEELING OF COMPETENCE TO TEACH OTHER FARMERS.
(559 AGRICULTURAL COUNSELLORS)

	Took all lessons	*Did not take all lessons*
	(In Percent)	
Conducted training for other farmers	56	33
Did not conduct training for other farmers	44	67
	100	100
Feel competent to teach other farmers	92	69
Do not feel competent to teach other farmers	8	31
	100	100
	Feel competent to teach other farmers	*Do not feel competent to teach other farmers*
Conducted training for other farme	56	23
Did not conduct training for other farmers	44	77
	100	100
Consulted by other farmers	73	48
Was not consulted by other farmers	27	52
	100	100
Number of farming techniques learned		
1 – 4	13	34
5 – 8	50	44
9 – 13	37	22
	100	100

lessons are more inclined to conduct training for other farmers. They also feel more competent to teach other farmers and are more consulted by other farmers. Furthermore, they have learned more farming techniques than those who did not complete all the lessons.

In summary, the process seems to be as follows: completion of training lessons which enables the agricultural counsellors to learn more farming techniques which in turn makes them feel more confident of their ability to teach other farmers. Apparently, this feeling of confidence contributes to their initiative to conduct training for other farmers. They likewise become more credible as persons to be consulted by other farmers. Perhaps the very nature of technical agriculture as persons to be consulted by other farmers. Perhaps the very nature of technical agriculture as specific, immediately applicable and useful makes it easier for the "trainee" to become a "trainor" to other farmers. This is reinforced by the high value placed on the adoption of modern techniques and high productivity as characteristics of a progressive farmer. "Transfer of learning" would be more impressive if the end-receivers of the training actually implemented the techniques they learned. Unfortunately, data on this "radiation effect" are not available from the ACCI study.

The ability of SN members to act as a group to solve their problems and make group decisions for their collective welfare is a *sine qua non* of cooperative activities. To train the members for group action specifically in the form of group bargaining for lower-cost inputs and higher-priced outputs, SNs were encouraged to practice joint buying from a designated source and joint selling through a designated buyer. When 5,351 officers and members were asked whether they have a designated source of farm inputs, only 8 percent said "Yes" and a similar percentage indicated they have a designated buyer of members' produce. The most frequently mentioned reason (about two-thirds) for not having joint buying and joint selling is that the "matter has not yet been discussed," and among those who have, the members decided that each one should be free to choose his own source or his own buyer. One can surmise that group bargaining is not of high priority to the members. And even those who have discussed the matter, the decision has favored individual rather than joint action. Further support for this individualistic inclination can be found in the observation that even among the 8 percent who indicated having a designated source of input and a designated buyer

of produce, 67 percent said they did not buy their farm inputs from the designated source and 54 percent did not sell their crop to the designated buyer. When asked why they failed to patronize the designated source of inputs, members reasoned that needed inputs were not available from said source; inputs were cheaper elsewhere or that credit could not be obtained from that source. Reasons for not selling their produce to the designated buyer are: higher price offered by other buyers; forced to sell to others for personal reasons; and inability of buyer to purchase produce on time due to cash shortages. Because canvassing of prices whether for farm inputs or farm produce takes time and effort on the part of some officers, respondents were asked whether canvassers should receive monetary returns for their efforts in lieu of salary. Only half agreed. The other half disagreed. Members and even officers themselves could not agree on this matter and, therefore, the issue of incentives for the additional effort involved in canvassing which is necessary in looking for a group-designated buyer or seller remains unresolved. *On the whole, only 5 percent of officers and members have actually had any experience in doing business with SN designated source and buyer. Group bargaining is the least attractive and the least practiced of the several SN features; yet it is an excellent opportunity for "learning by doing."* One can easily absorb the concept of group action and its advantages but practicing it in everyday life is infinitely more difficult.

Another "learning by doing" aspect of SN's educational component is the leadership experience acquired by officers and members in the process of implementing SN activities. Tables 2.33 and 2.34 reveal that more than 10 percent of officers and more than 5 percent of members indicated having acquired the following leadership experiences only after SN's organization: calling and organizing meetings; presiding over meetings; initiating and/or implementing barrio projects; being consulted on matters affecting the barrio; settling interpersonal conflicts related to farmers' activities; and bringing barrio problems to the attention of government officials. *Perhaps the most definitive and direct impact of SN management training can be read from Table 2.34 which tells us that from 6 to 12 percent of the officers attribute the acquisition of the above-mentioned leadership skills to the SN management training they had undergone. SN, therefore, has made its contribution toward*

the acquisition of organizational, communication, implementation, lobbying and intermediary skills among those who have never had the experience before. All of these competencies strengthen SN's capability for group action. Even if SNs fade away or members drop out, these skills will remain with the individuals who acquired them.

TABLE 2.33
LEADERSHIP EXPERIENCE OF OFFICERS AND MEMBERS ACQUIRED ONLY AFTER SN's ORGANIZATION

	Percent who indicated having had the particular leadership experience only after SN's organization	
	Officers	*Members*
1. Calling and organizing meetings	17	8
2. Presiding over meetings	16	7
3. Initiating and/or implementing barrio projects	11	7
4. Being consulted on matters affecting the barrio	10	6
5. Settling interpersonal conflicts related to farmers' activities	9	5
6. Bringing barrio problems to the attention of government officials	10	7

Because of built-in disqualifications from membership in the SN Board of Directors for such persons as big landowners, barrio captains, barrio councilmen, merchants and money-lenders, SN has probably contributed to opportunities for a new group of person to assume leadership roles which they have never played before. These disqualification rules help break the perpetuation of "professional trainees," i.e., the same village leaders who repeatedly participate in different training programs. In this regard, the SN training scheme has probably helped in "spreading" the training opportunities more widely and in sharing the "knowledge" a bit more. That this might have actually taken place can be inferred from the impact of manage-

TABLE 2.34
PERCENT OF TOTAL OFFICERS AND MEMBERS WITH LEADERSHIP EXPERIENCE WHO ATTRIBUTE THE ACQUISITION OF LEADERSHIP SKILLS TO THE SN MANAGEMENT TRAINING WHICH THEY HAD UNDERGONE

	Percent of total officers and members
1. Calling and organizing meetings	12.3
2. Presiding over meetings	11.5
3. Initiating and/or implementing barrio projects	8.0
4. Being consulted on matters affecting the barrio	7.2
5. Settling interpersonal conflicts related to farmers' activities	6.3
6. Bringing barrio problems to the attention of government officials	7.7

ment training on their feeling of capability to assume leadership positions.

While 87 percent of the officers liked their present position, less than 40 percent of the members expressed willingness to accept any position in the SN. The others were either reluctant, unwilling or could not respond. After completion of the management training, 82 percent of the Presidents, more than 60 percent of the Vice-Presidents, Secretary-Treasurers, Managers and less than 60 percent of Auditors felt competent to assume any position in the SN. We can therefore say that for the officers, management training has reinforced their feeling of competence to handle the position although more Presidents expressed this than the lower-level officers. For the ordinary members, about one fourth expressed this feeling of competence to assume any position after completing management training. This could represent the new crew of potential SN leaders coming from the rank and file membership.

Nevertheless, the differences between SN officers and members which were described in the earlier sections of this paper continue to be observed in other ways. *To begin with, officers have higher socio-*

economic qualifications, more group-responsive attitudes, better training attendance, and consequently a reinforced feeling of competence to assume their leadership positions. While ordinary members might be able to find some breakthroughs into the ranks of the officers, the latter continue to maintain their advantage.

D. *SN Members' Response to the Capital Build-Up Program*

The Sources

The ACCI study briefly describes

> the capital mobilization drive which has three basic sources namely: the *general fund,* the *barrio savings fund,* and the barrio *guarantee fund.* The *general fund* is composed of a ten-peso membership fee, five-peso annual dues, and other income of the SN such as commissions given by the Agricultural Credit Administration for the collection of loans from delinquent borrowers, proceeds from fund-raising drives, fines received, etc. This can only be disbursed upon approval of the Board of Directors. This fund is intended for the necessary expenses of the SN, such as stationery and supplies, expenses for training of the membership and officials, transportation of officers, and other necessary expenses of the SN. Any unexpended balance is expected to be deposited in the depository bank of the SN as a separate savings account. . .
>
> The SN is initially not allowed to undertake business activities. All collections related to capital mobilization have to immediately be deposited in the bank. This is required to prevent the possibility of defalcations especially since the problems of accurate accounting have to be learned over a period of time. In the same way that excessive liquidity in a bank without an adequate system of internal control is tempting to the holders of such funds, the same is true in the SN, particularly in its early years of development. . .
>
> The compulsory savings program of the SN has two main sources. Those members who are availing themselves of short-term production credit from the rural banks, the Philippine National Bank and the Agricultural Credit Administration have to chip in five percent of the amount of their loans to the barrio savings fund. This amount is deducted upon release of their loans and is made as a time deposit in the name of the SN for the account of the member. And those who are non-borrowers are required to have a monthly savings of ₱5.00.

The barrio savings fund has its own social equity dimension. In the past, the agricultural credit policy of encouraging the well-to-do families to establish rural banks with generous government subsidies, resulted into the phenomenal growth of the rural banking system in terms of number and resources generated. There is no doubt that the return to investment, notwithstanding the significant increase in the market value of the original investment serves as the magnet for the establishment of new ones. There is hardly a bank, out of more than 700 presently existing, save for the very few which are not owned by a family or a group of well-to-do families. Interlocking directorates are not uncommon. (As of December 1979, there are 1000 rural banks in the country).

The information of the banking systems, in general, and of the rural banking system, in particular, in the name of diffusion of property ownership and of profits, has likewise been undertaken. The concept of community-oriented rural banks in terms of widening their ownership base is actively being pursued. In this policy-shift, the SN has been given the option to purchase the government equity in rural banks for conversion to common shares of stock. A maximum of forty percent equity for the SN has been set. Of course, such purchase is subject to negotiations between the Board of Directors of the Rural Bank on the one hand and of the Board of Directors of the SN on the other. In this way, the capital base of the rural bank will expand and the rural areas will have more credit available . . . Likewise, the farmers through their representatives will have participation in the management of the bank. It is also hoped that the feeling of ownership of the credit institution from which farmers borrow will bolster the accomplishments of the political, social equity and productivity objectives of agrarian reform.

Theoretically, a happy partnership between the SN and the rural bankers will reduce the cost of administering retail farm credit through group lending. Likewise, the problem of collection will be minimized if not totally eliminated since the SN will serve as the organization to help in the collection of loans of its members.

The barrio savings fund is intended for the purchase of government equity in the existing rural banks. Should no agreement between the rural banker and the Samahang Nayons be reached, the barrio savings fund will be utilized to capitalize a cooperative rural bank with the same subsidies and assistance provided for by the Central Bank of the Philippines. In the meantime, the barrio sav-

> ings fund is not withdrawable without the prior approval of the Bureau of Cooperatives Development. . .

Dr. Sacay describes the barrio guarantee fund as essentially

> a tax on land, with contributions based on capacity to pay. The source of the BGF is the one cavan of palay per hectare per harvest as the required contribution from every member. (This means that members who have larger farms and who harvest more than once a year will contribute more to BGF.) For those cultivating crops other than rice, the cash equivalent of one cavan is the requirement. For non-farmer members, the cash equivalent of one cavan of palay is the fixed annual contribution to the fund. The intended uses of the fund are to guarantee annual land amortization for the recipients of Certificate of Land Transfer; to pay for insurance premiums of all members; to guarantee loans of members up to three times the amount reserved for this purpose; and to finance a full-pledged cooperative. Collection of the BGF depends on the initiative of individual members to honor this obligation and on the officers' ability to persuade compliance. Unlike the BSF, compulsory deduction cannot be applied to collect the amount due.

Every feature of SN particularly its capital build-up program has been conceived, reasoned and designed not as an academic exercise and Dr. Sacay wrote the book on Samahang Nayon "to demonstrate three things (a) how past experience moulded the program's frame; (b) how logic provided its substance; and (c) how reality tempered our decisions." The emphasis, he said, was not on cooperatives but on development and the underlying objective of social equity is really based on the principle of human liberation whose major premise is that "only man can change his society." All these concepts have to meet the test of implementation. Attending the pre-membership education program, signing up as a member and paying one's membership fee are the first and lowest levels of commitment. From 1974 to 1979, the number of organized SNs grew from 15,320 to 21,235 and its membership from 676,575 to 1.02 million. On the other hand, the number of registered SNs grew from 11,575 to 18,180 and its membership from 545,582 to 933,536. It took more than 9 months to get organized and more than 13 to get registered. So the registration process alone took an average of 4.5 months. Major reasons for not being registered include: memers have not fully paid membership fees and annual dues; wait and see attitude of members;

reluctance to contribute to the savings program; declining interest of members and officers; and such things as registration papers submitted not acted upon, no follow-up by Municipal Development Officers, lack of forms, peace and order conditions, etc. Hence, even after the initial decision or "compulsion" to join, skepticism and reluctance to make further commitments is a nagging problem. Although members have already "put one foot inside" SN, so to speak, it is just as easy to take this one foot out as to bring "the other foot" into SN. In terms of motivational campaigns, therefore, the period between organization and registration probably needs more reinforcing attention from development workers in order to minimize discontinuities in commitment and reduce doubts as to the worthwhileness of the organization's objectives.

As far as knowledge about the BSF and BGF requirements are concerned, there was a reasonable degree of absorption. Table 2.35 shows an average of 70 percent among officers and 57 percent among members knowing the correct responses to 5 questions on the BSF. For the BGF, the average absorption was 79 percent for officers and 66 percent for members. The BGF was better understood than the BSF and more of the officers than the members knew the correct responses. But knowing the requirements and actually complying with them are two different things. Percentage compliance was computed on the basis of the following:

a) Expected BSF collection = number of months a SN has been in existence from date of registration to date of interview multiplied by number of members times ₱5.00. Five pesos is used as the constant since it is closest to the average amount per month on the basis of 5 percent deduction. It is also the required amount of savings per member for those who are not borrowing from institutional sources of credit.

b) $$\text{Percentage compliance} = \frac{\text{actual collection}}{\text{expected collection}} \times 100$$

The computed percentage compliance for the BSF fund is 50.3 and for the BGF, 28.7 percent. Because of the element of compulsory deduction from production loans borrowed by farmers from the banks, we can really expect higher contributions for the BSF than for the BGF. The 1974 survey done by ACCI indicated that 75 percent of the BSF collections from 5,387 SNs and 278,099 members

came from *borrower-farmers.* About 20 percent came from non-borrowing members and 4 percent from non-farmers. In effect, these borrower-farmers borrowed the amount that they contributed to BSF and are also paying an interest on it. To the extent that farmers repaid their production loans, they have actually contributed to the

TABLE 2.35
PERCENT OF OFFICERS AND MEMBERS GIVING CORRECT RESPONSE TO QUESTIONS ON BSF AND BGF REQUIREMENTS

	Officers	*Members*
BSF		
1. Contribution by borrowing farmer-member	73.0	55.7
2. Contribution by non-borrowing farmer	74.7	57.8
3. Contribution by non-farmer member	73.0	56.1
4. Withdrawability after membership	47.4	46.1
5. To be used for buying rural bank shares	82.5	71.3
Average percent	70.1	57.4
BGF		
1. Contribution of rice and corn farmer-member	86.7	74.4
2. Contribution of non-rice and corn farmer-member	75.6	61.0
3. Contribution of non-farmer member	73.2	57.3
4. To guarantee payment of land amortization	81.8	67.1
5. To pay CISP (Cooperative Insurance System of the Philippines) premiums	84.2	71.9
6. To capitalize in Kilusang Bayan and Rural Banks	85.2	73.0
7. To pay operating expenses for management take-over	67.1	50.8
8. Non-withdrawable after membership	80.3	69.2
Average percent	79.3	65.6

BSF. If they did not repay their loans, then it is the government which has contributed to the BSF since funds for lending came from the government.

One would have also thought that the compulsory deduction of the BSF contribution from the farmers' production loan from the rural banks would have been a fool-proof system of collecting the BSF. Things have not quite worked out that way. As the ACCI study explains:

> The aggressive implementation of the supervised credit program (Masagana 99) for all rice and corn farmers created problems for the bankers in identifying members of the SN, particularly for those borrowers not coming from the same municipality where the rural bank is located. This is also the main problem of the agencies and branches of the Philippine National Bank which covers many towns per agency/branch. Not a few of its personnel involved in the Masagana 99 short-term production credit program averred that they cannot adequately cope with the volume of work they have to do in processing and servicing the needs of the large number of borrowers, much less do they have the time to identify whether or not they are members of which SN. In the absence of the list of members of SN in its area of coverage, implementation of the compulsory savings program is contingent on the good faith of the borrowers with its own implications (considering the compulsory nature of the deductions). It is not an uncommon argument among farmers that the main reason why they are obtaining credit is the insufficiency of funds for their family and farm needs.

The BSF deduction is an additional burden from the point of view of some farmers.

The "happy partnership" between the SN and the rural bankers which was expected to reduce the cost of retailing farm credit through group lending did not prosper; neither did the role of the SN as a collecting agent for loans granted by the bank to the members. As a matter of fact, the SN-Rural Bank relationship was an unhappy one. The SN option to purchase the government equity in the rural banks up to a maximum of 40 percent did not materialize and the farmers never had a chance to participate in the management of the bank. In many ways, the altruism of the rural bankers has been overestimated and the strength of their vested interests minimized. Well-to-do families in the community are not about to yield their financial position to anybody and share their profits with some-

body else. Actually, because savings were deposited in the rural banks and SNs were not allowed to withdraw, the rural banks benefited from these deposits more than the SNs and the members themselves. It is the SNs which helped the rural banks rather than the other way around. By the end of December 1979, the Central Bank Governor explained that accommodations will be introduced by the Central Bank which would allow the rural banks to discount the SN deposits and allow the SNs to withdraw their BSF. The SNs may subsequently reinvest their savings in their own cooperative rural banks to service the banking needs of the cooperative movement.[10] Whether or not the earnings from the proceeds of the capital build-up program accrue to SN members depends on how well the funds are invested and managed. So far, these benefits are still a *promise,* not yet a reality. It will take a lot of learning and doing and failing plus a great deal of integrity and discipline before SNs reap the rewards from the capital that they mobilized among themselves.

Status of the Different Funds

By the end of 1974, more than ₱8 million have been collected for the general fund. Sixty-four percent came from membership fees, 22 percent from annual dues, half a percent from penalties and fines and 14 percent from other sources. Fifty-seven percent of the general fund was kept in the bank; 11 percent kept as cash on hand; 11 percent for SN expenses and 21 percent was withdrawn for the purpose of subscribing to the capital stock of the Cooperative Insurance System of the Philippines (CISP). The ACCI study observed that this 21 percent investment in the CISP created a widespread false notion among the officers and members alike that they were already insured with the system. They thought this amount was used to pay their premiums. In Dr. Sacay's scheme, premium payments are to come from the BGF account in the SN's depository bank. Only one policy will cover the entire SN membership. In the event of death of any member, the SN immediately advances the insurance payment to the beneficiary. It later claims for reimbursement. As he envisioned: "There will be no selling and collecting costs. Premium payment can then be brought down to the bare minimum. Payments to beneficiaries will be prompt. I believe that no insurance company can sell ₱2,000 life insurance policies to barrio residents at low rates.

But the insurance cooperative can, because the SN owns it and works for it."

With respect to the use of BGF funds for CISP premiums, there is some evidence on the acceptability of the notion that better-off members should have some responsibility for others. When asked if members who contribute more to BGF should have higher CISP coverage, 70 percent said "No". Only 20 percent agreed and the rest did not know. However, this seeming "acceptability" of the equity feature of SN is more theoretical and indirect. By 1975, less than 20 percent of 805 SNs studied were insured with CISP. The more than 70 percent of SNs which were not yet insured gave "inadequate BGF collection" and "No BGF collection" as their reasons. Without BGF, there is no insurance coverage. Side by side with some evidence of concern for "equity" is some evidence of selfish concern. Thirty percent of SN's already insured members expressed desire for additional insurance coverage but more than half of them wanted this additional insurance coverage to come from the BGF too. Only about one fourth think it should come from members' personal contribution. In effect, there are some members who want additional insurance at the expense of other members through BGF rather than their own. In the final analysis, the acceptability of the equity objective can best be directly shown by members' willingness to contribute to the BGF. The fact that percentage compliance of the BGF is only 29-percent does not exactly represent an overwhelming endorsement of SN's equity objective. BSF which is a compulsory deduction has 50 percent compliance.

The latter suspicion finds support in the reasons given by SN members for contributing to the BSF. Although 43 percent said they are convinced of its wisdom, more than 34 percent said BSF is required by the SN and 10 percent indicated the requirement of the lending institution with reference to the compulsory 5 percent deduction from the production loans. Forty-four percent, therefore, contributed to BSF because it is *compulsory*. On the other hand, more than two-thirds (67 percent) of BGF contributors did so because they were convinced of its wisdom. Only 5 percent of the officers complied simply to fulfill their obligations but they were not convinced of its wisdom.

Failure to come through with the BSF requirement was attributed by members to: "poor harvest;" "waiting for others to pay;"

failure of the lending institution to deduct 5 percent from production loans; belief that "BSF is not compulsory;" and lack of awareness of the BSF. In the case of BGF non-contributors, their two most important reasons for non-compliance are: "nobody collected BGF for me" and poor harvest. About 5 percent mentioned emergencies and illnesses in the family and 4 percent do not believe in the rationale for BGF. The non-enforcement of this requirement in some SNs appears to be a significant issue. According to the SNs who did not enforce the BGF, it was agreed upon by officers and members not to enforce the requirement since there were no amortizing owners in their particular organizations. Furthermore, some SN officers were not aware of BGF and a few were even told by the municipal development officer and the barrio development worker that BGF is not compulsory. Apparently, the "equity" feature is unattractive to some members because they do not want to contribute if they do not expect to benefit from it directly, i.e., as amortizing owners. Additional evidence which supports this interpretation is the fact that more officers feel that the BGF contribution for non-farmers and non-rice and corn farmers is too high. Twenty-one percent believe that only land-amortizing members should be compelled to contribute to the BGF and almost 60 percent feel that they can be required to contribute more than other members.

On the whole, despite some level of compliance with the savings program, practically 90 percent of SNs studied regard BSF and BGF collection as a problem.

As a final test of SNs capital mobilization scheme, we present Tables 2.36 to 2.44 which contain data on actual collections and growth trends from 1974 to 1979. The following observations can be made from these data:

1. On a cumulative basis, over a five-year period, SN has generated a total of ₱94.67 million with ₱20.9 million from the General Fund; ₱41.1 million from the BSF and ₱32.6 million from the BGF. These amounts came from a total of 18,180 registered SNs with a total membership of almost a million (933,536). The total contribution per SN of about 51 members is ₱5,207.52 which is about ₱101.41 per member over a 5-year period. This amount is distributed as follows: ₱22.41

TABLE 2.36
SAMAHANG NAYON CONSOLIDATED GENERAL FUND

REGION	*1974*	*1975*	*1976*	*1977*	*1978*	*1979*
I	₱ 768,565.19	₱ 1,454,177.32	₱ 1,477,665.92	₱ 1,691,401.13	₱ 1,696,637.04	₱ 1,699,785.62
II	624,119.53	806,899.35	978,011.54	1,165,419.93	1,253,090.26	1,254,074.05
III	1,053,503.58	1,622,646.66	2,552,928.04	3,375,412.91	3,398,704.84	3,437,910.44
IV	920,601.14	1,146,299.86	1,504,876.41	1,687,329.07	1,681,394.01	1,720,180.63
V	689,489.64	768,830.94	850,612.33	1,090,061.15	1,124,851.45	1,127,060.35
VI	863,777.37	1,029,579.27	3,576,776.23	3,597,900.49	3,612,956.45	3,623,525.27
VII	691,315.00	838,139.11	994,508.21	1,085,060.75	1,114,052.98	1,163,098.35
VIII	319,215.90	556,420.27	685,284.37	771,189.12	823,375.26	827,262.05
IX	301,847.58	360,099.76	446,876.78	595,088.70	603,704.16	624,014.01
X	1,179,763.84	1,213,675.68	1,435,068.92	1,745,301.12	2,194,124.28	2,301,470.38
XI	677,773.83	818,982.50	1,040,353.76	1,650,217.42	1,803,651.16	2,147,008.89
XII	–	638,032.25	756,650.84	832,199.09	858,884.01	999,171.60
TOTAL	₱8,089,962.60	₱11,253,782.97	₱16,299,613.35	₱19,286,580.88	₱20,165,425.90	₱20,924,561.64
No. of Registered SNs	11,575.00	14,111.00	16,491.00	17,555.00	17,956.00	18,180.00
No. of Registered members	545,582.00	686,801.00	828,948.00	896,708.00	924,358.00	933,536.00
Aver. contribution per registered SN	₱ 698.92	₱ 797.52	₱ 988.39	₱ 1,098.64	₱ 1,123.05	₱ 1,150.97
Aver. contribution per registered member	₱ 14.80	₱ 16.32	₱ 19.66	₱ 21.50	₱ 21.81	₱ 22.41
Aver. No. of members per SN	47	49	50	51	51	51

TABLE 2.37
ANNUAL GROWTH OF GENERAL FUND STARTING 1974 TO 1979

Region	*1974-1975*	*1975-1976*	*1976-1977*	*1977-1978*	*1978-1979*
I	685,612.13	23,488.60	213,735.21	5,235.91	3,148.58
II	182,779.82	171,112.19	187,408.39	87,670.33	983.79
III	569,143.08	930.281.38	822,484.87	23,291.93	39,205.60
IV	225,698.72	358,576.55	182,452.66	(5,935.06)	38,786.62
V	79,341.30	81,781.39	239,448.82	34,790.30	2,208.90
VI	165,801.90	2,547,196.96	31,124.26	15,055.96	10,568.82
VII	146,824.11	156,369.10	90,552.54	28.992.23	49,045.37
VIII	237,204.37	128,864.10	85,904.75	52,186.14	3,886,79
IX	58,252.18	86,777.02	148,211.92	8,615.46	20,309.85
X	33,921.84	221,393.24	310,232.20	448,823.16	107,346.10
XI	141,208.67	221,371.26	609,863.66	153,443.74	343,357.73
XII	638,032.25	118,618.59	75,548.25	26,684.92	140,287.59
Total	3,163,820.37	5,045,830.38	2,986,967.53	878,845.02	759,135.74

*Figure in parenthesis is of negative sign, meaning decrease in number.

TABLE 2.38
ANNUAL PERCENTAGE CHANGE IN GENERAL FUND STARTING 1974 to 1979

Region	*1974-1975*	*1975-1976*	*1976-1977*	*1977-1978*	*1978-1979*
I	89.21	1.62	14.46	0.31	0.19
II	29.29	21.21	19.16	7.52	0.08
III	54.02	57.33	32.22	0.69	1.15
IV	24.52	31.28	12.12	(0.35)	2.31
V	11.51	10.64	28.15	3.19	0.20
VI	19.19	247.40	0.59	0.97	0.29
VII	21.24	18.66	9.11	2.67	4.40
VIII	74.31	23.16	12.54	6.77	0.47
IX	19.30	24.10	33.17	1.45	3.36
X	2.88	18.24	21.62	25.72	4.89
XI	20.83	27.03	58.62	9.30	19.04
XII	0.00	18.59	9.98	3.21	16.33
Average	39.11	44.84	18.33	4.56	3.76

*Figure in parenthesis is of negative sign, meaning percentage decrease.

TABLE 2.39
SAMAHANG NAYON CONSOLIDATED BARANGAY SAVINGS FUND

REGION	1974	1975	1976	1977	1978	1979
I	₱ 855,669.96	₱ 1,472,017.79	₱ 2,080,829.42	₱2,466,252.01	₱2,486,505.26	₱2,509,738.26
II	489,466.60	1,120,406.53	1,810,535.96	2,389,751.92	2,482,563.59	2,491,580.54
III	1,930,947.98	3,804,670.81	7,071,899.02	11,973,443.66	12,715,362.85	12,754,252.60
IV	114,678.55	2,173,101.50	3,018,947.12	3,637,894.94	3,725,923.72	3,829,569.94
V	547,827.91	1,493,704.68	1,786,683.52	2,289,972.27	2,429,671.64	2,483,125.00
VI	971,575.45	1,910,418.70	3,820,871.98	3,938,031.85	4,185,973.64	4,210,165.75
VII	343,162.56	749,461.45	1,094,572.77	1,615,436.37	2,379,399.65	2,395,774.18
VIII	37,118.19	238,281.45	354,874.34	488,017.59	538,234.24	542,283.76
IX	83,602.75	161,537.50	266,860.90	383,335.86	386,929.33	388,061.13
X	713,500.32	1,064,299.21	2,494,465.32	2,178,631.22	3,676,147.61	4,059,297.23
XI	416,481.22	1,256,404.75	1,996,814.48	2,419,664.29	2,636,807.22	3,574,025.79
XII	—	619,643.46	1,382,618.99	1,711,134.20	1,823,055.01	1,893,376.54
TOTAL	₱6,486,031.49	₱16,063,947.83	₱27,179,973.82	₱35,536,566.18	₱39,466,573.76	₱41,131,250.72
No. of Registered SNs	11,575.00	14,111.00	16,491.00	17,555.00	17,956.00	18,180.00
No. of Registered members	545,582.00	686,801.00	828,948.00	896,708.00	924,358.00	933,536.00
Aver. contribution per registered SN	₱ 560.35	₱ 1,138.40	₱ 1,648.17	₱ 2,024.30	₱ 2,197.96	₱ 2,262.44
Aver. contribution per reg. member	₱ 11.88	₱ 23.39	₱ 32.78	₱ 39.63	₱ 42.69	₱ 44.06

TABLE 2.40
ANNUAL GROWTH OF BARANGAY SAVINGS FUND STARTING 1974 TO 1979

Region	*1974-1975*	*1975-1976*	*1976-1977*	*1977-1978*	*1978-1979*
I	616,347.83	608,811.63	385,422.59	20,253.25	23,233.00
II	650,939.93	690,129.43	579,215.96	92,811.67	9,016.95
III	1,873,722.83	3,267,228.21	4,901,544.64	741,919.19	38,889.75
IV	2,058,422.95	845,845.62	618,947.82	88,028.78	103,646.22
V	945,876.77	292,978.84	503,288.75	139,699.37	53,453.36
VI	938,843.25	1,910,453.28	162,159.87	202,941.79	24,192.11
VII	406,298.89	345,111.32	520,863.60	763,963.28	16,374.53
VIII	201,163.26	116,592.89	133,143.25	50,216.65	4,049.52
IX	77,934.75	105,323.40	116,474.96	3,593.47	1,131.80
X	350,798.89	1,430,166.11	315,834.10	1,497,516.39	383,149.62
XI	837,923.53	740,409.73	422,849.81	217,142.93	937,218.57
XII	619,643.46	762,975.53	328,515.21	111,920.81	70,321.53
Total	9,577,916.34	11,116,025.99	8,376,592.56	3,930,007.58	1,664,676.96

TABLE 2.41
ANNUAL PERCENTAGE CHANGE OF BARANGAY SAVINGS FUND STARTING 1974 TO 1979

Region	*1974-1975*	*1975-1976*	*1976-1977*	*1977-1978*	*1978-1979*
I	72.03	41.36	18.52	0.82	0.93
II	138.66	61.60	13.19	3.88	0.36
III	97.04	85.87	69.31	6.19	0.30
IV	1,794.95	38.92	20.50	2.41	2.78
V	172.66	19.61	28.16	6.10	2.20
VI	96.63	100.00	4.24	5.09	0.57
VII	118.40	46.05	47.58	47.29	0.68
VIII	541.95	48.93	37.51	10.28	0.75
IX	93.22	65.20	43.64	0.93	0.29
X	49.17	134.38	12.66	68.73	10.42
XI	200.23	58.93	21.18	8.97	35.54
XII	0.00	123.13	23.76	6.54	3.85
Average	147.60	69.19	30.81	11.05	4.21

TABLE 2.42
SAMAHANG NAYON CONSOLIDATED BARANGAY GUARANTEE FUND

REGION	*1974*	*1975*	*1976*	*1977*	*1978*	*1979*
I	₱ 922,356.21	₱1,421,556.42	₱2,048,794.11	₱2,109,175.78	₱2,144,903.80	₱2,206,255.77
II	966,664.28	1,576,427.36	1,983,226.86	2,516,287.40	2,617,219.38	2,711,963.76
III	2,274,159.85	4,149,657.70	5,502,214.99	9,673,468.28	11,637,095.73	11,851,653.82
IV	668,805.49	1,244,680.04	1,611,426.30	2,230,101.22	2,275,935.32	2,292,261.35
V	610,663.79	1,075,633.87	1,218,476.91	1,860,643.86	1,992,970.36	2,079,029.88
VI	888,182.06	1,422,455.58	2,522,222.52	2,722,291.70	2,745,966.74	2,803,723.30
VII	182,285.88	420,243.45	1,474,692.10	1,594,310.27	1,628,948.31	1,654,779.38
VIII	139,113.83	408,387.30	612,240.51	774,157.85	866,513.22	887,930.45
IX	145,142.76	193,656.71	321,990.55	423,355.12	453,444.23	463,402.41
X	379,049.97	1,585,208.51	1,703,955.35	2,098,322.99	2,348,026.22	2,519.940.40
XI	401,632.48	727,221.10	1,107,492.20	1,499,919.16	1,633,466.35	1,962,153.83
XII	–	321,938.56	669,047.17	853,938.27	977,883.81	1,183,754.76
TOTAL	₱7,578,056.60	₱14,547,066.60	₱20,775.779.57	₱28,356.151.90	₱31,322,373.47	₱32,616,849.11
No. of Registered SNs	11,575.00	14,111.00	16,491.00	17,555.00	17,956.00	18,180.00
No. of Registered members	545,582.00	686,801.00	828,948.00	896,708.00	924,358.00	953,536.00
Aver. of contribution per Registered SN	₱ 654.69	₱ 1,030.90	₱ 1,259.83	₱ 1,615.27	₱ 1,744.39	₱ 1,794.11
Aver. contribution per Registered member	₱ 13.88	₱ 21.18	₱ 25.06	₱ 31.62	₱ 33.88	₱ 34.94

TABLE 2.43
ANNUAL GROWTH OF BARANGAY GUARANTEE FUND STARTING 1974 TO 1979

Region	*1974-1975*	*1975-1976*	*1976-1977*	*1977-1978*	*1978-1979*
I	499,200.21	627,237.69	60,381.67	35,728.02	61,351.97
II	609,763.08	406,799.50	533,060.54	100,931.98	94,744.38
III	1,875,497.85	1,352,557.29	4,171,433.29	1,963,447.45	214,558.09
IV	575,874.55	366,746.26	618,674.92	45,834.10	16,326.03
V	464,970.08	142,843.04	642,166.95	132,326.50	86,059.52
VI	534,273.52	1,099,766.94	200,069.18	23,675.04	57,756.56
VII	237,957.57	1,054,448.65	119,618.17	34,638.04	25,831.07
VIII	269,273.47	203,853.21	161,917.34	92,355.37	21,417.23
IX	48,513.95	128,333.84	101,364.57	30,089.11	9,958.18
X	1,206,158.54	118,746.84	394,367.64	249,703.23	171,914.18
XI	325,588.62	380,271.10	392,426.96	133,547.19	328,687.48
XII	321,938.56	347,108.61	184,891.10	123,945.54	205,870.95
Total	6,969,010.00	6,228,712.97	7,580,372.33	2,966,321.57	1,294,475.64

TABLE 2.44
ANNUAL PERCENTAGE CHANGE OF BARANGAY GUARANTEE FUND STARTING 1974 TO 1979

Region	*1974-1975*	*1975-1976*	*1976-1977*	*1977-1978*	*1978-1979*
I	54.12	44.12	2.94	1.69	2.86
II	63.07	25.80	26.87	4.01	3.62
III	82.46	32.59	75.81	20.29	1.84
IV	86.10	29.46	38.39	2.05	0.71
V	76.14	13.27	52.70	7.11	4.31
VI	60.15	77.31	7.93	0.86	2.10
VII	130.54	250.91	8.11	2.17	1.58
VIII	193.56	49.91	26.44	11.92	2.47
IX	33.42	66.26	31.48	7.10	2.19
X	318.20	7.49	23.14	11.90	7.32
XI	81.06	52.29	35.43	8.90	20.12
XII	0.00	51.88	27.63	14.51	21.05
Average	91.96	42.81	36.48	10.46	4.13

for the General Fund; ₱44.06 for the BSF and ₱34.94 for the BGF. Roughly, each SN member contributed ₱20 a year to the capital build-up fund.

2. Although the grand total collection of almost a ₱100 million is impressive, the trend in growth of additional collections is not as encouraging. The annual percent increment to the general fund declined from 39 percent in 1974-75 to 3.76 percent in 1978-79. For the BSF, the percent incremental growth was from 147.6 percent in 1974-75 to 4.21 percent in 1978-79. For the BGF, the corresponding figures are 91.96 and 4.13 percent, respectively. SN seems to have hit its peak during the second year of its existence. By 1978, collections have dwindled considerably. From 1974-75, BSF contributions amounted to ₱9.58 million. By 1978-79, the incremental collection was only ₱1.66 million. For BGF, contributions reached ₱6.97 million for 1974-75; climbed to ₱7.58 million for 1976-77 but dropped drastically to ₱2.96 million the following year and then dipped lower to ₱1.29 million in 1978-79.

Despite the downward spiralling of capital mobilization, SN boasts of something quite unique. While almost all development programs give something material by way of loans, infrastructure, seeds, subsidized inputs, etc., the cooperatives development program at its SN phase gave nothing but training lessons and "hope", as Dr. Sacay puts it. The SN is probably the only program that has succeeded in raising funds from farmers although as mentioned earlier, part of these funds especially for the BSF also came from the government-sponsored agricultural credit program.

One other unmistakable lesson from these data is the power of numbers. Even at ₱20 per member per year, with almost a million members, it is possible to raise nearly a hundred million pesos.

E. *SN and Discipline*

For the pre-cooperative stage, the importance of discipline was emphasized. Dr. Sacay argues that

> without discipline, a cooperative movement will not survive. . . Farmers must appreciate the value of discipline before and not after they have been organized into a cooperative. There are 3 cardinal rules a member of the SN must observe:
>
> (a) a member must practice improved cultural practices;

(b) he must save; and
(c) he must pay for annual land amortizations on time.

Violations of any of these rules may bring a fine or suspension. The second to the most severe recourse is the take-over of management of a member's farm by the SN. The most severe is expulsion, which can be ordered by the Board of Directors, although a member may appeal to the general assembly.

Among the different lessons taught about the SN, those about discipline or the penalties to be imposed for particular types of offenses were the "least learned" or the percent of respondents giving the correct response on disciplinary measures was the lowest compared to other features of SN.

Table 2.45 shows the extent to which members committed the different offenses 3 or more times. It is obvious that non-payment of BSF, BGF and annual dues were the more frequent violations with about half of the members being "guilty". Attending meetings and training sessions seem to have been complied with by majority of members. Non-repayment of loans is probably underreported because SN members who obtained loans from the banks were not always identified as such and, therefore, their non-repayments are not reflected in SN records.

TABLE 2.45
SNs WITH MEMBERS COMMITTING OFFENSES 3 OR MORE TIMES.
(Percent of average number of members committing offense) (795 SNs)

1.	Non-payment of annual dues	43.3
2.	Non-payment of BSF	55.7
3.	Non-payment of BGF	50.3
4.	Non-payment of loans	22.4
5.	Non-attendance of meetings	27.3
6.	Non-attendance of training sessions	16.9

For the relationships between knowledge about disciplinary measures and actual imposition of penalties, we can look at Table 2.46. Knowing the correct penalty does not necessarily mean the penalty will be implemented. For such significant offenses as non-payment of BGF and BSF, only 4 percent of those who knew the correct penalty implemented it. There was better translation of

knowledge into practice for lighter offenses like non-attendance of meetings and late payment of fees and dues. Apparently, lighter penalties are easier to impose than heavier ones.

Although 80 to 95 percent of officers and members agree with the required penalties, those who did not, suggested "none" or lighter punishments such as fines. They made these suggestions in order no to discourage prospective members and to keep the goodwill

TABLE 2.46
NUMBER OF OFFICERS WHO KNEW THE CORRECT PENALTIES AND WHO IMPOSED PENALTIES, BY TYPE OF OFFENSE

Offense	*Number Who Knew the Correct Penalty*	*Number Who Implemented the Penalty*	$\frac{\text{Col. 3}}{\text{Col. 2}} \times 100$
	(2)	(3)	(4)
1. Non-attendance of meeting	3501	1207	34.5
2. Late payment of fees/dues	1858	409	22.0
3. Not using improved varieties	850	27	3.2
4. Late payment of land amortization	1036	25	2.4
5. Non-payment of BGF	1011	40	4.0
6. Non-payment of BSF	939	39	42

of the members. If has often been said that Filipinos are reluctant to impose discipline on their own friends, relatives, compadres, and barriomates. To look into this matter, officers were asked if discipline could be better imposed by outsiders. One third of 3,751 officers replied "Yes" and two-thirds disagreed. Those who believe in discipline from the "outside", recommended the BDW/MDO, the Military, the Mayor and Barangay Captain as outsiders who should impose discipline on SN members. The desirability of outside authority, therefore, is not without basis. There are those who prefer it.

Besides the fact that disciplinary measures have not been exercised much, what minimal imposition of penalties was evident dec-

lined and mostly disappeared over a two-year period. Table 2.47 illustrates this. Reports on SNs taking "no action" on non-payment of BGF and BSF increased from 42 percent in 1974-75 to more than 70 percent in 1975-76. Even simple "warning" declined from about 50 to 11 percent. The only offense where a fourth of the SNs reported continuing imposition of fines over the 2-year period is failure to attend seminars and meetings. This is interesting because the lightest offense seems to have been easier to penalize. Naturally, a light offense also begets a light penalty. Heavier penalties for more serious offenses have been more difficult to implement. *It seems that discipline is the least implemented of the three major features of Samahang Nayon.*

F. *The SN: An Early Assessment of Performance and Prognosis of the Future*

1. *Assessment by SN members*

Although SN's performance as an organization can be quantitatively assessed in terms of number of lessons correctly learned from training programs; amount of savings they have generated; and extent to which disciplinary measures have been implemented, another way of assessing is to ask members themselves what they think of their own SN. If they do not believe in it, SN is almost doomed to fail even from a "self-fulfilling prophecy" alone. From 5,289 members, *the verdict on their SN's status was less than 40 percent calling it a "success", 11 percent "failure" and about half "neither success nor failure".* Although the percent of members who regard SN as a failure is small, the judgment of "neither success nor failure" is a bothersome one. It could be a polite or compromise reply to the question. At any rate, the trend of replies could be interpreted as a more positive than negative assessment of SN, thus far. In their enumeration of "success factors," about a third of the responses centered on the quality of external input from government such as efficiency of the MDO, the BDW, the government technician inspired by serious government attention to rural development and incentives given by the government. This latter factor was given much, much more attention by members than by officers. Apparently, government incentives are more salient to members than to officers in their assessment of what makes for a successful SN. About 70 percent of

TABLE 2.47

SNs WITH ERRING MEMBERS AND DISCIPLINARY MEASURES IMPOSED IN THE YEARS 1974-1975 AND 1975-76. (Based on 301 SNs which were covered in the above status surveys of SN.)

	Disciplinary Measures							
	Not Paying BGF				*Not Paying BSF*			
	1974-75		*1975-76*		*1974-75*		*1975-76*	
	No.	*Percent*	*No.*	*Percent*	*No.*	*Percent*	*No.*	*Percent*
No. of SNs reporting	301				301			
SNs with erring members	136	45.2	190	63.1	133	44.2	181	60.1
Actions taken								
No action	57	42.0	148	77.9	57	42.9	135	74.6
Warning	68	50.0	20	10.5	63	47.4	21	11.6
Fines	2	1.5	2	1.0	2	1.5	3	1.7
Suspension	–	–	1	0.5	–	–	–	–
Farm management take-over	4	2.9	2	1.0	3	2.3	–	–
Expulsion	1	0.7	–	–	4	3.0	2	1.1
Others	4	2.9	17	9.0	4	3.0	20	11.0

	Disciplinary Measures							
	Not Paying Annual Dues				Not Attending Seminars/ Meetings			
	1974-75		1975-76		1974-75		1975-76	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent
SNs with erring members	148	49.2	180	59.8	209	69.4	173	57.4
Actions taken								
No action	57	38.5	136	75.6	79	37.8	99	57.2
Warning	70	47.3	21	11.7	69	33.0	17	9.8
Fines	20	13.5	11	6.1	55	26.3	45	26.0
Suspension	–	–	–	–	–	–	–	–
Farm management take-over	–	–	–	–	–	–	–	–
Expulsion	1	0.7	2	1.1	1	0.5	2	1.2
Others	–	–	10	5.6	5	2.4	10	5.8

the responses gave credit to themselves such as: the wholehearted cooperation of members; efficiency of SN officers and their integrity and honesty. In trying to identify the "failure factors", 82 percent of the responses placed the blame on the membership as revealed in such responses as unwillingness of members to pay financial obligations, low capacity to pay, non-attendance of members at meetings, inefficiency, and dishonesty of SN officers. Only 12 percent found fault with the external input such as inefficiency of the MDO and the BDW.

These findings are encouraging in the light of the desire to develop SN as a village level institution. One can infer from the responses that what government input served as incentives and "inspiration," their success was being attributed to their own members and officers' efforts. On the other hand, the failure is only slightly being blamed on the government input such as the MDO and the BDW. More than 80 percent trace the failure to their own inadequacies, both of members and officers. Perhaps this is an indication that SN is regarded by members as their own organization. We may recall the earlier findings which cited that 70 percent felt that officers can manage SN affairs without the MDO although they claim that they could not manage without government assistance.

When asked about the most serious problem of the SN, nonpayment of BGF and BSF by members topped their list with undisciplined/uncooperative members as a very far second. Almost 90 percent of the officers admitted to having problems collecting BGF and BSF. To overcome collection problems, officers mostly called meetings to discuss possible solutions but almost as many took no action at all. Members' assessment of the benefits derived from SN ranked its role as a source of information and guidance on farming as the most significant followed by better cooperation of members; facility in obtaining credit; and facility in obtaining supplies at lower cost and better prices for marketing produce. Insurance benefits came next and SN's role as facilitator in land transfer program as the least significant benefit derived from SN. About a third indicated either insignificant or no benefit at all on this aspect of SN.

2. *Assessment by local officials and field workers*

In the new cooperatives development program, Dr. Sacay recognized the need for support from the local level. As he expressed it:

> I was depending on local government officials to push the program. So after training at our education and training center, the trainors held seminars in each province through the Provincial Rural Development Council (PRDC) which involved the Provincial Governor, the Provincial Council, heads of agencies in the provinces, the leaders of private and religious sectors. . . . Our field workers, in turn, conducted seminars for the Municipal Rural Development Council (MRDC) to involve the Mayors, Municipal Councilors, Barrio Captains, and other government agency field workers, civic and religious leaders. . .

Given this expressed need, the field workers' training and their responsibility for program implementation and the attempt to bring local officials into the orbit of SN, how do these field workers and local officials view the different features of SN? From Table 2.48, we can identify the trends in the opinions of three groups of respondents: Mayors, Barangay Chairmen, MDOs and BDWs.

TABLE 2.48
OPINIONS ON THE SAMAHANG NAYON AMONG MAYORS, BARANGAY CHAIRMEN, MDOs AND BDWs

		Positive	*Negative*	*Conditional*	*Others*
			(In Percent)		
General prospect for success of SN					
Mayors	(392)	61.7	1.8	29.1	7.4
Barangay Chairmen	(794)	72.0	1.0	21.8	5.2
MDO/BDWs	(436)	58.0	2.1	37.4	2.5
Total	1622	65.8	1.5	27.7	5.0
Prospect for success of SN in the localities					
Mayors		59.2	4.1	34.9	1.8
Barangay Chairmen		57.3	7.7	31.8	3.2
MDO/BDWs		54.8	4.8	38.8	1.6
	Total	57.1	6.0	34.5	2.4
Opinions on the BGF					
Mayors		62.8	20.9		16.3
Barangay Chairmen		76.6	11.8		11.6

Table 2.48 (cont'd)

MDO/BDWs	73.4	25.0		1.6
Total	72.4	17.6		10.0
Opinions on the BSF				
Mayors	53.1	24.5		22.4
Barangay Chairmen	68.3	12.1		19.6
MDO/BDWs	73.9	20.6		5.5
Total	66.1	17.4		16.5
Opinions on the imposition of discipline among SN members				
Mayors	64.3	23.7		12.0
Barangay Chairmen	75.2	16.7		8.1
MDO/BDWs	69.7	28.2		2.1
Total	71.1	21.5		7.4
Opinions on SN as channel of farm inputs and products				
Mayors	66.6	17.1	5.3	11.0
Barangay Chairmen	74.2	8.1	5.9	11.8
MDO/BDWs	68.8	18.6	11.4	1.2
Total	70.9	13.1	7.3	8.7
Opinions on SN as channel of gov't services				
Mayors	65.0	8.4	15.6	11.0
Barangay Chairmen	65.4	8.9	12.5	13.2
MDO/BDWs	74.8	13.7	8.5	3.0
Total	67.8	10.1	12.2	9.9
Opinion on SN as facilitating instrument for land reform				
Mayors	64.6	21.4		14.0
Barangay Chairmen	61.5	22.3		16.2
MDO/BDWs	74.5	24.1	———	1.4
Total	65.7	22.6		11.7

a) In the prognosis for success of SN in general and its prospect for success in the localities, the field workers were the least positive. Their replies were more conditional, with the "if clauses", such as "if requirements were adapted to local conditions", etc.
b) For the three groups, the most positively assessed feature is the BGF, followed by the imposition of discipline among SN members and SN as a channel of farm inputs and products.
c) For the field workers, the two most attractive features of SN are its roles as channel of government services and as facilitating instrument for land reform. This is understandable since field workers are responsible for delivering government services. A strong SN would facilitate this role for them. With regard to the SN as an instrument for land reform, this function was one of the major rationale for its existence and, therefore, MDOs and BDWs are well "educated" on its significance.
d) Taking all the 8 aspects together, Barangay Chairmen, MDOs and BDWs have a more positive view of SN than Mayors.
e) When we examine the categorically negative assessments by the three groups combined, we find that SN's land reform role, discipline, BGF and BSF are the most unattractive. While the land reform role was positively viewed by 75 percent of the field workers, the 24 percent were clearly negative about it. This was the case also with their views of BGF and discipline. They have no conditional responses on these aspects. In other words, while the majority of them endorse these features positively, those who do not, are definitely negative rather than conditionally positive.
f) The most discouraging finding from Table 2.48 is the fact that the "prospect for success of SN in the localities" received the lowest positive assessment from all three groups and the highest conditional response. Since these conditions are not easy to meet, these conditional assessments can be regarded as leaning more toward the negative than the positive. Probably, they are also reflections of actual difficulties encountered in the process of implementing the program at the local level, and, therefore, there is more pessimism than optimism in the "if clauses". If only a little over one-half of

TABLE 2.49
THE MOST FREQUENTLY MENTIONED COMMENTS ON DIFFERENT SN FEATURES

SN features commented upon	*MOST FREQUENT COMMENTS*		
	Positive	*Negative*	*Conditional*
1. General prospect of SN	SN is of great socio-economic benefits to members.	Difficulty of success due to: people's bad experiences with the cooperatives in the past; poor BGF and BSF collection; and no immediate benefits for SN members; education materials not arriving on time; field-workers' lack of dedication; government officials and agency personnel lack of knowledge on the SN program; and non-coordination of some government agencies with local officials.	If requirements were adapted to varying local conditions; if regulations and requirements were imposed and carried out properly; and if education and services were given to SN member.
Success of SN in locality	Members/officers are cooperative, receptive, and show interest in their SN.	Difficulty of success due to: people's bad experiences with the cooperatives in the past; poor BGF and BSF collection; no immediate benefits for	If there would be continuous cooperation and interest in SN activities by SN officers and government fieldworkers.

Table 2.49 (Continued)

SN features commented upon	*MOST FREQUENT COMMENTS*		
	Positive	*Negative*	*Conditional*
		SN members; education materials not arriving on time; fieldworkers' lack of dedication; government officials and agency personnel lack of knowledge on the SN program; and non-coordination of some government agencies with local officials.	
3. BGF	BGF is good and being implemented because it would be beneficial to SN members especially if spent "realistically"; it is in accordance with the rules of the Board of Directors; and it is accepted by both members and non-members.	BGF is difficult to implement because members cannot afford, no immediate benefit, past bad experiences, poor harvest, wait-and-see attitude of members, and members are small landowners.	NONE
4. BSF	BSF is being implemented and accepted because it would be beneficial to mem-	BSF is difficult to implement because: it is too burdensome; there is no co-	NONE

Table 2.49 (Continued)

SN features commented upon	*MOST FREQUENT COMMENTS*		
	Positive	*Negative*	*Conditional*
	bers; it will be used in forming AMC/CRB or for emergency; it teaches saving; and it is refundable.	operation among members and officers; it is difficult to understand; lack of DLGCD supervision; not enforced by officers resulting to no/low collection; and no immediate benefits for SN members.	
5. Disciplinary Measures		The disciplinary measures must be imposed on erring members to insure the realization of the SN's objectives and penalties must be enforced by the military.	The disciplinary measures should not be implemened because they are inapplicable or too harsh/drastic, to prevent driving away members and prospective members.
6. SN as channel of farm inputs and products	It makes possible lower prices for farm inputs and higher prices for farm products and middlemen will be eliminated	SN does not function as channel of farm inputs and products because technicians are against such practice; besides, it is impractical.	SN is not yet prepared to serve as channel of farm inputs and products.
7. SN as channel of government services	SN is a means of getting technical/ financial assis-	No government services were channeled through	SN, to be an effective channel of government serv-

Table 2.49 (Continued)

SN features commented upon	*MOST FREQUENT COMMENTS*		
	Positive	*Negative*	*Conditional*
	tance from the government and private agencies; facilitates outreach of government programs to rural people.	the SN because it is not functional; it would be in conflict with Barrio Council; other government agencies do not coordinate with SN; not all barrio people are SN members.	ices, must have responsible officers and members, fully trained and active, and must be recognized as partner, not rival, in rural development.
8. SN as instrument of land reform	SN complements Agrarian Reform, bringing about tenurial changes and making farmers owners of the land they till.	SN as a facilitating instrument of land reform is not applicable because their area is not covered by land reform.	NONE

local officials and field workers themselves are definitely positive on SN's prospect for success in the localities, then the SN can easily become the victims of a self-fulfilling prophecy. Furthermore, as a local village-level institution, if they think SN cannot succeed there, it cannot succeed anywhere.

For more insights on what lies behind the positive, negative and conditional assessment, let us turn to Table 2.49. The positive comments are easy to comprehend because they are the obvious rationale for SN anyway except for the disciplinary measures which respondents indicated *"must be enforced by the military"* in order to insure the realization of SN's objectives. What are more instructive for program and training implications are the negative and conditional comments.

Some of these which deserve more than cursory enumeration are:

a) The feeling that SN would succeed if requirements were adapted to varying local conditions instead of a one-system-one-blueprint-one-model for operations;

b) The admission that government officials and agency personnel lack knowledge on the SN program;

c) The realization that BSF provides no immediate benefits for SN members;

d) The fear that disciplinary measures are too harsh and drastic as to drive away present and prospective members. In the light of previous findings on discipline as the least learned and least practiced of SN features, perhaps this deserves re-examination.

e) The revelation that technicians are against the use of SN as a channel of farm inputs and products. The reason behind technicians' objections to this vital role defined for SN must be determined. One cannot help speculating that their objection derives from the rumor that technicians work together with dealers in the provision of farm inputs. If SN were to assume this function, this would cut out the technicians' business.

f) The reservations on SN's role as a channel of government services are very well-founded indeed. SN cannot be a channel if it is non-functional. Moreover, if not all barrio people are SN members, the rest cannot benefit from SN-channeled services. Furthermore, this role is presently being played by the barrio council.

All the discussions in this section have focused on the opinions held by local officials. We need to know how they actually behaved with respect to SN. This is important because right from the start, implementors were not sure how local officials would respond to the program. This uncertainty about SN's acceptability to local officials arises from two sources:

a) As a new organization at the village level and with the explicit proviso that barrio oficials could not become members of the Board of Directors, there was some apprehension that barangay officials would not look at SN with great favor.

b) Since SN is not part of local government and municipal officials would have no authority over it, there was a feeling that SN would at best be of marginal or of no interest to them.

When asked whether SNs were assisted by barangay officials, 80 percent of the officers said "Yes". This assistance came in the form of help in membership campaigns, arranging membership meetings, securing loans, accommodating SN visitors and disseminating SN related information. For those who said that they did not receive any assistance from barangay officials, less than 10 percent said that they exerted negative influence against SN. Perhaps we can say that most of those who did not help SN did not hurt it either. Those who actively impeded SN's activities did so by becoming members of SN but deliberately not fulfilling their obligation, thereby influencing members; making discouraging remarks and disseminating derogatory information about SN; blocking SN activities in the barrio; dissuading other members in paying their financial obligation; and conniving with landlords in harassing tenants who are members of SN. It is quite clear that the few barangay officials who worked against SN did so in a variety of organizational "sabotage" efforts.

Although more SN officers mentioned having been assisted by barangay (80 percent) than by municipal officials (55 percent), the latter's assistance appears to be more substantial. In addition to helping in the membership campaign, municipal officials arranged for the extension of technical assistance to SN; obliging barangay officials to help SN; coordinating activities of all SNs in the municipality; allowing SN to use municipal government facilities; allocating some funds for SN projects and activities; and initiating infrastructure projects supportive of SN. About those municipal officials who did not assist SN, less than 4 percent of the SN officers mentioned that such officials had exerted negative influences. In other words, while they did not help, they did not deliberately hurt SN either. The few who did engaged in roughly the same types of organizational sabotage as the barangay officials.

3. *The View from Non-Members*

As the ACCI "Evaluation Report on the Development Phase of Samahang Nayon" explains:

> One of the salient objectives of the land reform program is the creation of a truly viable social and economic structure conducive to greater productivity and farm income, complemented by a cooperative system of production, processing, marketing, distribution, credit and related services. Under Presidential Decree No. 27 (Emancipation of Tenants) dated October 21, 1972, unpaid amortization of land transferred to the tenant farmers shall be paid by the tenant-farmer's cooperatives. Thus, all tenant-farmers are compulsorily and mandatorily required to become full-fledged members of duly recognized farmers' cooperatives.
>
> A further requirement under the development (Phase II) of all Samahang Nayons is the expansion of its membership to two times the original number of members or a minimum of fifty. It is the obligation of the field-worker, the volunteer barrio worker, and the Samahang Nayon members to promote the concept of the SN and to recruit more members. More members mean more people who will help build up the SN. Moreover, more people will benefit from services offered, not to mention the added funds these members could contribute for a bigger volume of business.
>
> The target of this mass recruitment are all qualified persons, principally share tenants and lessees, as well as owner-tillers who are barrio residents. This massive recruitment campaign emphasized, among others, group unity, mutual benefit, group welfare, and the services/benefits that the SN can provide its members.

In terms of numbers, the recruitment campaign can be regarded as a success. Over the 5-year period from 1974 to 1979, the number of registered SNs increased 1.57 times, from 11,575 to 18,180. The membership grew 1.7 times, from 545,582 to 933,536. The average number of members per SN was 47 in 1974 and 51 in 1979. This even exceeds their target figure of 50 per SN. It should also be pointed out that the growth occurred not only in new SNs but also in additional members to existing SNs. However, data do not indicate drop-outs and inactive members in "old established" SNs, hence the "fluidity" of membership is not reflected and should be kept in mind.

Although the "numbers" seem to be satisfactory, it will be instructive to look at how non-members view SN because similar views probably underlie the problem of drop-out, inactive and marginal members.

Table 2.50 shows non-member share tenants' and lessees' awareness of and attitudes toward certain features of SN. It appears that they have some awareness of the services/benefits provided by SN to members and the requirements for membership. More than 60 percent approve of the BGF and the BSF requirements although the non-withdrawable feature of BGF is much less endorsed. The "no comment" and "NO" replies outweigh the positive approval. *As in the case of previously cited findings regarding members, SN disciplinary measures are least known to non-members. Although almost 80 percent said they intended to join the SN, we can interpret this in two ways: much of this intention is a courtesy reply or that they probably want to join SN as a "matter of course" but with less enthusiasm, knowledge and belief in what it is all about. This latter interpretation comes from the fact that less than 30 per-*

TABLE 2.50
NON-MEMBERS' AWARENESS OF AND ATTITUDES TOWARD CERTAIN FEATURES OF SN (1074 SHARE TENANTS AND LESSEES)

	Yes	*No*	*Don't Know*	*No Comment*
1. Awareness of services/benefits provided by SN to members	40.8	38.1	–	21.1
2. Awareness of requirements for SN membership	43.3	35.4	21.3	–
3. Knowledge of SN disciplinary measures	17.2	50.1	32.0	0.7
4. Intention to join the SN	78.9	17.7	1.7	1.7
5. Approval of the forced savings requirement	63.0	20.0	5.1	11.9
6. Approval of Barrio Guarantee fund requirement	63.7	18.7	5.2	12.4
7. Approval of BGF non-withdrawability	39.6	16.7	3.1	40.8
	Success	*Failure*	*Neither*	*Don't Know*
8. Evaluation of SN current status	28.6	6.5	30.7	34.2

cent regard SN as a success. About two-thirds are either unable or unwilling to evaluate its current status. This again jibes with members' and local officials' verdict of "neither a failure nor a success".

For greater understanding of what motivations might lie behind joining or not joining SN, let us examine what non-members know about the organization. Those (40 percent) who are aware of services and benefits SN can provide mentioned the following:

1) SN facilitates land transfer under the land reform program (by assisting government workers in determining the owners and tillers of the land, the area of farms, production during the past years, etc.) 33%
2) It is a source of technical information and guidance on farm producttion 33%
3) It makes possible group life insurance coverage to members at very low cost 32%
4) It provides opportunity for members to buy capital shares of rural bank 26%
5) It acts as a channel for the sale of farm produce at better prices 22%
6) It provides a source of lower-priced inputs through group purchase 15%
7) It guarantees land amortization of farmer-members 11%

Except for providing technical information on farming and group life insurance coverage, the other benefits perceived by non-members are more of what SN was conceived to be. Actually, based on members' assessments, not much of the other services have materialized yet. One wonders, therefore, if "late joiners" do not face greater expectations and more frustrations than those early members who were part of the pioneering stage. Or perhaps, these non-members never become members because they have had an opportunity to wait and see which of these expected services materialize.

On the specific requirements for membership, completion of the prescribed membership training course was the requirement "aware" non-members were most knowledgeable about (63 percent). Payment of membership fee and annual dues came next (56 percent). Compliance with the Barrio Savings Fund was known to 41 percent of those who are aware and only a third knew about the BGF. Least salient among the membership requirements is the adoption of im-

proved farming practices (11 percent). What is interesting in this pattern of awareness is that non-members tended to be more aware of the easier, than the more difficult-to-comply-with requirements, such as the BSF and the BGF, non-payment of which existing SNs admit is their most serious problem.

But for more direct insights about negative motivations, the following reasons given by 1,074 non-members are cited:

1)	Cannot comply with the savings program	36%
2)	Wait and see attitude	34%
3)	Small size of farms	11%
4)	Bad experiences with cooperatives before	4%
5)	Convinced of the benefits but doubt whether they are worth the required financial obligations	4%
6)	Don't believe the SN can succeed in my area	2%
7)	Don't turst the SN management	1%
8)	Other reasons such as no money when SN was organized; no time to attend lessons; don't see anything good came out of it; too old; other members of the family are already members; physically unfit; SN not given priority in loans; heavily indebted; landlord prevented farmer from joining; and good relations with landowner	47%

From these, we can see the variety of reasons for non-membership. Most of them have something to do with the financial obligations involved while the rest prefer to wait and see. It is very probable that the latter makes up the group who think that SN is neither a success nor a failure or that they had "no comment".

SUMMARY AND CONCLUSIONS

The New Cooperatives Development Program envisioned the institutionalization of a pre-cooperative at the village level popularly known as the *Samahang Nayon* whose "members will do nothing but learn, save, and practice discipline." Since this most extensive cooperatives development scheme ever undertaken at the village

level was also intended as a direct support to the agrarian reform program, a large-scale research project was carried out by the Agricultural Credit and Cooperatives Institute of the University of the Philippines at Los Baños to find out how concepts translate into perceptions, operations, and tangible impact. From this massive research, this chapter synthesized relevant data with respect to: characteristics of SN officers and members compared to non-members; SN's organizational structure in action; SN's direct and indirect educational activities and members' learning; SN members' response to the Savings Program; the pursuit of discipline in SN; and an early assessment of its performance and prognosis of the future.

Characteristics of SN Officers and Members Compared to Non-members

About a fifth of SN officers and members were share tenants, a similar proportion were lessees and non-farmers. There were more owner-operator types including amortizing owner and part-owner. However, it is definite that there were three times more share-tenants among non-members than members. Among those members who shifted tenure status, half indicated that SN gave them assistance in the process. For the persistent share tenants, the creditor role of the landlord declined but more for SN members than for non-members. Curiously, share tenant SN officers, more than members and non-members, appeared to continuously enjoy traditional benefits from the landlord. Another important finding is the high land rental for the lessees which has implications for SN viability since membership entails additional financial obligations.

SN farmer members were mostly rice farmers, almost half of whom had rainfed farms. They had been farming for more than 20 years. Although SN membership was mostly small farms (two-thirds less than 2 hectares), non-members were even smaller (80 percent less than 2 hectares). Although SN was intended to assist farmers, only 41 percent of rice farmers, and a third of corn and rice, and corn farmers were members. In general, members were more "modern" in their agricultural practices than non-members and became even more so after joining SN. They also took more advantage of information from government field workers while non-members relied more on neighbors.

Although 82 percent of SN members were farmers and 18 percent, non-farmers, among the SN officers, there were more non-farm occupations than farmers. They also have higher education than members. These facts deserve emphasis because SN which is mainly a farmers' organization was led more by non-farmers than by people with occupational needs and interests similar to their own. Furthermore, farmers who owned their land have more schooling from tenants and lessees. For every tenure status, officers are more educated than members. Needless to say, non-members who were mainly share tenants and lessees have lower level of education than members.

The average SN member was about 48 years old; had a household size of six with 2 breadwinners. Only a little over one-half of the members considered their income adequate for food and clothing with more officers expressing adequacy than members and non-members. The latter felt least adequate about their income. In terms of material household possessions, the pattern is similar, with officers better off than members and members better off than non-members.

The Filipino wife was found to be at least a joint-decision-maker on matters relevant to SN and related activities but it is unfortunate that SN is almost completely a man's world with only 10 percent female membership.

SN officers and members were more "organization men" than non-members but SN had attracted 60 percent of its members and 40 percent of its officers from among those who were previously "organization-shy." Although at the national level, the "whole world seems to be undergoing training", it is surprising that more than half of the officers and more than two-thirds of members, and almost 90 percent of non-members had never attended any training program before SN came along. For non-members, this experience may continue to elude them. Officers have had more organizational leadership and training experiences than members and members had more than non-members. Those who already had, stood to gain even more in joining SN.

Rural people have often been accused of wanting to leave development responsibility in the hands of village officials. Data from the ACCI study failed to support this notion. More than 80 percent of officers and members believed that development of the barrio was everybody's concern. Less of the non-members subscribed to this

view. With respect to group or individual actions in dealing with community problems facing farmers, almost half to two-thirds of SN officers and members chose courses of action that were group-oriented. On the other hand, majority of non-members favored individual actions and even had helpless resignation attitude towards their inability to do anything about the situation. Seventy percent of officers and members also thought that SN could help solve some of our rural problems while non-members were rather skeptical about SN in this role. Perhaps this is one reason why they had stayed out of the organization. They also had a slightly greater tendency to think that compulsion was the reason for people's participation.

No matter how skeptical one is about the SN, over a 5-year period (1974-1979), the number of organized SNs grew from 15,320 in 1974 with a membership of 676,575 to 21,235 with a total membership of more than a million. About a fourth of the households in half of our villages had been reached by SN and the program had not necessarily sought out rich municipalities. Sixty-five percent of the SNs were located in barrios of fourth to sixth class municipalities although these places were accessible by roads and public transport. However, almost 70 percent had no electricity and no gravity irrigation.

SN's Organizational Structure in Action

Each SN is supposed to have a Board of Directors and Committees for Education and Training; Finance and Development; Audit and Inventory; plus the Agricultural Counsellor. In the operationalization of their functions, it was found that of the 4 committees, the Board of Directors had been the most active while the Finance and Development had been the least active. Furthermore, a decline in SNs with functioning committees occurred between 1974 and 1976. The most frequently cited reasons for inactivity were: waning of members' and officers' interest in SN; lack of time due to competing occupational demands; and lack of knowhow. What is culturally intriguing is the reluctance of some to perform the auditing function. It is encouraging, however, that this reluctance did not seem so widespread. Sixty percent of SN auditors said that they had audited the Secretary-Treasurer's accounts and the latter admitted to having been audited.

The production of a written plan was far from being popular,

Only a third of the Board of Directors and Education and Training Committees had a written plan and a fifth had a written budget. Major reason for failure to comply was lack of know-how but a more resistant reason was the officers' skepticism as to the usefulness of a plan which would not be followed anyway. It is noteworthy, however, that for those who prepared a plan, it was mainly committee work and few had individual officers doing the plan alone. In other words, there was some group "participation." Secretary-Treasurers, however, tended to prepare the written budget themselves.

Sixteen percent of the SNs organized and initiated projects and 12 percent coordinated projects initiated by private and government agencies. This suggests that SN might usefully perform a project-initiator-coordinator role which will provide its members first-hand experience in project identification, initiation and management that would enhance its credibility.

When asked what they considered the most important characteristics of an SN leader, members mentioned human relations skills at the top of their list. Competence came as a far second and honesty came third. Having time for SN was barely mentioned although "lack of time" was earlier pointed out as one major reason for officers' inability to perform their functions.

More than three-fourth of the officers liked their present position and would accept a reelection. Those who disliked their position complained that it took too much time. Although members were least satisfied about the performance of the Agricultural Counsellors, practically everyone of the latter liked their job. Most of them were performing this function concurrently with another position. Half of them claimed having conducted training for fellow SN members and 70 percent said they had been consulted by other farmers on farm practices with an average of 23 farmers per SN having done so. Majority of farmer-members regarded adoption of modern farm practices and high yield as the marks of a progressive farmer. Considering this and the desire to learn modern agricultural practices as important reasons for joining SN, the role of Agricultural Counsellor in technology transfer becomes rather significant.

Almost two-thirds of the SNs admitted that SNs could not develop without government assistance albeit claiming that officers could manage SN affairs without the MDO. Reasons cited for joining SN included such vague statements as "SN could improve their living

conditions" and that they were "convinced of its good objectives." Nowhere in these reasons did the members specifically suggest that they wanted "to save, learn, be disciplined and act as a group." However, they wanted to avail of services from SN and the government; to learn modern farm practices; to qualify for CLT and to obtain supply of farm inputs. Their reasons were self-rather than other-oriented; "opportunistic" rather than "altruistic" in outlook. The possibility of using SN as a lobbying force for farmers never surfaced.

SN's Direct and Indirect Educational Activities and Members' Learning

For the massive eduational program, a total of 65 weeks from the organizational and pre-membership educational stage to management training for members had been allocated. The actual conduct of the training, however, was abbreviated as shown by less actual sessions and shorter duration than required for all the courses. Furthermore, on the averare, only more than a third of the SNs completed all the training courses. Nonetheless, after a year, 15,729 barrios in 1,342 municipalities were covered by the program with 10,419 SNs organized reporting more than half a million members. Some 2,260 field workers and 8,778 volunteer barrio workers (mostly school teachers) were mobilized for this task; roughly one worker per 50 members organized. In addition, mass media were extensively used. When asked, however, about their source of information on SN, 94 percent mentioned only the field and volunteer workers. Only 5 percent mentioned radio and printed matter as source.

Regarding message absorption, the SN pre-membership education program had been more successful in carrying the agrarian reform than the SN message. Samahang Nayon questions received the lowest proportion of correct answers. On the different lessons from the management training programs such as functions of officers, BGF and BSF requirements, and disciplinary measures, both officers and members exhibited their lowest performance on "disciplinary measures" while "functions of officers" were the most absorbed.

On whether concept-learning translates to actual behavior in terms of actual contributions to the BGF and BSF funds, data suggest that among those who attended training and were knowledgeable, there were more who contributed than those who did not. However, there is no one-to-one relationship between training at-

tendance, knowledge and contribution because more than half of those who knew about the requirements did not contribute to the savings program.

Other significant research findings included the following: (1) The higher the educational attainment is, the lower the knowledge scores are. The explanation is that higher educated members tended not to attend training sessions on the grounds that they already know the subject or that they could just read the manuals. (2) The more educated the member is, the less likely it was for him to contribute to the BGF and the higher he was in the tenure structure, the lower was his compliance with BGF. (3) With respect to the functions of officers, knowledge about them was not significantly related to the degree of performance of these functions. (4) A more encouraging role for agricultural training was evident in the observation that agricultural counsellors who had completed all agricultural lessons were more inclined to conduct training for other farmers and were also more consulted by other farmers.

To train the members for group action, SNs were encouraged to practice joint buying from a designated source and joint selling through a designated buyer. On the whole, only 5 percent of officers and members had actually had any experience in doing business with SN – designated source and buyer. Group bargaining was the least attractive and the least practiced of the several SN features.

Perhaps the most definitive and direct impact of SN management training is that 6 to 12 percent of the officers attributed the acquisition of specific leadership skills to the SN management training they had undergone. Even if SNs fade away, some of these skills would remain with these individuals. For the officers, management training had reinforced their feeling of competence to handle their position. For the ordinary members, about one-fourth expressed this feeling of competence to assume any position after completing management training. Nevertheless, the differences between officers and members described earlier remained evident. To begin with, officers had higher socio-economic qualifications, more group-responsive attitudes, better training attendance, and consequently, a reinforced feeling of competence to assume their leadership positions.

SN Members' Response to the Capital Build-Up Program

Despite some level of compliance with the Savings Program, practically 90 percent of SNs studied regarded BSF and BGF collection as a problem. On a cumulative basis, over a five-year period, SN generated a total of ₱95 million from almost a million members with an average contribution of ₱5,200 per SN of 51 members and ₱100 per member. The collections peaked during the second year of its existence but started to dwindle in 1978. Despite the downward spiralling of capital mobilization, SN is probably the only program that has succeeded in generating funds from farmers. The other unmistakable lesson is the power of members. Even at ₱20 per member per year with almost a million members, it was possible to raise nearly ₱100 million in 5 years.

SN and Discipline

Among the different lessons taught about SN, those about discipline or the penalties to be imposed for particular types of offenses were the "least learned." Besides the fact that disciplinary measures had not been exercised much, what minimal imposition of penalties was evident declined and almost disppeared over a two-year period. It seems that *discipline* was the least implemented of the three major features of SN (learning and saving are the other two).

The SN: An Early Assessment of Performance and Prognosis of the Future

Assessment of SN status by members gave a verdict of less than 40 percent calling it a "success"; 11 percent "failure"; and about half "neither success nor failure". In their enumeration of "success factors", about a third of the responses centered on the quality of external input from government such as efficiency of the MDO, the BDW and the technician; inspiring government attention; and incentives to rural development. About 70 percent gave credit to themselves as revealed in such responses as: the wholehearted cooperation of members; and efficiency of officers and their honesty and integrity. In identifying the "failure factors", 82 percent of the responses placed the blame on the membership as revealed in such responses as: unwillingness of members to pay financial obligations; low capacity to pay; non-attendance of members at meetings; and inefficiency and dishonesty of SN officers. One can infer from these responses

that while government inputs served as incentives and inspiration, their success was being attributed to their own members' and officers' efforts. On the other hand, the failure was only slightly blamed on the government input. More than 80 percent traced the failure on their own inadequacies (both of members and officers). Members regarded non-payment of BGF and BSF as the most serious problem of SN with undisciplined and uncooperative members a very far second.

Members' assessment of the benefits derived from SN ranked its role as source of information and guidance on farming as most significant followed by "better cooperation of members" and facilitator in obtaining credit, lower priced supplies and better market prices for products. Insurance benefits came next and SN's role as facilitator in land transfer program was considered the least significant benefit derived from SN.

Assessment by local officials and field workers showed that only a little over one-half of them were definitely positive on SN's prospect for success in the localities. This discouraging assessment suggests that SN could easily become the victim of a self-fulfilling prophecy. Another negative observation is that many members felt disciplinary measures "must be enforced by the military." What are instinctive for program and training implications are the negative and conditional comments on different SN features such as: the need to adapt SN to local conditions; savings program provides no immediate benefits to members; disciplinary measures are too harsh; reservations on SN's role as a channel of government services.

Although there was an uncertainty about SN's acceptability to local officials, SN officers mentioned that they had been assisted by barangay and municipal officials although more by the former than the latter. There were few reports on attempts by local officials to "sabotage" SN activities.

Non-members had some awareness of the services/benefits provided by SN to members and the requirements for membership. Less than one-third regarded SN as a success. The rest were either unable or unwilling to evaluate its status. Most of the reasons for non-membership had something to do with the financial obligations involved while the rest preferred to wait and see.

CHAPTER II NOTES

1. Conrado F. Estrella, *Agrarian Reform in the New Society,* Philippine Report, July 1974.

2. Agricultural Credit and Cooperatives Institute (ACCI), First Progress Report. (June-Nov. 1974) on the Research and Evaluation of the Cooperatives Program, University of the Philippines at Los Baños.

3. *Annual Report 1978,* BCOD, Ministry of Local Governments and Community Development (MLGCD)

4. Sixteen research reports from the ACCI project were reviewed and relevant findings sifted to highlight the particular concern of this research project on rural institutions.

Because the research reports produced by ACCI are so confused and results are quite difficult, if not impossible, to disentangle and reconcile, data and analysis presented here should be regarded more as suggestive of trends rather than definitive orders of magnitude for evaluation purposes. Attempted explanations and descriptions of SN-related phenomena are better regarded as hypotheses which should be subjected to more studies designed specifically to investigate the social phenomena indicated. Over a period of four months, repeated reviews of the reports were made in order to ferret out what were judged to be the most promising leads in terms of understanding the dynamics of cooperatives development particularly because the "cooperative way" appears to be our preferred alternative for organizing small farmers. Since no other organizational effort along this line has been extensively attempted at the village level on a nationwide scale as Samahang Nayon, we have tried to extract whatever lessons from experience we could extract despite weaknesses in the available data.

From the volumes of data and materials reviewed, highlights were *painstakingly* extracted and a synthesis of *indicative* rather than *definitive* trends were arrived at. The research reports which constitute the most extensive but perhaps also the most expensive information source on Samahang Nayon were produced by the Agricultural Credit and Cooperatives Institute (ACCI), University of the Philippines at Los Baños with support from the International Development Research Centre of Canada and the Department of Local Government and Community Development. The synthesis of trends presented in this chapter represents a small attempt to digest "tons of data" so that we can have some reasonable picture of the Samahang Nayon story. It has been a most difficult job carried out over a 7-month period by the reviewer herself. Despite the laborious work she has put into the "digestion process", it is impossible to feel that justice has been done to the materials. The process of reducing thousands of pages to more than a hundred is fraught with the usual risks which accompany condensation and interpretation of a mass of data but investments on such *a research project must somehow yield findings which can be made readily available.* This is the intent of this exercise but whatever has been presented here must be regarded as *suggestive, not conclusive.*

Sources of data for this chapter include the following:

1. Preliminary Report on the "Benchmark Survey of Prospective Samahang Nayon Members in Cagayan Valley (First Partial Report on Study I, Project I, of the Research and Evaluation of the New Cooperatives Development Program in the Philippines," 1974.
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CHAPTER III

COMPACT FARMS AND SELDAS: AN ATTEMPT AT GROUP FARMING

In searching for the official origins of the compact farm strategy, we stumbled upon two little pieces of information. From the Foreword to the Guidelines in the *Organization and Operation of Compact Farms,* the Agricultural Credit Administration (ACA) defines its role as an integral part of the machinery for the "accelerated implementation of the Agrarian Reform Program, increased food production and economic viability of the farm population." In fulfilling this new role, ACA believes that its loaning program must be directed to the individual farmers. However, it was also stated that "past experiences . . . have shown that the administrative cost of servicing individual applications is prohibitive, not to mention the difficulties in the control and supervision of loaning operations under this system. It becomes necessary, therefore, for the ACA to utilize the *farmer group* as the main channel for its loaning program." This approach finds legitimation in one of the President's statements regarding land reform, viz:

> Now, we keep talking about dividing lands and we will get all the big landed estates and divide them . . . the experts report to us that farming of bigger areas is more efficient . . . Are we going to abandon this small landownership because big landed estates are more efficient? . . . No, we will not abandon the small farm owners or ownership but we will bind together and group together the small farms so that we will attain the efficiency of big farms . . .[1]

In 1975, the Assistant Secretary of the Department of Agrarian Reform, in defining the content of their agrarian reform extension work, indicated that in their agricultural development, the emphasis is on *"compact farming geared toward the building of economies of scale on the farm"*. As he explained, the rationale for it is:

> What we are now giving to the tenant is an uneconomic unit. The average holding is less than one hectare, at most one and a half. This can hardly be an economic family size farm. Based on the decree, if the land is irrigated, the tenant gets three hectares; if not, he gets five. What we are doing is merely giving to the tenant what he is actually tilling because there is no more land. How do we lick the disadvantages brought about by the smallness of holdings? We went into compact farming. Compact farming was merely the result of the "seldas" and "damayan" which were designed merely as joint liability groups for agricultural credit to ensure repayment. When a farmer is a member of the selda, he is jointly and severally liable to repay the loan of any member who defaults in paying. Therefore, the rationale beind the "seldas" and the "damayans" was for credit purposes, not for production purposes. So we expanded the concept. We pooled the farmers together using contiguity of holdings as the criterion. Under the selda and damayan schemes, the criteria were kinship, confidence, etc. regardless of contiguity of farms. But when we went into compact farming, the main criterion was that the farms of the member-farmers must be contiguous for wider economies of scale.
>
> What are the purposes of these compact farms? First, to ensure repayment of credit; second, we are using it as a training ground for cooperative farming because whether we like it or not, in the near future, we must undertake a land consolidation program in these transferred areas because the ownership pattern of the land being transferred is erratic. It is more or less like a jigsaw puzzle because the dikes are erratic. We are of the belief that if we want to modernize agriculture, we must first start with a physical restructuring of the landholding so we can put in the irrigation facilities, the drainage canals, and the farm roads in a manner that will be most effective to support the agricultural enterprise. We cannot do this if we are not going to reconsolidate the landholdings. And we cannot consolidate if the farmers will not allow us to do so. In the experience of the National Irrigation Administration (NIA) in Talavera, they found that land consolidation is 10 percent engineering, 90 percent land administration in the sense that you have to convince the farmer to accept it . . . We are now using the compact farming scheme as a training ground that if they want to modernize later on, they have to consolidate their holdings.
>
> We have Phase II compact farming addressed to the non-irrigated areas and the main ingredient that we put there is the tubewell. We organize the

> compact farms but we put in a tubewell to give them the water. On the basis of our simple arithmetic, the farmers who are given non-irrigated farms will not be able to pay the amortizations. The only way for them to pay is to be able to plant continuously 12 months a year, otherwise, sooner or later, they are going to lose their property.[2]

As with other development strategies, the perfection of design is seldom achieved in implementation for the human response to a blueprint is rarely, if ever, to serve only the planner's objective. Any attempt at perfection is quite often "sabotaged" by the primacy of recipients' and implementors' own priorities and immediate realities. In examining compact farms, we would like to review:

a) The concept
b) Other farmer groups such as seldas
c) Compact farms and seldas in practice
d) Some experiences with the different features of compact farms and seldas

A. *The Compact Farm Concept*

The *Guidelines on Compact Farming* describe the compact farm as "a grouping together of contiguous adjacent farms of approximately equal productive capabilities, fully irrigated (gravity or by pump), for purposes of consolidating separate, individual resources, methods and activities by cultivating the aggregate consolidated area as a single unit under a single management."

The operational policies are as follows:

a) *Consolidation of operations* applies only to farming activities and *does not disturb ownership* or right of occupancy of the land.
b) *Single management* following one farm plan and budget and work schedule.
c) *Pooled resources* with the participation of each member and shared in the same proportion as the area of his farm to the total area of the compact farm.
d) *Pooled labor* provided by the farmers themselves with the help of their immediate farm household preferably under the bayanihan system.
e) *Shared expenses and/or produce or income* pro-rated among members in proportion to the area of his individual farm to

the total of the compact farm.

f) *Pooled produce* marketed by the group itself.

g) The *compact farm as a channel* for ACA (Agricultural Credit Administration) credit assistance to small farmers is expected to maximize the effectiveness of the loaning program in terms of the size of the clientele as well as its impact . . . i.e., through the compact farm, the ACA can serve more farmers and create deeper, more lasting impact on their lives.

h) *Joint liability with members* assuming joint and several liability for all loans granted to them.

i) *Capital generation* through a savings program coming from 5 percent deduction from loans granted to members and contributions in kind.

j) *Right of recourse against a defaulting member.* In case a member fails to pay his obligations or is unable to cultivate his farm, the group shall undertake the cultivation to pay land rental and other encumbrances from the produce therefrom. Any excess accrues to the group.

The significance of the compact farm was centered on the "farmer group itself as a point of convergence for all developmental efforts, i.e., any and all government programs intended to help the farm sector can be channeled through the same group. It will also allow these efforts to reach down deep enough to touch the lives of individual farmers and spread out wide enough to embrace all aspects of his growth."

It has likewise been argued that "the twin idea of reciprocal responsibility and collective action are basic to the nature of the grouping and makes it an attractive module for rural development programs." As a matter of fact, the compact farm was expected to function as a channel for technical assistance, credit, a vehicle for group action, a medium for capital generation and a forum for group discussion.[3]

As of 1972, there were 240 compact farms organized in Camarines Sur; as of 1973, 11 in Nueva Ecija, and by 1975, the Angat-Magat Integrated Agricultural Development Project of the NIA with a loan from the Asian Development Bank was supposed to have established 42 compact farms in Bulacan and Isabela.[4]

These operational principles center on the compact farm as a vehicle for efficiency mainly on the assumption of an effectively func-

tioning group acting as a group. This presumes that farmers join for group-oriented reasons and that they are as concerned about efficiency as the designers of the program.

B. *Other Farmer-Groups Such as the Selda*

Along with compact farms came another type of farmer group known in different regions by a variety of names such as: *Saranay, Damayan, Rabus, Tiklos, Jamaah* and *Selda.* All these terms express the same theme of helping one another, mutual and reciprocal responsibility. Unlike the compact farm, the Selda which is the most widespread of all does not require that farms be contiguous.

It is a small-scale production unit made up of 5-10 farmers, generally not exceeding 30 hectares and not operated as a single management system although members live in close proximity to each other. The Selda has been organized to act as a joint liability group for credit application and collection; serve as a channel for facilitating distribution of farm inputs; serve as a collection and assembly point for agricultural marketing; act as a rural nucleus for concentrated technical training and extension assistance; and serve as a subunit for social development within the barrio structure.

In 1971, membership in the Selda became a prerequisite to obtaining loans from the rural bank under the Special Agricultural Loan Fund. When this Fund was adopted nationwide, the Selda was introduced throughout the country and by 1975, the number of Seldas was estimated to be 40,000. The rationale behind the creation of the Seldas was three-fold:

a) the need for an improved scheme for safeguarding agricultural credit by reducing risk;
b) the need for an internal policing system at the farmer level to supervise loan application and collection; and
c) the feeling that with small groups of farmers jointly and severally liable for each other's loans, the social pressure exerted by the damayan spirit (farmers voluntarily helping one another) would insure improved credit delivery and repayment systems.

The establishment and support of the Selda was the primary responsibility of rural banks, the Agricultural Credit Administration and the Philippine National Bank. The Selda generally serves as a subunit wthin the Samahang Nayon or other larger cooperative struc-

tures. In some cases, a farmer may be a member of two or more Seldas within a barrio since Seldas are typically single purpose in terms of agricultural activities. A farmer who receives rural bank financing for rice and swine production may be required to join two Seldas, one for each enterprise.[5]

C. *Compact Farms and Seldas in Practice*

Available information[6] tells us that compact farming was first tried in Cotabato in 1964 by the Agricultural Credit Administration (ACA) purportedly to "help blunt the threat of insurgency and to bring dissident farmers back to the government fold." Apparently this initial effort was encouraging because several ACA branch managers were brought to Cotabato to learn from the experiment. In the meantime, similar groups were organized in Iloilo and Pangasinan.

By 1969, Barrameda reports that Camarines Sur had joined the compact farm movement and eventually became an area of concentration. ACA's concern with credit collection and practical experience fortuitously got together with the Nueva Caceres Archdiocesan Secretariat for Social Action (ASSA) which at the same time was preoccupied with evolving "a blueprint for organizing farmers into groups through which they could revive their flagging confidence in democratic institutions, and at the same time learn self-reliance. The idea was to lessen the farmers' stifling overdependence on the embattled government for their economic and social upliftment."

The two-pronged strategy pursued was: (1) the church involving herself directly and actively in social action in order to regain the confidence of the peasantry; and (2) the lay group assuring the farmers that rural bank credit would be readily available to them if they would follow the modern farming practices recommended by technicians. In choosing the locale in which to implement their plans, the following criteria were applied: (a) the place had to be economically depressed, (b) the farms had to be irrigated; and (c) the farmers are no longer acceptable to government agricultural financing institutions as good credit risks.

Inginan, Minalabac, Camarines Sur became its first experiment and the principal stress was shifted from *production to social solidarity* thus laying the groundwork for what was referred to as the rural bank type of compact farm. To keep the social orientation of the Inginan prototype, proximity of residence was required of all mem-

bers, who were jointly and severally liable for their loans. Specifically, the members had to be *neighbors,* which was interpreted as meaning "with houses a stone's throw from one another." With about 10 groups organized, the term *compact farming* began to take hold and the Rural Bank of Nueva Caceres provided credit to these compact farms. Unfortunately, the worst typhoon ever to hit the Bicol Region came in 1970 and undid compact farming. In the rehabilitation of the compact farms, the assistance of the food-for-work program of the Catholic Relief Services was sought through ASSA. Given the circumstances, the Archbishop saw an opportunity for more vigorous social action and urged other rural banks to support the compact farm program by extending agricultural production loans. For added impetus, the ASSA and the BICOM (Bicol Central Cooperative Marketing Association) embarked on a joint cooperative farm development program. More and more compact farms sprang up in Buhi, Naga, Bula, Pili and Goa and Camarines Sur became the first province in the country where support for compact farms has been provided by rural banks. Farm contiguity as a requirement for group membership started to be applied at this time. It was said that the success of the compact farm financing scheme led to the organization of the Inter-agency Bicol River Basin Team which was to draw up an integrated development program that would build on the compact farms of Camarines Sur. As a matter fof act, Lynch argues that it is a historical fact that "without compact farming, there would probably have been no Bicol River Basin Development Program."

While the rural bank-supported compact farms were developing, a parallel movement was taking place in the Bula pilot project under ACA sponsorship but with the cooperation of the Bureau of Agricultural Extension. Similar farmers' association followed in Pili, Pamplona and Libmanan. Barrameda characterizes the Rural Bank type concept as essentially *socially based* while the ACA approach was above all *production-oriented.* In the Bula experiment, the ACA project initiator made the observation that the basic source of weakness in cooperative undertakings is the "failure to use existing organizations at the barrio level as a base for strong membership. A barrio zone organization, the *rabus* (Tagalog *purok*) became the foundation on which the ACA built compact-farm groups, supplanting the individual-farmer membership in the Farmers' Cooperative Marketing Associations." Both concepts, however, had the same basic underpinnings in joint-liability groups.

Table 3.1 shows the features which characterize the RB and ACA approaches to compact farming. The ACA formula has more requirements than the RB type for the farm as a productive unit such as: contiguity of farms; equal productivity of members' farms; pre-membership training; consolidated farm operations and pooled marketing. Actual membership size and number of hectares were not specifically prescribed as in the RB type. Rather, these two factors were left flexible depending upon what is required for efficient and effective supervision. In reality, however, the compact farms never totally conformed to the formula. For example, although lessee or ownership status is called for, about 45 percent of compact farm members studied were share tenants and almost half were working on unified farms, contrary to the specification that member farms be irrigated. In other words, the formula is, more often than not, "violated" in practice.

As Lynch describes the situation:

> Although two kinds of compact farms are currently distinguished, adaptation to local conditions has resulted in an endless variety of arrangements. The one element which seems to characterize all compact farms is the acceptance by its members of joint responsibility for the production loans they receive. Ordinarily, this credit is supervised, but beyond this requirement, little else is consistently demanded in practice. Thus pre-membership training may or may not be required. The number of members per compact farm may be fixed, or may be determined in the particular case on grounds of efficiency. The farmer-members may or may not be neighbors, and may or may not work adjoining farms; consequently, their aggregate holdings may or may not be operated as a single production unit. Farms may be irrigated or rainfed. Produce may be pooled for marketing, with the proceeds of sale pro-rated among the members after deduction of the loan repayment or the members may handle sales and loan payments separately. In October 1973, an estimated 18,000 rice farmers of Camarines Sur followed one or the other of these various alternatives, or a combination of both.[7]

In the meantime, compact farming had also caught on in Panay.[8] In 1972, the first compact farm was established in Iloilo. By 1976, there were 3 in Aklan, 2 in Antique, 19 in Capiz and 12 in Iloilo with a total membership of 1,023 farmers. The Seldas had more extensive membership in Panay with 50,242 farmers in 8,625 groups distributed as follows: 1,393 in Aklan; 396 in Antique; 1,763 in Capiz and 5,073 in Iloilo. There was an average of about 6 members per Selda. Although these numbers are impressive and one wonders about the

TABLE 3.1
COMPARISON OF THE ACA AND RB FORMULAS
FOR THE COMPACT FARM ORGANIZATION

Feature	Agricultural Credit Administration (ACA)	Rural Bank (RB)
A. *Membership qualifications*		
1. Contiguity of members' farms	Required	Not required
2. Irrigation (gravity or pump)	Required	Required
3. Equal productivity of members' farms	Required	Not required
4. Acceptability of members to all others in the group	Required	Not required as such (see A.5)
5. Kinship (blood or marriage) with other members; residence near others	Not required	Required
6. Pre-membership training	Required	Not required
7. Acceptability of program package especially modern farming techniques	Required	Required
8. Lessee or ownership status	Required	Required
B. *Membership size*		
9. Number of members	Dependent on requirements for efficient and effective supervision	15-20 member
10. Number of hectares	Dependent on requirements for efficient and effective supervision	40-50 hectares
C. *Operation*		
11. Members jointly and severally responsible for loans	Required	Required
12. Supervised credit	Required	Required
13. Farm operations	Consolidated, following one overall plan	Individual, following individual plans
14. Marketing	Pooled, with first proceeds used to repay loans	Individual, with individual repayment of loan

Source: Jose V. Barraneda, Jr. "Compact Farming in Camarines Sur", SSRU Research Report Series, No. 2 (Appendix), January 1974.

speed at which these farmer groups have been organized throughout the four provinces, we should examine Table 3.2. The compact farm and the Selda as originally conceived are quite different from the compact farm and the Selda as operationally modified. As seen in Table 3.2, the phenomenon of "groupness," "jointness" or pooled activity practically disappears as we go from original compact farm to modified Selda. The latter does not even require joint liability which is supposed to be the *sine qua non* for this type of organization. As the PICRAD study observed: "The Manager is more substantially involved in the modified compact farms than in the Seldas where the team leader is in many cases a figure head. In fact, in modified Seldas, he may be non-existent." The transactions in the latter are between the technician and the farmers as individuals and only in the formalities of loan procedures do they emerge as a group. From Antique, it was reported that farmers "do not know their Selda leaders on even other Selda members. The Selda seems to be a mere formality farmers have to go through to comply with the technicalities of the program."[9] In other words, the only thing that is "joint" in the Selda is the formal act of getting a loan.

The only real point of convergence of interest among the Selda and even the compact farm members is credit. In general, we can say that many compact farms were not very compact and most of the Selda joint liability groups turned out to be neither joint nor liable but everybody obtained credit. This is dramatically illustrated in the sources of credit before and after the advent of these two farmer groups. Before membership in compact farms, 35 percent of them borrowed from individual money lenders and 29 percent from institutional sources such as banks. Under the compact farms, more than 90 percent of the members obtained credit only from one source, i.e., the Agricultural Credit Administration. On the other hand, among the Selda members during the pre-Selda days, 44 percent borrowed from individual money lenders. Only 19 percent used banks. After joining the Selda, almost everyone (99 percent) borrowed exclusively from the Rural Bank and the Philippine National Bank.[10]

A more significant trend is the shift from being a non-borrower to a borrower as farmers became Selda members. Data on this phenomenon come from Antique where before the advent of Masagana 99, 88 percent of farmers studied did not get loans in cash or kind but when Masagana 99 was launched, 100 percent decided to borrow.[11] They had joined the credit bandwagon.

TABLE 3.2
THE COMPACT FARM AND SELDA IN PANAY ISLAND
AS ORIGINALLY CONCEIVED AND OPERATIONALLY MODIFIED

Elements	Original Compact Farm	Modified Compact Farm	Original Selda	Modified Selda
Production	Single unit c/o manager	Single unit c/o manager		
a. Farm plan and budget	pooled c/o manager & technician	pooled c/o manager & technician	c/o selda leader and technician	c/o technician
b. Work schedule	pooled c/o manager and technician	pooled c/o manager and technician	c/o technician	c/o technician
c. Package of technology	pooled c/o manager and technician	pooled c/o manager and technician	c/o technician	c/o technician
d. Labor	pooled	none	none	none
e. Produce	shared & pro-rated	none	none	none
Credit	Single unit c/o manager	Single unit c/o manager		
a. Credit Accommodation	c/o manager and technician	c/o manager and technician	c/o selda leader & technician	c/o technician
b. Supervised credit	c/o technician	c/o technician	c/o technician	c/o technician
c. Joint liability	c/o manager and technician	c/o manager and technician	c/o team leader and technician	no joint liability
Marketing	pooled c/o manager	none	none	none
Total N (30) Sample size studied	10	20 Total N (91)	15	76

Source: Panay Island Consortium for Rural and Agricultural Development, *An Evaluation of Compact Farms and Seldas as Channels for Improving Credit Repayment Under the Masagana 99 Rice Production Program in Panay, Iloilo City, 1977.*

All these developments are quite a contrast to the Selda System which was organized in Cotabato in 1969 by the Rural Bank of Sultan Sa Barongis.[12] This rural bank came into being because a physician-owner of a local hospital who had previously been involved in community development for 15 years found out from a survey that many farmers could not be served by 2 other existing rural banks. However, even after setting up his own bank, he found out that only landowners and businessmen with collaterals were taking advantage of it. No tenants ever came for a loan and they were also the same people who came to his hospital but were unable to pay for medicine and services of the physicians. Using the Agricultural Guarantee Loan Fund (AGLF), he initiated the Selda system.

The Selda is composed of 10 to 20 farmers, either landowners or tenants who are required to till 2 to 3 hectares of their own land or land they cultivate as tenants. Members work for a common cause, i.e., efficient land preparation, planting, weeding, controlling diseases and pests and harvesting for better production. In the spirit of the bayanihan system, each farmer helps the other and together, they pay their debts as one. Integrated Seldas are financed by the bank for a whole year but they must have a good leader who has strong command over his co-members and the members must have good records of loan repayments. The non-integrated Seldas had to apply for loans every crop season.

By 1970, there were 54 Seldas in 15 barrios of Sultan Sa Barongis, Tacurong and Buluan covering 770 hectares with a total of 381 members. There were 3 administrative bodies that jointly operated the Selda System, namely, the Central Bank, the Bureau of Plant Industry and the Rural Bank. The Central Bank provided the funds under the AGLF; the BPI appointed and sent technicians; and the Rural Bank laid out the plan and approach of the project. Each Selda had a set of officers with their respective functions:

1) *Farm Manager Technician (one per six Seldas)*
   He receives remuneration from the RBSSB (10 percent of fees charged for tractors that cultivate the Selda Farms). He represents the CB in the Selda, helps process the loans and gives lectures on scientific farming.
2) *Farm Project Manager and Coordinator*
   He is the overall leader of the Selda, a liaison between his group and the Rural Bank.

3) *Assistant Farm Manager and Chief on Weed Control*
4) *Logistics and Messenger Officer*

He takes care of the funds released by the RBSSB and sees to it that funds are spent as intended. As a messenger, he carried information from members to the Project Manager and other officers, if necessary, or vice-versa. He is responsible for calling all Selda members for meetings.

5) *Chief Field Inspector and Chief on Rat Control*

He oversees the farm conditions and looks out for the presence of rats.

6) *Chief Field Inspector and Chief on General Surrounding Cleaning*

He sees to it that surroundings of the farms are free from tall grass or bushes.

7) *Chief Field Inspector and Chief on Water Control*
8) *Chief Field Inspector and Chief on Insect Control*

The bank initiates the organization of the Selda in places which had been chosen on the basis of presence of irrigation and the attitudes of farmers, that is, whether they are hard-working and eager to improve their condition. Every member was required to sign a contract that he must follow all recommendations of the technician; that he must be a bonafide farmer (working full-time) and have his equipment and working animals; that he must take good care of the crops as the technician adviser; that he must do away with vices especially gambling that may lead to misuse of funds and time; and that the landowner agrees to the legal sharing basis as provided in the Land Reform Code. Furthermore, farms had to be adjacent and farmers were required to till only one to 2 hectares rather than 4 to 5 which they could not take care of well and would result in poor harvests. The farmer-member might be allowed to till more than 2 hectares and obtain financing if he had helpers or children to assist him in farming. It had also been observed by the President of the Rural Bank that Ilocanos in general had "good credit standing, are hard workers and are easier to organize than other ethnic groups." Consequently, the first Seldas were organized among Ilocano barrios.

The RBSSB bought fertilizers and chemicals in bulk for a cheaper price. Whatever savings were made were passed on to the members. After loans had been released, the technician gave lectures on what the bank was doing for them and what they were expected to do in return. Lectures on new knowledge for better production were also given from time to time. There was close supervision on the use of loans in kind and cash. The latter was given to the Logistics Officer who paid for the hired labor of Selda families, tractor services and other similar expenses incurred by the individual farmer. An emergency loan was possible from 10 percent of the farmer's total amount borrowed. In case of sickness, a Selda family was admitted to the hospital owned by the Rural Bank president. The services were free but farmers had to pay for the medicine. Members' produce was sold in block to a dealer contacted by the RBSSB in order to get a better price. If market price was low, the rice was stored in a bonded warehouse designated by the RBSSB to wait for a higher price. Under this system, the bank was assured of loan repayment. However, in some barrios, a number of farmers would sell a part of their produce superstitiously before declaring their yields. By so doing, it appeared that their harvest was low and the bank, therefore, could not force them to repay all their loans from the produce.

The personalities who were identified with the conception and introduction of the compact farm and the Selda are:

1) Romeo Serquiña – Cotabato Branch Manager of ACA. His reason for pushing this form of cooperative farming was to help blunt the threat of insurgency and to bring dissident farmers back to the government fold.

2) Jose C. Morano – ACA regional accountant in Camarines Sur who developed his own idea of compact farming and tried to translate his ideas into reality in Minalabac. He was a member of the ASSA Task Force that started the Inginan, Minalabac experiment. Also as a member of the Knights of Columbus, he enlisted the support of Catholic Relief Services for the good-for-work program. Furthermore, as a resident auditor of the Bicol Central Cooperative Marketing Association, he saw in the compact farm a possible solution to the organization's two major problems: a small volume of business and substandard rice production by members.

3) Msgr. Jose T. Sanchez, head of the Nueva Caceres Archdiocesan Secretariat for Social Action. The Secretariat, sponsored a Congress which evolved a committee charged with the task of drawing up a blueprint for organizing farmers into groups which could help revive their flagging confidence in democratic institutions and at the same time learn self-reliance.
4) Archbishop Teopisto V. Alberto urged other rural banks to support the compact farm program through production loans. He, together with Atty. Oscar Ravanera, the President of the Rural Bank of Nueva Caceres, explored means to expand and continue the compact farm financing scheme. Their efforts to link up with technocrats and cabinet members in Manila and with the US Agency for International Development led to the organization of the Inter-agency Bicol River Basin Team which was asked to draw up an integrated development program that would build on the compact farm of Camarines Sur.
5) Arturo Torralba, Sr., ACA provincial credit officer, initiated an educational drive on cooperative farming and the ACA-type compact farm in the Bula pilot project. He introduced the use of the barrio zone organization (rabus or purok) as the foundation for the compact farm.
6) Dr. Antonio Velasco, President of the Rural Bank of Sultan sa Barongis and owner of Perpetual Help Hospital, started the Selda System in Cotabato in 1969, after having been involved in community development activities for more than 15 years.

Quite often in the process of implementing a new mode, a new approach to delivering development services and bringing about rural development, whether in terms of increasing productivity, employment and equality, we tend to forget how it came about, whose idea it was, and what the prevailing circumstances were which motivated its creation. This happens more so when the new way has been so institutionalized that it has become part of our way of life. But especially at the initiation and experimental stages, institutions are really people, persons and individuals who were responsible for bringing them into being. In the expansion or multiplication of a particular approach, the procedures are readily reproducible but the essence or substance of these personalities is seldom, if ever, given attention.

They are the *plus* factors which manuals of procedure and training programs seldom capture. On the minus side, there are also personalities whose behavior distorts, subverts, undermines or adapts the original blueprint and initial intent for their own purposes. In layman language, these institutional aberrations are referred to as *anomalies.*

Since compact farms and Seldas have been around for about a decade, it would be interesting to find out what has happened to those personalities responsible for their creation, where they are and what their present thoughts are about the concepts they originated. For example, with the peace and order problem in the area, Dr. Antonio Velasco has sold his Rural Bank of Sultan Sa Barongis as well as his hospital. He left Cotabato and set up a new one in Calamba, Laguna. One wonders what is left, if any, of the Seldas he started in 1969. An "institution" that has been institutionalized transcends personalities even as it changes in response to pressures from all sources.

D. *Some Experiences with the Different Features of Compact Farms and Seldas*

New ways of doing things such as bank credit, single management of adjacent farms, etc. do not become a way of life unless they have withstood the test of time and experience and have been found to be acceptable, workable and useful to those who have been engaged in their practice. Compact farms and Seldas have been designed with characteristic features which need to be validated through actual application if they are to endure and find wider application even in modified or sometimes watered-down versions. In this section, we examine empirical evidences on experiences with these features when compact farms and Seldas were implemented.

1. *Comparative acceptability of different compact-farm features*

Studies done by Lall[13] and Lim[14] provide us with interesting data on farmers' perception of attitudes toward, and practice of, different compact farm features. Table 3.3 shows that in Camarines Sur, even contiguity of farms has not been complied with as envisioned, with less than one-fourth of

members in three municipalities reporting adjacent holdings. Less than three-fourth live in the same barangay. Of the production processes, cooperative transplanting and harvesting were mentioned by less than one-fourth of farmer-members. Preparing land and buying fertilizer cooperatively have likewise been minimally practiced. Marketing produce cooperatively has hardly been done and pooling of land for common cultivation was never attempted. However, everyone utilized credit from banks. This is one feature that every compact farm member followed.

The experience in Capiz is shown in Tables 3.4 and 3.5. In terms of perceptions or what farmers think about some aspects of compact farming, they recognize most of all, the importance of *right of recourse, group action, savings and*

TABLE 3.3
STATUS OF COMPACT FARMS AS PRODUCTION UNITS
(CAMARINES SUR, 1974)

		Compact Farm Municipalities		
		Bula N = 60	Libmanan N = 120	Nabua N = 60
		(In Percent)		
1.	Have adjacent land holdings	40	13	27
2.	Live in the same barangay	80	72	67
3.	Utilize credit from banks commonly	100	100	100
4.	Buy fertilizers cooperatively	7	3	11
5.	Prepare land cooperatively	2	5	9
6.	Transplant seeds cooperatively	15	21	14
7.	Harvest crop cooperatively	22	28	5
8.	Market produce cooperatively	0	2	3
9.	Pool the land for common cultivation	0	0	0

Source: Vidya Sagar Lall, *Diffusion of IR-26 Rice Variety in Compact and Non-Compact Farms in Camarines Sur,* Philippines, Unpublished Ph.D. Dissertation, UP at Los Banos, June 1975.

capital generation. Single management of farm and adoption of modern farming technology were also positively regarded.

So was pooling of labor and capital resource although the latter was much less appreciated. Negatively assessed by the majority was pro-rata sharing of input and produce and *most negative* of all was the *joint and several liability on the loan.* And this was regarded as the essential feature of the compact farm lending scheme!

Translating the perception scores into qualitative statements, we can say that the compact farm members in Mambusao, Capiz believe that:

1) It is *necessary* for compact farm members to adopt a right of recourse against erring members.
2) Group action will be *effective* in developing among farmers the spirit of cooperation and social responsibility.
3) It is *beneficial* for farmers to put up a savings and capital generation program.
4) Single management will be *efficient* as far as planning and programming of farm operations is concerned.
5) Adoption of approved farm technology will *slightly increase* farmers' production.
6) Pooling of capital and labor will *slightly complicate* the planning and programming of farm operations.
7) It is *slightly unfair* to base the sharing of inputs and produce on the proportion of the size of the farm to the total aggregate area of the compact farm.
8) Farmers will be *unwilling* to become jointly and severally liable for each other's loans.

As seen in Table 3.4, there is a very close relationship between farmers' perceptions of and attitudes toward aspects of the compact farm. For example, because they consider right of recourse against erring members necessary, they also have a very favorable attitude toward this particular aspect. They believe that "a right of recourse adopted by any organization serves as a guide for members to be in keeping with the discipline needed in the organization" and that it "teaches the farmer-members to be upright and fair in their dealings with other members". On the other hand, they believe that farmers will be *unwilling* to become jointly and severally liable for each other's loans. Consequently, more than 85 percent of them are not in favor of this practice. As far as they are concerned, "Joint and several liability for a loan motivates delinquent members to neglect their

loan." Furthermore, "a farmer could hardly pay his own loan, hence he must not be made responsible for others' loans."

In terms of actual experience with these different aspects of compact farming, the adoption of modern farming technology was the *most satisfying,* followed by the savings and capital generation program, right of recourse and group action. Single management, pooling of labor and capital and pro-rata sharing of input and produce were the features least experienced. They had hardly been implemented by the farmer groups. As expected, because of previously cited findings, joint and several liability on loan gave them the most unsatisfying experience. On the basis of data from Tables 3.4 and 3.5, we can infer that farmers *do not* regard single management of farm, pooling of labor and capital, pro-rata sharing of input and produce, and joint liability on loans as group action. This inference comes from the fact that while group action is positively perceived and favored and satisfactorily experienced, the activities just mentioned have not been as positively perceived, favored and were least practiced. In the case of joint liability, it had been tried but the experience had been mostly unsatisfying. Perhaps, farmers have a limited definition of what constitutes *group action.*

Lim's study which employed personal observations in addition to the more formal survey lends more insights into the dynamics of compact farm implementation. From her field notes, she observed the following:

a) Active participation by the members in most of the activities mentioned was observed only during the initial stages of the program, after which and up to the time of the survey, these activities did not seem to be in operation anymore.
b) Group action took the form of "bayanihan" (mutual help) participation in land preparation, transplanting, weeding and other farm chores and was also observed in the construction of the tractor shed, irrigation canals, the compact farm office and other minor activities such as attendance in group meetings and decision-making in dealing with delinquent members.
c) Group marketing of produce was tried by the farmers but was discontinued due to some unpleasant experiences in pricing, complicated requirements prescribed by the National Grains Authority, and disagreements among the farmers themselves.

TABLE 3.4
FARMERS' PERCEPTIONS OF AND ATTITUDES TOWARD SOME ASPECTS OF THE COMPACT FARM
(MAMBUSAO, CAPIZ, 1977)

Total N = 146	PERCEPTIONS			ATTITUDES			
	Positive	Negative	Total	Unfavorable	Neutral	Favorable	Total
	(In Percent)			(In Percent)			
1. Right of recourse	98.0	2.0	100.0	0.7	7.5	91.8	100.0
2. Group action	97.0	3.0	100.0	7.5	18.5	74.0	100.0
3. Savings and capital generation program	91.8	8.2	100.0	13.0	11.0	76.0	100.0
4. Single management of farms	88.4	11.6	100.0	9.6	7.5	82.9	100.0
5. Adoption of modern technology in farming	80.8	19.2	100.0	11.0	16.4	72.6	100.0
6. Pooling of labor and capital resource	65.7	34.3	100.0	43.2	16.4	40.4	100.0
7. Pro-rata sharing of input and produce	43.8	56.2	100.0	55.5	10.3	34.2	100.0
8. Joint and several liability	13.7	86.3	100.0	85.6	7.5	6.9	100.0

ırmers' Perceptions of and Attitudes Toward Some Aspects of Compact Farms in Four Barrios at . Unpublished M.S. Thesis, U.P. at Los Baños, October 1977.

TABLE 3.5
NATURE OF FARMERS' EXPERIENCE WITH SOME ASPECTS OF COMPACT FARMS
(MAMBUSAO, CAPIZ, 1977)

	No experience	Unsatisfying experience	Sometimes satisfying sometimes unsatisfying	Satisfying experience	Total
otal N = 146			(In Percent)		
. Adoption of modern technology in farming	0.0	0.7	15.0	84.3	100.0
2. Savings and capital generation program	2.1	11.6	11.6	74.7	100.0
3. Right of recourse	6.2	11.6	9.6	72.6	100.0
4. Group action	0.0	7.5	32.2	60.3	100.0
5. Single management of farm	66.7	2.7	0.6	30.0	100.0
6. Pooling of labor and capital resources	66.6	13.0	2.7	17.7	100.0
7. Pro-rata sharing of input and produce	66.4	19.2	2.1	12.3	100.0
8. Joint and several liability on loan	0.0	67.8	21.9	10.3	100.0

Source: Evelyn Y. Lim, *Farmers' Perception of and Attitude Towards Some Aspects of Compact Farms in Four Barrios at Mambusao, Capiz,* Unpublished M.S. Thesis, UP at Los Baños, October 1977.

d) The modern farm technology adopted were the use of new rice seeds, fertilizers, irrigation water, pesticides, herbicides, insecticides, and the use of the tractor.

e) The true concept of single management of farm, i.e., placing the production cycle from seed selection to harvesting under one management which is responsible for the planning, direction, and control of all activities *was not* practiced in the compact farms studied. Only the *farm plan and budget* part of single management was in operation. However, it was reported that this activity was done mostly by the technician as a basis for determining credit requirement. It was evident that *it was only when obtaining loans that the members actively participated as a group.* The most frequently mentioned reasons for joining the compact farm were availability of low interest loans and farm supplies; and desire to increase production, learn modern methods of farming and availability of technical assistance. Whether or not they would go on as members depended on the continuing availability of the advantages of credit, efficient farm management, technical assistance and desire to increase production. Only one farmer mentioned a group-oriented reason such as desire to work with the group as his motive for joining the compact farm. However, one reason cited for wanting to go on as a member was the *pleasant company of other members.* Disagreement among members, inefficient management, and compulsion were given as reasons for quitting. The latter reason means that farmers do not want to be forced to purchase unnecessary farm supplies, to pay loans, to become members and be threatened by management to be denied loans.

f) It was also found that the members did not actually put up a suitable savings and capital build-up funds. Certain amounts were deducted from them after harvest season for a so-called "administrative fund." The fund was used to defray salaries of compact farm officials and other miscellaneous expenses incurred by them when these officials attended seminars or transacted other activities related to operations of the compact farm.

g) In the right of recourse, all the farmers indicated that they were involved in the formulation of basic policies and regu-

lations as well as in their implementation. Farmers seemed to recognize that the presence of order and discipline was essential for the existence and success of their respective farms.

h) Pro-rata sharing of inputs and produce and pooling of labor and capital resources were no longer practiced. Farmers found these very difficult to implement because farms within the compact farm area had variable labor and capital resources. They also claimed that other members were lazy, non-cooperative, negligent and irresponsible in their work. Others wanted to work with their respective household members only.

i) Joint and several liability for each other's loans was most unacceptable to the members. The reasons cited for this very unfavorable attitude were: (1) not all members could pay their loans on time; even farmers who have completely repaid their loans could not get another set of loans from ACA. This delayed farm operations and sometimes deprived them of farm inputs like fertilizer, chemicals, etc.; (2) some members were sometimes negligent of their responsibility in paying their loans, knowing that other members would help them so that everybody could get the next set of loans; (3) other farmers did not necessarily spend the loans on their farms but on some other things not connected with their farm operations, hence, were unable to produce enough to pay their loans. In view of farmers' resistance to this particular practice, the joint liability on loans was modified in actual operations. Members did not necessarily put up some amounts to repay unpaid loans of their delinquent co-members. Instead, no group member had his loan released unless everyone in the group had settled his account.

Lim's major conclusion from her study was that "the findings that compact farmers group themselves only to obtain loans, after which they tend to act individually, plus the findings of non-operation of pooled labor and capital resources, pro-rata sharing of inputs and produce, absence of true concept of single management of farms due to non-consolidation and lack of contiguousness of farms make the compact farm program a 'theoretical' exercise only."

2. *The productivity dimension*

One important rationale for bringing together individual growers into organized production units is to improve farm productivity. To what extent have compact farms and Seldas contributed toward the achievement of this objective?

Lynch, in his 1973 study of 600 Camarines Sur rice farmers[15], did a rigorous comparative analysis of the following categories of farmers which are relevant for this review:

a) Those who belong to *compact farms* and those who do not;
b) Those who belong to the *Samahang Nayon* and those who do not;
c) Those who received *Masagana 99* rice production loans and those who did not; and
d) Those who farmed *irrigated* parcels and those who farmed rainfed parcels.

These groups of farmers were compared with respect to farm size, harvest per hectare, and practice of modern farming techniques.

The study reported the following average harvest in cavans per hectare: compact farm alone, 58; compact farm plus M 99, 55; M 99 alone, 50; and neither, 44. Although these figures showed some advantage for the compact farm, statistical tests showed *no significant differences between these yields.* However, CF membership and M 99 assistance both appear to have a positive effect on the average size of harvests with compact farm membership contributing more to this effect than M 99 loan.

To elaborate further, the other findings may be stated as follows: Among both CF and non-CF members, those who received M 99 assistance reported approximately the same yields as those who received no such help. Among both those who received and did not receive M 99 assistance, CF members reported about the same yields as non-members. Length of membership in the compact farm also showed no correlation with per hectare yields. As a matter of fact, there was a reverse trend – some tendency for the most recently recruited CF members to do better than those who joined

earlier especially for the irrigated farms. M 99/CF farmers have bigger parcels than others but they reported significantly bigger per hectare yields only for rainfed but not for irrigated parcels. Furthermore, M 99/CF farmers working irrigated parcels are no more modern than others cultivating the same kind of riceland, except in the greater tendency to use fertilizers (Table 3.6). However, among operators of rainfed rice farms, M 99/CF farmers stood out as being more likely than others to use modern farming techniques. A comparison of farmers belonging to the Samahang Nayon and the compact farm with those belonging only to the compact farm revealed no important differences between the two kinds of farmers in terms of farm size or per hectare yield. The same is true of farm practices with the one exception of modern rice varieties, reportedly used more frequently by the former than by the latter group of farmers.

In summary, the Lynch study found that neither *compact farm nor Samahang Nayon membership or both showed any significant differences in per hectare yields. The combination of M 99/CF reported bigger per hectare yields and more use of modern farming techniques only for rainfed but not for irrigated parcels.*

These two general conclusions may be interpreted as follows. Because government programs such as Samahang Nayon, compact farms and M 99 have many overlapping functions and have proliferated with a focus on irrigated areas, significant differences among farmers belonging to these different groups were not likely to be observed in terms of productivity and adoption of modern farming techniques. Those who are not members of the SN, the CF and M 99, even in irrigated areas, exhibited a slight disadvantage but not significantly so. However, in rainfed areas which have been of low priority for these programs, any efforts to pay attention to them by way of CF and/or M 99, have had significant payoff. In other words, for rainfed areas, M 99/CF made a difference. They were higher adopters of modern farming practices and reported better yields than those rainfed farmers who did not participate in these programs.

TABLE 3.6
SIGNIFICANCE OF DIFFERENCES OF PROPORTIONS OF RICE FARMERS USING SELECTED MODERN VARIETIES AND TECHNIQUES, BY KIND OF RICELAND, BY RESPONDENT CLASS, AND BY M-99 LOAN STATUS OF CULTIVATOR (Camarines Sur, 1973)

	IRRIGATED		M 99 vs. Non-M 99	RAINFED		M 99 vs. Non-M 99
	A vs. B	C vs. D		A vs. B	C vs. D	
1. *Farmers using modern rice varieties*						
Significance	0.05[a]	N.S.	N.S.	N.S.	N.S.	0.01[a]
2. *Farmers using modern weeding techniques*						
Significance	N.S.	N.S.	N.S.	N.S.	N.S.	0.01[a]
3. *Farmers using modern seed-testing techniques*						
Significance	N.S.	N.S.	N.S.	N.S.	N.S.	0.01[a]
4. *Farmers using modern land-preparation techniques*						
Significance	N.S.	N.S.	N.S.	N.S.	N.S.	0.01[a]
5. *Farmers using modern trans-planting techniques*						
Significance	N.S.	N.S.	N.S.	N.S.	N.S.	0.01[a]
6. *Farmers using modern pest control techniques*						
Significance	N.S.	0.01[a]	N.S.	N.S.	N.S.	N.S.
7. Farmers using modern weed *control techniques*						
Significance	N.S.	N.S.	N.S.	N.S.	N.S.	0.05[a]
8. *Farmers using modern fertilizers*						
Significance	N.S.	N.S.	0.01[a]	N.S.	0.01[a]	0.01[a]

Source: Frank Lynch, *op. cit.*

[a]Where a significant difference occurs, the respondent category with the larger proportion is invariably A, C, or M 99.

Note:
A means member of Compact Farm and Samahang Nayon
B member of CF but not of SN
C member of SN but not of CF
D not member of either CF or SN

Lall's Camarines Sur study found higher yields per hectare for non-compact than for compact farm members, with the latter also incurring more farm expenditures. Torres, reporting on data from the same province, observed that compact farms did not increase farmer productivity and that in most cases, farmers joined in order to obtain access to official credit under group borrowing. But once the joint credit application has been made, the group tended to disintegrate.[16]

Montemayor's study of 5 compact farms in Nueva Ecija, Bulacan and Iloilo and Seldas in Infanta, Quezon showed mixed results. In two cases; more farmers reported decreases rather than increases in harvests while at the same time, the costs of production have gone up. Crop failures were attributed to typhoons. In one compact farm in Iloilo, the yield levels remained the same while farm expendi-

tures increased. In another Iloilo case, the harvests had markedly gone up. The Seldas examined in Infanta found that more than two-thirds of the farmer-members had attained higher net farm income than before.[17]

The experience of Seldas in Cotabato[18] is instructive because significant yield increases from an average of 41 cavans per hectare to 65 were reported. However, in one village (Katiku), there was a total loss of harvest due to rat infestation. Despite this failure, Victorio, the researcher estimated that "on the basis of other Seldas' yield at 90-120 cavans per hectare, the *farmers would have increased* their yields by an additional 39 to 79 cavans more." It is useless to calculate what might have been because it could never be. Such calculations only create false hopes, exaggerated expectations and a lot of unrepaid loans. Estimates of profitability are always based on normal crop years which are rather few and far between.

Another illustration of the optimistic bias in deriving net income figures from farming and repayment capability is shown in Victorio's estimates:

> At an average yield of 65 cavans, the farmer gets a share of 45 on the 70-30 sharing system required for membership in the Selda. To pay his loan of ₱400 per hectare, he can sell 16 cavans. At the current price (1971) of ₱0.60 per kilo, he would get ₱432 (at ₱27 per cavan of 45 kilos) which is more than enough to pay his debt of ₱400 per hectare plus an interest of one percent a month. He is to pay the debt after harvest, that is, four months after planting plus an interest of ₱16. This he can easily repay from the proceeds of ₱432. His gross income after loan repayment is ₱783 (29 cavans at ₱27 per cavan) per hectare or ₱1,566 for 2 hectares he cultivates.

There are at least 4 fallacies in these estimates:

1) If the farm expenses had been taken into account, the net income would be much less than ₱783 per hectare. But even in instances where such expenses have been deducted in order to arrive at *actual net returns,* the productivity figures are almost always based on the average yield. As we all know, the average means that some farmers have lower and others higher than the average yield. Therefore, to use this average figure for this computation either underestimates or overestimates the results. In real life, *the average is a myth.*
2) It assumes a normal cropping season which is quite often not the case. There are droughts, typhoons, floods, disease,

insects and pests which disturb the normal rhythm of the production cycle. When any of these calamities strikes, the repercussions on production cannot be erased. The losses have to be assumed by someone – usually the farmer.

3) It assumes that farmers have no previous indebtedness and no unusual expenses which have to be met during the year.
4) It assumes that the farmer would be able to sell at the prevailing price. This is not always the case because quite often, the farmer's produce has already been "sold" before harvest time due to earlier borrowings using his crop as "pledge". It is all right if he can sell above the price, but if he does it at a lower price, then the estimate of returns is completely exaggerated.

To obtain a more realistic picture of costs and returns and farmer viability, farm and farmers might be categorized and differentiated as to productivity, size, location, availability of irrigation, tenure status including sharing arrangement or lease rental, capital and labor resources available, credit utilization, family size, access to favorable market price, etc. Obviously, yield per hectare, especially average yield, is a very inadequate and even misleading basis for determining economic viability and repayment capacity of a farmer.

The Pila, Laguna compact farm covering an area of more than 50 hectares with 47 farmers (31 lessees and 16 owner-operators) was studied by Panisales.[19] He found an increase in production from 75 cavans per hectare to 109 for owner-operators and from 73 to 114 for leaseholders during the year 1977 to 1978. In terms of net returns, however, the estimated amount accruing to the owner-operator increased from an average of ₱2,125 in 1977 to ₱3,610 in 1978. For lessees, the change was from ₱436 to ₱1,541. This favorable development, however, was not being attributed by Panisales to the compact farm per se. He thinks that the adoption of modern farm technology and water management could have had a greater influence. Although the increase in net returns is very encouraging despite the increase in cost of production from ₱1,424 to ₱2,104 for owner-operators and from ₱3,008 to ₱3,052 for lessees, Panisales emphasized that the social cost of the project has not been included here. He points out that the national government through the National Irrigation Administration (NIA) has invested farm level irrigation facilities worth ₱47,727 which so far was only benefiting 57 hectares and 47 farmers. On the other hand, no investment from

within the compact farm itself as a cooperative enterprise had been forthcoming. He argues that this government investment could have been diverted to other farming groups and not given exclusively for this compact farm.

The PICRAD study[20] of 30 compact farms and 91 Seldas in the Island of Panay reported that 64 percent of compact farm members experienced an increase in net returns; 16 percent of compact farm members experienced an increase in net returns; 16 percent reported a decline and 20 percent, no change from pre-compact to compact farm operations. Among the Seldas, 58 percent of the members reported an increase; 33 percent, a decrease; and 9 percent, no change in net returns.

A separate analysis of what happened in Antique[21] showed that for the Seldas, the percentage of farmers reporting favorable net returns before and during their Selda membership did not differ much. Whatever difference occurred was more favorable before the Selda. This can be explained by the fact that whatever advantages came from productivity were practically wiped out by higher costs. More than 90 percent of the farmer-members reported increases in production expenses regardless of farm size. There was one important development, however, which contributed to a more positive assessment of the situation as a whole and that is, *more of the rainfed than the irrigated farms exhibited yield increases regardless of farm size.* In the case of compact farm members, all the farmers had been able to plant two crops a year whereas before, only 38 percent were able to do so.

One very noteworthy trend with respect to findings from studies of compact farms and Seldas which have been reviewed is the small farm size of members. Except for 4 percent of compact farms surveyed by Lall in Camarines Sur who had more than 5 hectares and there was even a farmer member who had 70 hectares, all of the studies indicated that majority of the farmers had farms of less than one to 3 hectares. At this point, it would be pertinent to raise the issue of *land consolidation for economies of scale* as one of the rationale behind the compact farm concept as enunciated by the Ministry of Agrarian Reform. Previous researches particularly on the social and economic aspects of rice production have found that smaller rice farms registered higher productivity per hectare than larger farms,[22] hence, one wonders how significant this objective is

for the compact farm. Would an enlargement of production units constitute economies of scale in this context?

3. *Dynamics of production loan at the micro-level*

To better understand the dynamics of production loans at the micro-level, the 1976-77 Javier study in Antique[23] offers insights not otherwise available in every quantitatively oriented analyses of credit. The 166 Selda farmers, 33 Selda leaders, 21 compact farmers and 2 farm managers were interviewed regarding their loans from Phases IV and V of the M 99 program. We must recall that Seldas and compact farms were envisioned as efficient channels for credit under a group-lending scheme.

Since the farm management technician (FMT) is the Selda farmer's link with institutional credit, his availability is crucial. For Phase IV, the ratio was one FMT for every 63 farmers, 29 with credit and 34 without; for Phase V, one FMT for every 106 farmers, 33 with credit and 73 without. Although 96 percent of Phase IV and 91 percent of Phase V farmers mentioned the FMT as the person who assisted them in obtaining the loan, 37 percent of those who borrowed under Phase IV and 17 percent under Phase V said their farms were never visited by the FMTs at all. This would imply that for these borrowers, the farm plan and budget as a basis for the loan approval was prepared and approved without the FMTs actually seeing the farm. The average number of farm visits by FMTs was 2 per cropping season and the highest was 3 times a week. Seventy-eight percent for Phase IV and 89 percent for Phase V said FMTs were available when their help was needed. Majority of the farmers got their loans from less than a week to two weeks and more than 90 percent found banking services efficient. Furthermore, all the Selda farmer-members interviewed got the full amount they applied for.

In contrast to the Seldas, the compact farms received considerably more intensive technical services. The ratio of technician-to-compact farm members is one FMT from the Ministry of Agrarian Reform (MAR) for one Compact Farm and one technician from the Agricultural Credit Ad-

ministration (ACA) for one compact farm to attend to financing and repayment. Hence, there was one MAR and one ACA farm management technician for 21 farmers. The highest reported number of visits is everyday in one cropping season and the lowest is 5 times in one season. The average number of visits is *10 per farmer in one season.* When the farmers were asked whether the technician was available when his help was needed, 95 percent said "Yes". They got the full amount they applied for and were assisted by ACA personnel in obtaining their loan. Although more than half had to wait one to two months for their loan releases, they considered banking service efficient. Ninety percent said they were better off after than before joining the program. They all mentioned production increases and the advantages of financial and technical assistance. They likewise attributed changes in farming methods to the compact farm. Considering the intensity with which the compact farms were provided technical and financing services, positive results could almost be predicted. Unless, however, there were radiation or spill-over effects to other farms, the cost of compact farm operations is terribly high for 21 farmers. But perhaps, the high cost of effectiveness during the early stage can be offset by the efficiency which comes from an accompanying demonstration effect which is so *contaminating* as to lead to program expansion. Evidences of this phenomenon are, however, not available because all the studies are cross-sectional at one point in time. We need longitudinal observations to trace this effect.

Whether for the Selda or the compact farm members, though, bank credit was easily available. Hence, we want to know how this modern institution proceeded at the micro level. For purposes of comprehending some ramifications of production credit and the intricacies of farm management and credit utilization, farmer-borrowers may be categorized into:

1) *Farmers who obtained loans in proportion to their farm size or whose loans were the actual amounts allowed.* The loan ceiling at that time was ₱1,200 per hectare. What was clearly *emphasized was farm size* and *the amount al-*

lowed rather than *amount needed* or *required* by a particular farm and farmer circumstances. The Antique study showed that 54 percent of Phase IV farmers received amounts they were entitled to as per farm size. For the next Phase, 84 percent did so.

2) *Farmers who got less than the amount they were entitled to, although everyone received what they asked for.* This could mean that some applied for less than the maximum they could have asked for. For Phase IV, this category was 42 percent. In the next phase, this was reduced to only 11 percent of the borrowers. Apparently, borrowers eventually catch on as far as taking advantage of the maximum allowable amount.

3) *Those whose loans exceeded the loan ceiling.* The following cases illustrate this particular category:

Area	*Amount of loan allowed*	*Amount borrowed*	*Excess*
3 ha.	₱3,600	₱5,040	₱1,440
2/3 ha.	₱ 800	₱1,200	₱ 400
1/2 ha.	₱ 600	₱1,200	₱ 600
1/2 ha.	₱ 600	₱1,800	₱1,200
1/2 ha.	₱ 600	₱ 816	₱ 216
1/3 ha.	₱ 400	₱ 630	₱ 230

These cases stimulate one's curiosity as to how they came about, how these excess loans were used and whether they were the farmers who had not been able to repay.

4) *Those who spent more than their loan.* For Phase IV, there were 18 percent such borrowers; for Phase V, 30 percent. The lowest excess expenditure was ₱5 while the highest was ₱590. For the next Phase, the corresponding figures were ₱22 and ₱2,900. In the compact farm, there were 30 percent such farmers with an excess ranging from ₱20 to ₱600. The respondent who used ₱600 more than his loan spent much on hired labor on his one hectare farm. While there were farmers with the same farm size who relied on family labor for weeding, this farmer *hired 10 men for 7 days.* He also made use of hired labor on practically all farm operations.

5) *Those who spent less than their loan.* For Phase IV farmers, 82 percent belonged to this category while for Phase V, 70 percent. The great majority of them have loan left-overs of less than ₱1,000. The rest have more than ₱1,000 with ₱2,088 being the highest amount. In the case of the latter, the farmer's loan was more than the established loan ceiling. He got ₱5,040 for his 3-hectare farm when he was entitled to ₱3,600 only. Even if he borrowed ₱3,600, he would still have a left-over of ₱1,440 after his expenses worth ₱2,952 were deducted.

Another case is that of a farmer who had 4 hectares. His loan of ₱2,200 was lower than the allowed loan ceiling, but his expenses totalled only ₱1,027. There was a left-over of ₱1,173. This "saving" was possible because he did not buy seeds and for his 4-hectare farm, he bought only 6 bags of fertilizer and ₱43 worth of chemicals even if the whole farm was infested with hoppers. His production was adversely affected, with only 21 cavans of harvest for the whole farm.

Other loan left-overs are illustrated in the following:

Area	*Loan*	*Expenses*	*Excess*
(1) 3 ha.	₱3,600	₱2,108	₱1,492
(2) 2 ha.	₱2,400	₱1,094	₱1,306
(3) 2 ha.	₱1,800	₱ 656	₱1,256
(4) 1.5 ha.	₱1,800	₱ 600	₱1,200
(5) 1.5 ha.	₱1,800	₱1,512	₱ 288
(6) 1.5 ha.	₱1,800	₱ 541	₱1,259
(7) 1 ha.	₱1,200	₱ 165	₱1,035
(8) 1 ha.	₱1,200	₱ 190.50	₱1,009.50
(9) 1 ha.	₱1,200	₱ 192	₱1,008
(10) 1/2 ha.	₱1,800	₱ 383	₱1,417

In the case of the tenth illustration, the loan was excessive because the farmer was entitled to a loan of ₱600 only. Even if the amount given was ₱600, there would still be a left-over of ₱217 because the expenses amounted to only ₱383.

Reasons cited for loan left-overs were the use of less hired labor because of available family labor; use of own

rather than purchased certified seeds; fertilizer applied less than prescribed amount; less or no chemicals at all were bought; and money borrowed by some Selda members is only partly used or never used at all in farming. One Selda leader used loan as capital for small scale business but the venture failed so the loan could not be repaid.

The cases mentioned above indicate that the same amount borrowed even for the same farm size is spent differently by different farmers. Naturally, these must have produced different outputs and consequences for the repayment potentials.

6) *Those farmer-borrowers who were not really borrowers.* There were two farmers whose names appeared in the list of borrowers but when interviewed, said that they did not consider themselves M 99 borrowers because the FMT got the full amount they applied for. As a consequence, both of them refused to pay the loan. There were also 3 persons whose names appeared in the list of borrowers but did not get the loans they applied for. They were asked by a landowner for whom they usually worked as hired laborers to sign the M 99 loan application papers. They did not know whether the loans had been paid for or not.

7) *Those Selda and Compact Farm members who did not get loans in cash or kind before.* Almost 90 percent of Selda members and one-third of those in the compact farms did not get loans in cash or kind before M 99. Those who did, borrowed such things as cash ranging from ₱150 to ₱1400 from a friend, usurer and landlord; 5 bags of urea from a neighbor; 3 bags of urea from a usurer; 6 to 30 cavans of rice from the landlord; or ₱26 to ₱125 from a friend, relative or usurer.

This category of farmers *shifted from a non-borrower* to *borrower status* in a big way. Those who borrowed before, did so in much smaller amounts, whether in cash or kind. We must recognize that for all these categories of borrowers, the FMT had been responsible for making the loans possible. It is a wonder that despite the standard loan ceiling per hectare, there is an infinite variation in the way production loans came out. This would suggest that there is no such thing as a standard farm plan and budget.

Of course, after the loans have been approved, released and spent for inputs, labor, and non-inputs comes the inevitable task of repayment. When Selda leaders in Antique were asked about repayment difficulties in their respective Seldas, the following answers were given:

(a) Poor production	(16)
(b) Income from produce used for other purposes	(9)
(c) Money intended for bank spent for next cropping season	(4)
(d) Increase in production but income all went to hospital bills	(3)
(e) Low price of palay	(2)
(f) Money intended for the bank spent on: irrigation pump installed and farm tuition fees	(1)
(g) Loan not used for farming. One Selda leader invested it in a small scale business which did not work out	(1)
(h) Some members do not seem to care about their loan	(1)
(i) Loan obtained by one member was excessive. He declared two hectares when he actually had only one	(1)

Obviously, poor production was the most significant reason for repayment difficulties but one cannot ignore the range of other reasons, some of which are "unavoidable diversions" while others are deliberate misapplications. Still others are worthwhile alternative uses of money which would have otherwise been applied for repayment. These include the installation of irrigation pump in the farm, payment of tuition fees, and the use of repayment money for next cropping season. In other words, non-repayment of loans is not always a negative phenomenon for the borrower although it is certainly so for the source of credit.

When the same Antique Selda farmers who did not find difficulty in repayment were asked how they were able to pay their loan, the following answers were given for Phases IV and V of M 99:

(a) Increase in production was sufficient to pay loan and buy other necessities	(24)

(b) Gave priority to M 99 loan when the produce was sold (9)
(c) I usually exhaust all possible means to be able to pay my debts (9)
(d) I paid my installment so I did not have difficulty (1)
(e) I was able to raise money by selling a pig (2)
a cow (1)
copra (1)
muscovado sugar (1)
(f) I withdrew some of my savings from the bank to be able to pay my loan (1)
(g) I paid the loan with my salary (1)

These reasons indicate that although increase in production is a major reason for not having any difficulties in loan repayment, we must not assume that ability to repay means that the farmer had a profitable harvest. The above-mentioned data suggest that those who repaid gave priority to the loans and did all they could in order to meet their obligations. The others used non-farm sources from other members of the family and some sold their other farm produce to repay loans. The latter two groups apparently regard loans as serious obligations from which they did not want to default and therefore sought alternative means. One can infer that their production was not sufficient to take care of farm and other expenses plus the loan.

4. *Decision-making and operational management of compact farms and seldas*

The compact farm under a single management concept was expected to function as a channel for technical assistance and credit; a vehicle for group action; a medium for capital generation and a forum for group discussion. The Selda, on the other hand, was organized to act as a joint liability group for credit purposes and as a rural nucleus for concentrated technical training and extension assistance, collective marketing, distribution of inputs, etc. If these functions are to be carried out, these farmer groups have to be organized and managed in a certain manner. Instead of describing the ideal set-up as designed and conceived, we present information from research on compact farms and Seldas. The intention

is to describe actual happenings so that we can illustrate the decision-making and management processes as they occurred in the farmer groups studied. In this section, Montemayor's studies are a major source.

The Minabuyoc compact farm in Talavera, Nueva Ecija shows different facets of its operations as a "group". This compact farm came into being from 80 farmers who in 1973 borrowed individually from the Rural Bank of Talavera as M 99 members. Due to crop failure, 50 percent were unable to repay their loans. Soon after, the Agrarian Reform FMT was assigned to organize a compact farm in Talavera. After three organizational meetings, the compact farm was created in April 1974 with 53 members, only three of whom had undergone a pre-membership training. By 1975, there were 70 members divided into 10 groups, cultivating a total of 152 hectares. Seventy percent lived within the barrio while the rest were in another barrio but in the same municipality. There were no regular meetings and only three had been held over a one-year period.

The functions performed by the FMT and the compact farm officers are described in these excerpts from the Montemayor study:[24]

The main sources of outside information for the CF are government agencies such as the Integrated Development Program for Nueva Ecija (IDP – NE), the ACA and the DAR. The latter, through the FMT, relays the message to the MCF through its President. The latter, in turn, calls for the Secretary-Treasurer, who is his brother, and requests him to call for other officers for a meeting. The group leaders convey the message to the members. Whenever necessary, members are also invited to the meetings. The MCF President is also the Barangay Chairman. The Secretary-Treasurer is also the Barangay Treasurer. The Vice President who is the brother of the DAR FMT is also a Barangay councilman and so are two of the group leaders. There is, therefore, a great deal of overlap between the MCF and the Barangay Council. The President presides over meetings, follows up loan papers of the members and sometimes contracts buyers for members' produce.

The other persons who influence decision-making in the operations of the compact farm are the DAR FMT, the DAR Team Leader, and the ACA Credit Officer. The FMT prepares the farm plan and budget by groups and a group loan application is made. This is submitted to the Agricultural Credit Officer (ACO) together with the Joint Promissory Note, Farmers' data, farm plan and budget. The ACO *decides when and how much* of the loans will be released. After approval and audit, the cashier prepares the checks. The ACO receives them and hands them over to the FMT or the President. The latter, through the Secretary, calls for a meeting of all the members to distribute the checks for individual signatures. After signing, the members return the checks to the President to be given to the FMT. Upon receipt of the signed checks, the *FMT* and the *President encash the checks* at the PNB Branch. *The President takes charge of purchasing the farm inputs* for distribution to the members. CF members decide on the manner of loan repayment (whether individually or in groups). The ACO determines when and how much of the loan will be paid. Of the 6 percent interest, 4 percent goes to ACA and one percent serves as incentive for the FMT and the President. *In case of crop damage,* the *FMT certifies.* For a 40 percent damage, 60 percent of the loans must be paid after 6 months.

The FMT and group leaders decide when, what type and how many sacks of seeds to produce. Then the FMT purchases the seeds from the Maligaya Rice Research and Training Center. The group leaders and the FMT also determine when to purchase small farm equipment like sprayers, the type and number to be bought. The FMT purchases the knapsack type sprayers at the Del Rosario Farm Supply. For fertilizers and chemicals, the group leaders and FMT choose the type, amount, and place to purchase them. The FMT purchases them from the same supplier. Upon delivery of farm inputs, the President calls for the group leaders who are in charge of distributing them to their respective members.

Group members decide when and how to prepare the land. FMT and group leaders decide on dates of sowing, type of seedling, varieties to be planted, and date of transplanting.

Officers and group leaders recommend the particular planters' group to be hired and this is appointed by the President with the approval of the members. Weeding, harvesting, threshing, and milling decisions are made by individual members. Each member, in consultation with the NIA ditchtender, decides on when to irrigate and how much water to use. Marketing is done individually. If there is a need to construct irrigation canals or to repair dikes in the area, decisions on when to start and whom to involve in such activities come from the District Engineer of the NIA. By rotation, the barrio people are usually hired by NIA as laborers and are paid on a daily basis.

In the Banga-Tabang Demonstration Compact Farm in Plaridel, Bulacan, the decision-making patterns are similar to the one in Minabuyok but the Tagsing-Buyo CF in Sta. Barbara, Iloilo which had 35 members at the time of study was run by a *management committee.* This committee is composed of the Chairman, Vice-Chairman, Secretary-Treasurer, Inspector-Collector, Auditor and production technician, 2 farm managers and 2 assistant farm managers. The positions of farm manager and production technician are occupied by one and the same person, a technician from the Bureau of Plant Industry. It must be noted that only one assistant farm manager, the auditor, and the inspector collector are members of the compact farm. However, most of them have relatives who are members. The Management Committee directs, controls, and supervises the major farming activities. It decides matters regarding the purchase of inputs, land preparation, planting, transplanting, application of fertilizers and chemicals, weeding, irrigation, harvesting and milling. Hiring laborers needed in the compact farm is decided by the management committee also with the help of the farm manager and the production technicians. Non-members may be hired to work within the CF, most of whom are either friends or relatives of members. These hired laborers are paid on a daily basis, in cash, from common funds of the Association.

The Iloilo Compact Farmers' Association also had a management committee but decision-making is influenced to a large degree by the Vice-Chairman who has a number of rela-

tives in the Association and who is in close contact with the Agrarian Reform personnel. The Chairman who is a close friend of the Vice-Chairman plays the role of a formal figurehead. The Vice-Chairman is effectively the group's leader. The management committee, after consultation with the members and with the technicians, formulates a farm plan and budget, taking into account the variety to be planted, water supervision, land preparation, transplanting, fertilization, weeding and pest control. It also formulates a plan for the storage, drying, sack procurement, delivery, milling and marketing of members' produce. Each member is obliged to contribute to the labor pool. Members and their family can work in farms of other members and receive a daily wage based on prevailing rates. In general, farming operations jointly performed by members include: plowing, harrowing, seedbed preparation, planting, harvesting, and threshing. On the other hand, fertilizer application, weeding, and spraying are performed individually with the help of household members. Among the problems cited by this CF is insufficiency of irrigation water which means that not all members' farms are irrigated and some harvest twice while others only once a year. Since pro-rata sharing of net harvest is done solely on the basis of land area contributed to the CF without taking into account the productivity of the land, there is pressure on those with irrigated farms to revert to individual production while maintaining joint financing operations.

The General Ricarte Farmers' Multipurpose Cooperatives Association which is considered as patterned after the Israel "Moshav" had 3 officers (President, Secretary-Treasurer, and warehouse woman) and 5 members of the Board of Directors. Information comes to this Association from the Integrated Development Program of Nueva Ecija (IDP-NE) which relays information relevant to the implementation of policies and guidelines; Department of Local Government and Community Development, regarding Cooperative operations and continuing education of members; Department of Agrarian Reform on the inputs needed and farming problems of the cooperative (pests and diseases and land reparcellation); Agricultural Credit Administration on loan operations; Na-

tional Irrigation Administration – Upper Pampanga River Project, on irrigation matters, and the Israeili consultants, on day to day operations. Members submit loan applications to the cooperative. These are submitted to ACA by the Treasurer, the President and one of the Israeli consultants. Upon approval, the loan is released in the form of a check. Endorsement by the president, treasurer, and either of the Israeli consultants is required before the check is cashed. The DLGCD technician with the officers determine who should get a loan, the amount and when. Members get their loans from the cooperative in groups. Just like other compact farms, the FMT decides on inputs. As a matter of fact, these are purchased by the FMT and the Secretary-Treasurer. Farming activities are performed jointly but harvesting, threshing and milling are individually decided and hired laborers are used. After harvest, individual members turn o their produce to the cooperative.

From the description of 5 compact farms, the following patte of organization, decision-making and management emerge:

a) There was evidence that one of the reasons for organizing compact farms is to improve loan repayment after unfortunate previous experiences of poor collections. There was hardly any training either before or during membership. There were also few group meetings. It is obvious that the initiatives for the organization of compact farms and Seldas did not come from farmers. The desire to facilitate the operations of the sponsoring agencies was the more predominant motivation.

b) Communication channels were well-structured from the top-down (from government agencies to farmers) but very unclear and minimally existent from the farmers upward to upper-level decision-makers. Only the FMT served as the link between farmers and agencies. A classic illustration of the downward flow of information is evident in this description which is repeated here for emphasis:

> Information comes to this Association from the Integrated Development Program of Nueva Ecija which relays information relevant to the implementation of policies and guidelines; Department of Local Government and Community Development, regarding cooperative

operations and continuing education of members; Department of Agrarian Reform on the inputs needed and farming problems of the cooperative (pests and diseases and land reparcellation), on loan operations; National Irrigation Administration – Upper Pampanga River Project; on irrigation matters, and the Israeli consultants on day-to-day operations.

One can deduce from this description that a whole bureaucratic system governs the operations of these farmers who used to deal mainly with the landlord. Perhaps the bureacracy has replaced the landlord as the patron. It is pertinent to ask the question: Is the bureaucracy more concerned with the farmer's lot than the landlord was in the past?

c) Decision-making for and in behalf of farmers lies in the hands of a few people, namely, the FMT, the credit officer, the Farm Manager or President of the association. Practically all the power rests with the FMT who is responsible for farm plan and budget, loan application, amount, time of release, encashing checks, and purchase of farm inputs or selection of dealer whom to patronize. He even certifies crop damage to restructure loans or obtain "grace" from different agencies.
d) There was not much evidence that these functions of farm planning, budgeting, credit management were being taught or transferred to members.

A look at the labor sources for the 5 compact farms studied by Montemayor reveals no evidence of truly pooled labor. At most, there was some centralized hiring, and some group labor (bayanihan) in certain farming operations. For example, in the Talavera CF, land preparation, sowing, weeding, fertilizer and insecticide applications were performed by the group and their household members. Transplanting, harvesting and threshing were hired out for pay either in cash or kind. There were two groups of rice planters – the Barangay composed of 40 members whose *cabesilya* (team leader) was appointed by the Barangay Council, and the CF rice planters group made up of wives, children, nephews, nieces, and grandchildren of CF members. Their leader is appointed by the President with the approval of members. For harvesting and threshing, individual members decide when and whom to involve. If threshing is done mechanically, members decide individually whose thresher to patronize. Group members and their household members pile the harvested rice

and transport them to areas accessible to the thresher. All milling decisions are made by the individual members.

In Plaridel, all the farming activities are performed by farmers themselves with the help of household members and hired agricultural laborers who are mostly friends, relatives and neighbors. If land preparation is mechanized, CF officers decide whose tractor to hire. Members join hands with NIA FMT in repairing dikes damaged by floods. In Sta. Barbara, Iloilo, the management committee decides on the hiring of labor with the help of the farm manager and the production technician.

The highest degree of jointness in farming activities was reported in Oton, Iloilo. Planning and harrowing are generally done by the use of a tractor owned by the Association. Members hire the tractor at a per hectare rate. Members whose landholdings are contiguous usually prepare a common seedbed jointly. Pulling of seedlings is likewise performed jointly by members and their household. Transplanting is similarly carried out. In case of labor shortage, the management committee brings over outside labor. Fertilizer application and spraying of insecticides are done individually. Weeding is usually a family affair and requires no outside help. Harvesting cum threshing is done jointly with other group members. Some farmers lend work animals and farm tools to CF members free of charge.

Montemayor's study also included *seldas* in Infanta, Quezon. Because these seldas were an offshoot of FMTs, having attended the extensive training on rice production at the IRRI to ensure effective implementation of the M 99 program, the objectives of the seldas were specifically enunciated as follows:

a) To group the farmers to facilitate the extension of technical and financial assistance;
b) To help the farmer cooperators improve their production per unit area through the implementation of advanced technology on farming;
c) To maximize the implementation of the program and the profitability of the land included in the selda.

Except for the loan application in which farmers and their comakers sign a promissory note to the effect that they bind themselves jointly and severally, all activities of the seldas are carried out individually. The promissory note which is collectively accomplished

by the members is done under the guidance of the FMT. It is disheartening that in this study, 71 percent of the members never attend the selda meetings; 27 percent seldom attend and *only 2 percent* attend regularly. However, the FMT prepares the farm plan and budget in coordination with the bank. He also determines when and how much loan can be obtained. Decisions on the type, quantity, when and where to purchase inputs other than seeds are made by the FMT. Members individually purchase their farm inputs. Those who are being finance by the Philippine National Bank in Siniloan, Laguna have their own dealer of fertilizers and other materials needed by them. These dealers, however, are recommended by the FMTs. For most of the production processes, hired labor is generally used. However, in some cases, the selda members and their families perform the chores. The role of the selda leader is not mentioned at all except to say that "each selda is composed of not less than 5 members, one of whom is designated as the titular head of the group."

This lack of an active role for the selda leader is probably an indication of the absence of *groupness* in the selda. Where 71 percent of members have never attended meetings, there could not be much of a group. As mentioned earlier, in the PICRAD study in Panay:". . . in the seldas, the team leader is in many cases a figure head. In fact, in modified Seldas, he may be non-existent". In the Antique study, it was reported that "farmers do not know their Selda leaders or even other Selda members".

Panisales, in his report on Pila, said that members were made to understand that the labor requirements of the compact farm shall be provided not by outsiders, but as much as possible, by the farmers themselves or their immediate household members. At the time the study was done, he found no significant evidence that the labor requirements in the compact farm had been supplied by either lessees or owner-operators and their family members. There is a heavy dependence on labor force from outside the compact farm as supported by the high costs of hired labor. Only about 6.5 percent of total labor cost is accounted for by family and farmer labor. Furthermore, Panisales argues that instead of absorbing family labor and other agricultural laborers, mechanization is being introduced in the area which could displace labor.[25]

Panisales concludes that "the current management scheme in the compact farm is heavily guided by the *external operator,* i.e., the

government extension worker. Thus, we can call it a *guided management scheme.* In the beginning, this scheme seems encouraging but at the end, as what has happened in the past when the government tried to pull out, the clientele farmer could not stand anymore. As usual, a babying strategy like this one will only produce a spoiled brat who could not walk alone by himself without any external assistance. Hence, it would be inimical to the present government policy of liberating farmers from the shackles of poverty and ultimately making them independent and self-reliant".

Regarding the savings and capital formation programs of the Pila compact farm, Panisales found that it was attached to another farm organization – the Samahang Nayon by contributing to the latter's Barrio Savings Fund, Barrio Guarantee Fund as well as other contributions. The identity and independence of the CF operations will be very much affected because the savings program is entrusted to another management on the assumption that the members of the CF are also members of the Samahang Nayon.

In an analysis of the compact farm, Hunt has this story to tell in excerpts from this brief case study:[26]

> The compact farm format appeared to offer everything which agricultural operations required: credit, expert extension, labor irrigation and proximity to market. In addition, all fees were supposedly scaled to farmers' ability to pay. . . The actual operation, however, proved considerably less idyllic than had been envisioned. While the credit resources were generous, the funds invariably arrived later and farmers either had to plant after the optimum time or make arrangements with private moneylenders. . . Irrigation was a great boom to those farmers living close to the source, but farmers farther down the line reported scanty supplies. The river dried up during the summer months so only those farmers who had deep wells on their property had irrigation at this time. The allocation of labor by the manager ran into difficulties. . ., i.e., frequently a farmer was told to work elsewhere on the compact farm when he felt that his own land needed his attention. . .
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> The repayment of loans proved a source of dissension. Through a rather complicated procedure, the entire compact farm was responsible for the loans of each individual member. Thus, a farmer could easily feel that the rewards of his labor were going to repay the loan which someone else had failed to take care of due to laziness and carelessness. As a result of these difficulties, membership in the compact farm dropped from 73 members in 1973 to 35 in 1974, 34 in 1975 and 28 in 1976. Members who

withdrew lost access to credit through the compact farms and had to pay a flat fee for the use of water or for the use of equipment owned by the farm. Some of the members expressed dissatisfaction with the management and resented being held responsible for the debts of others. Others were dissatisfied because they felt they had not received their fair share of irrigation; some pulled out because they had changed their major crops and felt that compact farm was mainly interested in rice and corn cultivation. . .

A fairly drastic type of reorganization resulted from the withdrawal of more than half of the members. First, the manager no longer allocated labor; instead, he negotiated between farmers and the various technical services as well as settled disputes among farmers within the compact farm. . . Still another major change was that profits were no longer divided on the basis of the total income of the compact farm and each farmer received the proceeds from his own land. . . Thus, in 3 years time, this particular compact farm lost nearly two-thirds of its members and moved from collective decision-making and rewards to a more individualistic format. . .

There are two alternatives open to the Philippines and other countries that have decided that landlordism must go but are still concerned about the consequences of an uneconomic fragmentation of land as a result of land reform. One alternative is to do everything that they can to make compact farms or some other form of cooperative farming work. This type of procedure assumes that failures in cooperative farming have come about because of the lack of technical sophistication or perhaps of cultural insight, of government planners. . .

There is another approach and this is based on the assumption that the major difficulty in cooperative farms is the basic individualism of the peasant. The peasant does not like to be under the dictation of a supposedly sophisticated supervisor nor does he like to be yolked to his fellows in some kind of joint endeavor. This may be simply because he dislikes to adapt his own rhythm to that of either hired management or group consensus. It may also be that the supervisor is not always wise and his fellow farmers are not always reliable. Therefore, he feels that his best prospect for success is through a system in which he reaps the rewards of his own labor and makes his own decisions. However misguided this feeling may be, it is certainly possible to understand.

If one accepts this feeling, then the question is how we can provide needed services while maintaining a nation of independent small farmers. Perhaps the best suggestion is that every provision of service should make as little regimentation of the rural community as possible and should rely on voluntary efforts and the private market to the greatest possible degree. Some of the possible lines of action to aid small farmers may be observed

in consideration of methods of providing irrigation, technical advice, machinery and credit.

After examining the operations of 5 compact farms and several Seldas, Montemayor arrives at the following conclusions:

> The only joint activity common to the groups studied, relates to loaning from institutional sources (e.g. ACA and Rural Banks). . . It would seem that forming into a group is principally motivated by the desire to take a loan inasmuch as such group formation is a necessary and sufficient condition for obtaining a loan. The members associate themselves with one another in order to borrow money. Once money is made available, the group members tend to act individually. *Pakikisama* (trying to get along with each another) becomes a double-edged sword. It helps form a group of like-minded individuals aiming at a certain short-term goal, e.g., borrowing money or increasing production. Once the goals are attained, *kanya-kanya* (let-the-devil-get-the-hindmost individualism) gets the upper hand. It would seem that group unity is not a highly valued end in itself but only a means to a further end. Under circumstances perceived as typified by scarcity, poverty and deprivation, individual survival would seem to be possible only by taking advantage or by conveniently ignoring the interest of others. . . In times of crisis when group unity becomes a condition for individual security, the *bayanihan* spirit pervades. It would seem necessary therefore either to maintain a perpetual state of crisis or (what amounts to the same thing) to focus their attention on the crisis confronting them — whatever they may be. . .
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> The power, kinship and communication structures internal to the group as well as the external linkages of each group may be expressed in terms of patron-client relationships. As traditional forms of such relationships (e.g. landlord-tenant relationships) disappear, new forms arise. These new patron-client relationships may be seen in the dispensing of new and modern technology. . . Development programs in the New Society although not completely eradicating vertical relationships help strengthen horizontal ties. If institutionalized, these horizontal ties can transform patron-client relationships into bonds of inter-dependence. . . Masagana 99 and Operation Land Transfer tend to discourage cooperation to the extent that beneficiaries to these programs as such can fend for themselves. Operation Land Transfer cannot be realized from the farmer's standpoint, of course, unless he joins the Samahang Nayon. However, many do not want to join the Samahang Nayon, although they want to hold on to their landholding. . . The existing modes of production, credit and marketing make of farmers' groups from others' viewpoint as source of profit. For instance, ACA views compact farms as its productive arm, enabling it to recover loans from FACOMAS. Credit and marketing institutions relate themselves as patrons

vis-à-vis the farmers as clients. The trend therefore is for these institutions to operate as corporations rather than cooperatives with respect to compact farms. Ultimately, given the existing corporation-type of operations, credit, dealers and marketing institutions as well as government technicians to some extent profit from compact farms. Farmers' groups are treated more as clients than partners.

E. *Some Farmer Assessment of Compact Farm and Selda Activities*

Table 3.7 and other data from the PICRAD study enable us to look at some characteristics of these two farmer groups and how members assess some of their activities. Several observations may be made from these data, to wit:

Majority of the compact farms have 11 to 30 members while practically all the Seldas have less than 10. The most outstanding observation is that all the members borrowed money, with about 90 percent of compact farm members obtaining loans from ACA and FACOMA and practically all Selda members using Rural Banks and PNB. Majority of the Seldas borrowed less than ₱1,000 while CF farmers have about half obtaining loans worth more than ₱1,000 up to ₱5,000. Repayment rates (ratio between amount paid and amount borrowed) were only about 70 percent for the four provinces, with Aklan registering the lowest rate of repayment for both compact farms and Seldas. Aklan also reported the lowest rating from technical services received. For Panay as a whole, 62 percent of CF members and 74 percent of Selda members gave low ratings to technical services. This means farmers' assessment of extension services provided by the technician which includes answers to such questions as to whether the FMT was present when his help was needed; whether he was able to meet the needs in the farm; and whether farmers trusted or doubted farm information given to them. Apparently, even if there was a favorable technician-farmer ratio, their technical services were not very satisfactory. Furthermore, frequency of technician visit does not have an independent effect on repayment. The PICRAD study found that:

(1) High frequency of technician visit led to higher repayment under conditions of high sharing in farm knowledge with technician and higher degree of farmer's satisfaction with technical services as well as total farmer's association. This was true for both compact farms and Seldas.

TABLE 3.7
CHARACTERISTICS OF PANAY COMPACT FARMS AND SELDAS AND ASSESSMENT OF SOME ACTIVITIES (1976). 358 SELDA FARMERS AND 91 SELDA LEADERS. 226 COMPACT FARM MEMBERS AND 30 FARM MANAGERS

	Compact Farms	*Seldas*
	(In Percent)	
1. *Size of the organization* (number of members)		
a) 1 – 10	–	99.5
b) 11 – 20	57.5	0.5
c) 21 – 30	17.0	–
d) 31 – 40	12.8	–
e) 41 – 50	10.6	–
f) 51 – 60	2.1	–
	100.0	100.0
2. *Sources of credit*		
a) ACA and FACOMA	88.9	5.6
b) Rural Banks and PNB	0.0	92.5
c) Private Banks	0.9	1.9
d) Private money lenders	0.2	–
	100.0	100.0
3. *Amount borrowed*		
Below ₱1,000	15.0	61.0
₱1,001 – ₱5,000	15.0	38.0
₱5,001 – ₱10,000	2.6	0.7
Did not know or would not report amount.	7.4	0.3
	00.0	100.0
4. *Rating of technical services received**		
Low	62.1	73.5
High	37.9	26.5
5. *Repayment rates* (ratio between amou paid and amount borrowed)*	39.7	69.6

6. *Assessment of formal organizational functioning*		
Poor	45.4	48.9
Fair	47.6	46.4
Good	7.0	4.7
7. *Assessment of informal organization*		
Low	21.1	26.8
Medium	38.8	34.9
High	40.1	38.3
8. *Estimated trend in net returns as a result of the Program*		
Decrease	16.3	32.7
Increase	63.9	58.1
No change	19.8	11.2
9. *Distribution of irrigated and rainfed farms*		
Irrigated	65.2	41.1
Rainfed	34.8	58.9
10. *Changes in farm labor utilization*		
a) Family labor		
No change	43.6	44.4
Decrease	11.5	19.1
Increase	1.8	4.1
Not utilized	43.1	32.4
b) Hired labor		
No change	52.9	38.3
Decrease	26.4	25.4
Increase	2.6	3.3
Not utilized	18.1	33.0
c) Exchange labor or *bayanihan*		
No change	3.5	2.8
Decrease	2.2	1.1
Increase	1.3	0.8
Not utilized	93.0	92.3

*Note: The ratings given by the 4 provinces are as follows:

	Aklan	*Antique*	*Capiz*	*Iloilo*
Compact Farms				
Low	89.6	9.5	79.5	40.0
High	10.4	90.5	20.5	60.0
Repayment rate	30.8	82.9	86.4	78.7
Seldas				
Low	74.1	67.4	86.1	66.7
High	25.9	33.6	13.9	33.3
Repayment rate	42.0	85.1	77.4	73.7

Source: Panay Island Consortium for Rural and Agricultural Development, "An Evaluation of Compact Farms and Seldas as Channels for Improving Credit Repayment in Panay," Central Philippine University, Iloilo City, 1977.

(2) Frequency of technician visits led to higher repayment under conditions of high net returns per hectare and the following indicators of farmer satisfaction:

a) high satisfaction with technician
b) a positive assessment of his life situation
c) high satisfaction with irrigation facilities
d) occurrence of change in farm practices associated with the program
e) acknowledgment of the change in farming practices as due to the team leader
f) total satisfaction with the program

Both these findings suggest that frequent technician visit by itself does not lead to loan repayment. There are many intervening factors which either soften or strengthen the effect of the FMT. A whole series of positive circumstances must accompany or must be associated with technician visits for these to have an effect on farmer's repayment behavior. Hence, even if the FMT visits frequently but the farmer does not acquire farming information which leads to changes in farm practices and high net returns which in turn improve his life situation, frequent technician visit will not result in repayment. What the PICRAD and other studies did not examine is the FMT's new role in credit as a representative of the bank vis-à-vis his usual role as an agricultural extension – farm management technician. How do these two roles harmonize, conflict, complement or reinforce each

other? Considering the additional incentives given to te FMT in his credit role, is it possible that the traditional FMT role had been sacrificed in favor of the former? Besides the monetary incentive, there is a great deal of power attached to the "credit" role and it is easy, almost natural, for the situation to deteriorate into a *patron-client* relationship between the FMT and the farmer because the technician has access and even actual control over resources the farmer needs. In addition, this position makes the FMT very vulnerable to the temptations offered by such an access to valued resources particularly when farmers — the intended beneficiaries — are not as sophisticated and wise to the intricacies of the modern world especially institutional credit.

Table 3.7 shows a not-so-favorable assessment of the CF and Selda formal organizational functioning only 7 to 5 percent, respectively, rating it as *good;* almost half said *fair* and less than half said *poor.* The informal organizational aspects were more positively viewed. These include such things as sharing in non-farm activities like borrowing/lending household supplies, equipment, petty cash or helping during festivities and calamities; sharing of farm information with the technician and within the group. About 40 percent of both groups gave a high rating to these non-formal group activities. This is quite a contrast to the poor rating of the formal organizational aspects of these farmer groups. It is entirely possible that the sharing in non-farm activities and farm information with the technician and among members have been strengthened by the fact that the groups have been organized. More than 80 percent of the members also indicated changes in farm practices since they joined CF and Seldas.

On the net returns from the farm, 64 percent of the CF farms and 58 percent of the Selda farmers reported an increase with more of the CF farmers reporting an increase. About a third of the Selda farms registered a decrease in net returns. They rated technical services, formal and informal organizational aspects lower, had more rainfed farms, and borrowed less money than CF farmers.

In terms of the labor-absorbing expectations of these farmer groups, Table 3.7 shows some 12 and 19 percent of the farms reporting a decrease in family labor, about a fourth in hired labor. There are very, very few farmers who reported an increase in 3 types of labor. The overall net result seems to be a decrease rather than an

increase in labor utilization. But even more significant than this is the observation that more than 90 percent do not practice exchange labor and that more than a third do not use family labor, with more CF than Selda farms in this category. More of the Selda than CF farmers do not use hired labor. In general, and on the basis of data from the PICRAD study, it cannot be concluded that CFs and Seldas have succeeded in absorbing more labor.

Wong and Reed, in their Seminar Report on Group Farming in Asia concludes that

> the South and Southeast Asian case presentations, diverse as they were, brought out substantial differences between this region and East Asia, in terms of both the institutional and technological base and the forms of group farming. In *East Asia, resort to group farming is in response to a rural manpower shortage* in th context of a fairly equal access to resources and relatively widespread adoption of modern agricultural practices. In South and Southeast Asia, however, industrialization has not developed to such a level as to absorb the rural surplus labor, to slow down the rate of population growth, or to create a significant impact on agricultural productivity. In fact, the South and Southeast Asian region is confronted with a dilemna. On the one hand, it may need to try out some forms of group-farming programs in order to alleviate the serious rural unemployment problem and to help the small farmers. On the other hand, the existing group-farming programmes, with only few exceptions, have so far not produced encouraging results to match those attained in East Asia, primarily because of lack of sufficient institutional and technological support. Group-farming enterprises, to succeed, depend on enormous organizational efforts on the part of local leadership as well as on adequate material supply in terms of service delivery.[27]

F. *Diffusion and Adoption of New Farm Technology through Compact Farms and Seldas*

Lall's experimental study on how an agricultural innovation gets diffused among small farmers when introduced through compact and non-compact farms provides us with some very relevant, albeit surprising, findings. From three compact municipalities of Bula, NABUA and Libmanan, the researcher chose 50 compact farms, each at random. To each of the coordinators of these compact farms, one kilogram of IR 26 "foundation" class seeds were given along with a set of printed instructions regarding the cultural practices to be followed in the production of IR 26. Only the coordinators of NABUA

were specifically instructed to share (sell or barter) at least 50 percent of their first season's harvest seed with fellow-members of their compact farms as well as other farmers. The municipality of Ocampo was selected as the non-compact farm municipality. The extension workers assigned to this municipality were requested to prepare a list of all those farmer cooperators whom they consider as informal leaders and through whom they approach other farmers in the dissemination of new innovations. From a list of 421 farm leaders, 300 were selected at random and given one-half kilogram of IR 26 foundation seeds. Each recipient also received printed instructions regarding cultural practices to be followed. From the original recipients of IR 26 (compact and non-compact municipalities), a list of farmers who had planted 50 percent or more of their rice area under IR 26 by the end of the second season was prepared. These farmers were asked to name those farmers to whom they had given seeds after the first harvest and had also planted IR 26 on at least 50 percent of their rice land.

Table 3.8 reveals that compact farm members have more among initial recipients who planted half or more of their farms to the new seeds during the second season after the first release of the seeds. On the other hand, there were more late recipients from the non-compact farm areas. Lall found that the first recipients from compact farms tended to saturate their own rice fields with IR 26 before sharing the seeds to others outside their groups. They showed a tendency to hold on to the innovation and to restrict the movement of the seeds. This could be due to the fact that for the first seasons, IR 26 seeds sold for ₱80-₱100 per cavan. When asked why they planted large areas to IR 26, farmers replied that for the first time they could make money on the sale of seeds from this variety because they were not available from other seed growers. Table 3.9 suggests this greater "restrictive behavior" or inclination to "hoard" the technology among the compact farm members. Only 67 percent of late recipients in non-compact farms were neighbors while for the compact farms, more than 80 percent were neighbors. This behavior can be regarded as group action, a "we-feeling" priority among compact farms with respect to the potential benefits from the new seeds.

Table 3.10 also shows that compact farm members relied considerably more on the extension worker for farm information at all

TABLE 3.8
EARLY AND LATE RECIPIENTS OF IR 26 SEEDS DURING WET SEASON 1974 WHO HAD 50 PERCENT OR MORE OF THEIR FARMS PLANTED TO THE NEW SEEDS

	Non-compact farm	*Compact farm*		
	Ocampo N = 120	*Bula N = 60*	*Libmanan N = 120*	*Nabua N = 60*
		— Percent —		
Original recipients (Dry season 1974)	58	68	73	71
Late recipients (Those who received seeds from original recipients)	42	32	27	29
	100	100	100	100

TABLE 3.9
RELATIONSHIP OF LATE RECIPIENTS TO ORIGINAL RECIPIENTS

	Non-compact farm	*Compact farm*		
	Ocampo N = 120	*Bula N = 60*	*Libmanan N = 120*	*Nabua N = 60*
Neighbors	67	80	91	87
Friends				
Same barangay	14	17	6	3
Outside barangay	—	—	—	—
Relatives				
Same barangay	9	—	1	2
Outside barangay	—	—	—	—
Customers				
Same barangay	10	3	2	8
Outside barangay	—	—	—	—
	100*	100	100	100

* This does not include 4 relatives who live in Albay, Sorsogon and Visayas.

Source: Vidya Sagar Lall, "Diffusion of IR 26 Rice Variety in Compact and Non-Compact Farms in Camarines Sur," Unpublished Ph. D. Dissertation, UPLB, June 1975.

TABLE 3.10
INFORMATION SOURCES AND STAGES OF ADOPTION IN *NON-COMPACT* FARMS

Information Source	*Percent of farmers utilizing each information source at each stage*				
	Awareness N = 120	*Interest*	*Evaluation*	*Trial*	*Adoption*
Mass media	4	–	–	–	–
Extension worker	76	79	75	43	32
Friends, relatives, neighbors	20	21	4	23	16
Self	–	–	21	34	52
Total	100	100	100	100	100
	For compact farms				
	N = 240				
Mass media	4	3	–	–	–
Extension worker	86	92	90	77	57
Friends, relatives, neighbors	10	5	4	3	4
Self	–	–	6	20	39
Total	100	100	100	100	100

Source: Vidya Sagar Lall, "Diffusion of IR 26 Rice Variety in Compact and Non-Compact Farms in Camarines Sur," Unpublished Ph. D. Dissertation, UP at Los Baños, June 1975.

stages of the adoption process than non-compact farmers. The latter relied more on "self" during the evaluation, trial and adoption stages than compact farms who continued to rely on the extension worker even during these later stages of adoption. This could mean that they end up better informed and more enlightened in their adoption than non-compact farmers but perhaps at the expense of other farmers who need the extension worker's technical services. It is also noteworthy that non-compact farmers scored significantly higher in the farm management knowledge test than CF farmers.

From an earlier Camarines Sur study done by Lynch (Table 3.11), there are evidences that in irrigated rice lands; non-members of compact farms and Samahang Nayons tend to lag behind members in the use of modern farming techniques although the differences are not large. In rainfed ricelands, the trend is the same but differences between members and non-members are much greater with more of the former applying modern rice production techniques. Although M 99 borrowers for both irrigated and rainfed areas exhibited greater use of modern practices than non-M 99 farmers, the differences are more pronounced among the rainfed farmers. All these suggest that although CF and Samahang Nayon membership is associated with more modern farming, this is much more evident among rainfed farmers. In other words, there seems to be more pay-off in working with the latter.

SUMMARY AND CONCLUSIONS

The compact farm strategy was officially defined as an integral part of the Agrarian Reform Program. Its purposes were to build economies of scale on the farm; to ensure repayment of credit; and to use it as a training ground for cooperative farming. This Chapter examined the compact farm concept; other farmer groups such as seldas; compact farms and seldas in practice; and some experiences with the different features of compact farms and seldas.

The Compact Farm Concept

Conceptually, *compact farm* has the following features: contiguity; equal productive capabilities; fully irrigated consolidation of operations; single management; pooled resources; pooled labor; shared expenses; pooled produce; channel for credit assistance; joint liability for loans; and capital generation through a savings program. The compact farm itself was intended to be a point of convergence for all developmental efforts.

TABLE 3.11
PERCENTAGE OF RICE FARMERS USING MODERN FARMING TECHNIQUES BY KIND OF RICE-LAND AND FARMER-GROUP MEMBERSHIP
(Camarines Sur — 1973)

	IRRIGATED					*RAINFED*					*IRRIGATED*		*RAINFED*	
	CF and SN N=75	*CF N=84*	*SN N=43*	*Non-member N=82*	*Total N=284*	*CF and SN N=51*	*CF N=60*	*SN N=72*	*Non-member N=86*	*Total N=269*	*M 99 N=141*	*Non-M 99 N=143*	*M 99 N=105*	*Non-M 99 N=164*
	— *Percent* —					— *Percent* —					— *Percent* —			
1. Farmers using modern rice varieties	79	61	60	67	67	80	83	63	63	71	72	63	84	62
2. Farmers using modern weeding techniques	83	87	79	73	81	73	70	49	38	55	86	76	77	44
3. Farmers using modern seed-testing tecniques	77	76	79	71	75	78	80	52	58	65	76	75	79	56
4. Farmers using modern land preparation techniques	93	93	93	81	89	86	83	64	52	69	94	85	86	58
5. Farmers using modern transplanting techniques	85	87	83	79	84	88	85	53	45	64	85	83	87	50
6. Farmers using modern pest control techniques	100	96	95	85	94	98	97	82	79	87	98	90	97	81
7. Farmers using modern weed control techniques	94	88	84	86	80	96	90	78	75	83	86	74	93	76
8. Farmers using modern fertilizers	96	90	68	52	78	86	72	36	21	49	94	61	79	29

Note: CF — Compact Farm
SN — Samahang Nayon
M 99 — Masagana 99

Source: Frank Lynch, "Rice Farm Harvests and Practices in Camarines Sur: Do Compact Farms, Masagana 99 and the Samahang Nayon Make a Difference?" SSRU Research Report Series No. 2, Social Survey Research Unit, Ateneo de Naga, Naga City, January 1974.

Other Farmer Groups Such as the Selda

The *selda* is a small-scale production unit not necessarily contiguous and not operated as a single management system although members live in close proximity to each other. It acts as a joint liability group for credit; a channel for farm inputs, collection point for marketing of produce; rural nucleus for extension; and a subunit for social development within the village. Expansion of the *selda* occurred when membership in it became a pre-requisite for obtaining loans from the rural bank. The assumption was that the mutual help (damayan) spirit among the members would serve as social pressure to insure credit delivery and repayment.

Compact Farms and Seldas in Practice

When the "ideal type" compact farm was translated into practice, adaptation to local conditions resulted in an endless variety of arrangements. The one element which characterized compact farms and even the seldas was joint liability for production loans which they received. The only real point of convergence of interest among the selda and compact farm members was credit. In general, it could be said that many compact farms were not very compact and most of the *selda* joint liability groups turned out to be neither joint nor liable but everybody obtained credit. These adaptations were a very far cry from the earlier selda system organized in 1969 in Cotabato where membership requirements, both physical and attitudinal, were quite stringent. It was obvious that motivations behind the organization of seldas and compact farms were both socio-political and productive and a number of personalities were responsible for bringing the concept into practice.

Some Experiences With the Different Features of Compact Farms and Seldas

In terms of actual experience with different aspects of compact farming, the adoption of modern farm technology was the most *satisfying,* followed by savings and capital generation program, right of recourse, and group action. Single management, pooling of labor and capital and pro-rata sharing of input and produce were hardly implemented and therefore least experienced. Joint liability for each

other's loans was most unacceptable and most unsatisfying to the members. Only the farm plan and budget part of single management was in operation because it was used to obtain credit. It was only in getting loans that the members actively participated as a group. A major conclusion from one study summed up the situation neatly in the following: "The findings that compact farmers group themselves only to obtain loans, after which they tend to act individually, plus the findings of non-operation of pooled labor and capital resources, pro-rata sharing of inputs and produce, absence of true concept of single management of farms due to non-consolidation and lack of contiguousness of farms make the compact farm program a 'theoretical' exercise only."

On the productivity dimension of compact farms, significant differences between members and non-members were difficult to establish consistently from the different empirical studies. In other words, there were mixed results from the analysis. In one area, the researcher raised the issue of the compact farm's social cost where only a few farmers were benefited by a substantial public investment. Furthermore, previous studies have established that smaller rice farms registered higher productivity per hectare than large farms. This questions whether land consolidation for economies of scale in rice production is a justified rationale for establishing compact farms.

The dynamics of production loan at the micro level were illustrated by a variety of farmer-borrower categories with respect to loan size, credit utilization and repayment with instances of over-borrowing, underspending, "dummy-borrower", repayment difficulties and the credit "bandwagon". Despite standard loan ceiling per hectare, there was an infinite variation in the way production loans came out.

From descriptions of several compact farms, the patterns of organization, decision-making and management which emerged are as follows: The initiative for organization of compact farms and seldas came from a desire to facilitate the operations of sponsoring agencies. Communication channels were well-structured from the top-down. Only the FMT served as the link between the farmer and the technician. Decision-making for and in behalf of farmers lies in the hands of a few people. Practically all the power rested with the FMT who was responsible for farm plan and budget and even for choosing which dealer to patronize. There were no evidences of truly pooled labor. At most, there was some centralized hiring, and some

group labor for certain farming operations. Labor absorption had not increased. All activities of the seldas studied were done individually except for the co-makers signing a promissory note in joint credit liability. There was an absence of *groupness* in the selda. Farmers' assessment of the compact farm and selda was rather negative on the formal organizational functioning and more positive on the informal aspects such as sharing in non-farm activities and sharing of farm information.

The use of compact farms as channels for new farm technology showed that members tended to saturate their farms first before sharing with outsiders. They held on to the innovation and restricted its movement among members.

From concept to practice, compact farms and seldas had "strayed" considerably from the ideal features which justified their creation. The consequences, therefore, were also far from the expectations based on the concept.

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CHAPTER IV

THE OTHER SIDES TO MASAGANA 99

Masagana 99 is a *Program of Survival* launched in 1973. As the brochure says: "Masagana is a Tagalog word meaning bountiful and 99 quantifies the goal of the program to increase rice production up to 99 sacks per hectare or 4.4 tons of unmilled rice. It was conceived out of the need to massively increase rice production." The key elements of the program are:

a) *A revolutionary credit system:* loans without collateral

> Some 420 rural banks, 102 branches of the Philippine National Bank and 25 offices of the Agricultural Credit Administration agreed to give loans.
>
> A guarantee of 85 percent of all losses on Masagana 99 loans persuaded bankers to drop their old-fashioned pawnshop mentality and gave loans without collateral.
>
> Another change was the complete revamping of the rediscounting system so that more loans could be rediscounted easily, efficiently and at least cost.
>
> . . . . Farmers' loan applications were processed on the spot. Bank representatives, together with field technicians, processed the farm plan and budget of farmers who were grouped into "seldas" composed of 5 to 15 farmers who were jointly and severally responsible for each other's crop loans.
>
> Money was lent out in jeep, on foot, by motorcycle, on pumpboats and even by helicopter. A hundred jeeps were initially used by the Philippine National Bank to bring money, literally at the farmer's doorstep. Thus, the PNB "bank on wheels" was born.

> . . . . The farmer was allowed $100 loan per hectare with one percent interest monthly. Part of the loan was given in cash to cover labor cost, while the balance was given in purchase orders for pesticides and fertilizer which he could exchange for actual products at the local store. With this, the storekeeper then redeems the purchase orders for cash at the bank.

b) *Transfer of Technology*

To revolutionize the system of rice production, transfer of technology had to be done. To make sure that the farmer followed 16 steps of Masagana 99, four strategies were adopted.

- ☐ a package of technology was developed through extensive tests done in the field;
- ☐ the deployment of field technologists numbering 3,200 who were to teach farmers the new technology and to guide them in forming *seldas,* obtaining bank loans, harvesting, storing, marketing, and bargaining;
- ☐ mass media dissemination; and
- ☐ smooth coordination by management with cooperating agencies at all levels.

> To insure total coordination at all levels, provincial governors were designated chairmen of Provincial Action Committees, the mayors, heads of municipal Action Teams. They were made responsible for coordinating the activities of various agencies involved in Masagana 99 — the banks, the rice millers and traders, fertilizer and pesticide dealers, local radio network, and all government agencies concerned with agriculture, local government and land reform.
>
> In effect, these local officials were put in charge of a national management committee composed of leaders both from the government and private sectors.

c) *Low-Cost Fertilizer*

Despite swiftly rising world fertilizer prices in 1973, which escalated further during the oil crises, the government subsidized fertilizer to rice farmers reducing prices by 21 percent. Before M 99, it took over 3 kilos of rough rice to buy one kilo of nitrogen fertilizer nutrient. During the first year of M 99, this was reduced to only 1.6 kilos of rough rice to buy a kilo of nitrogen nutrient — the most favorable ratio in our history. Thus, farmers were encouraged to apply fertilizer dosages.

d) *Good weather, other elements*

The fourth element that propelled M 99 to its successful first year was good weather.

The other elements were the price support program that guaranteed the farmer $6 per sack if market prices fell at harvest time and the timely supply of chemical inputs for disease and pest control.[1]

The brief description of M 99 just cited is a necessary background and frame of reference in understanding the changes associated with the "modernization" of credit as an institutional innovation.

This Chapter focuses on agricultural credit as a changing rural institution with its "other sides", i.e., other than its productivity-increasing objective. The ramifications of M 99 make fascinating sociological study because "incurring debts" or borrowing is very much a sociocultural phenomenon. There are basic social values and even a lifestyle imbedded in a "credit society". It involves the future and, in effect, having faith in the promises for the future in return for the "fruits" which can be enjoyed today. At present, credit seems to be one major development instrument. One can say without fear of successful contradiction that "the whole world lives on credit". As the individual farmer borrows ostensibly to be productive, so do governments around the world depend on foreign loans to realize their dreams of a better life for their people. Others take the view that present borrowings have mortgaged the lives of the next generations. Living within one's means; tightening one's belt; thrift and savings for the future have apparently become old-fashioned and gone out of style. On the other hand, it has also been argued that using credit as a development instrument now prepares the country for better tomorrows for the next generations.

At the farmer level, when land reform liberated the share tenant from his "life of poverty, bondage and injustice", he was also liberated from indebtedness to his landlord and from the patron-client relationsip with him. To take his place and that of other private money lenders, an entirely new system of borrower-creditor relationship was introduced via the banking system through the intermediary of the farm management technician who legitimized the loan by affixing his signature to a farm plan and budget. The latter has also replaced the collateral as a passport to loan releases. This shift in

policy by itself has significant social implications particularly with the group lending schemes through different joint liability farmer groupings organized around credit.

In examining the other sides of M 99, we must remember that the program came after crop years 1971, 1972 and 1973 had been plagued by typhoons, floods, tungro and drought. It is also a fact that the Philippine rice situation can be characterized as a century of very low productivity levels and of recurring shortages, importations and annual crises. Although credit subsidy as the core of the rice production program was regarded as "part of the total effort to reduce the cost of borrowing of farmers, thereby enhancing their chances of becoming self-sufficient, inducing their participation in government programs and promoting social equity,"[2] it is clear that the " . . . overriding objective of the M 99 program is to *achieve self-sufficiency in rice, not to improve the income of small farmers.* It was a coincidence that the target clientele of the program, the Filipino rice farmers numbering close to one million, has an average farm size of around 2.7 hectares."[3]

From all indications and computations, the rice self-sufficiency objective of M 99 has been a great success although it would be less than accurate not to mention expansion of irrigated areas as a crucial element in this success story. The latest account of program benefits makes the following estimate:

> As the most important contribution, M 99 brought the country self-sufficiency with some export surplus for the first time in 1976. Estimated incremental output due to the program is about 5.3 million metric tons or about 3.2 million metric tons of additional rice. Foreign exchange savings from non-importation of rice and rice export earnings amount to about US$647 million or ₱4.7 billion at the official exchange rate. The economic value of M 99 foreign exchange savings is about ₱5.5 billion.
>
> Qualitative program benefits include socio-economic stability, transfer of technology and increased farm productivity.[4]

Precisely because of M 99's success in attaining the increased rice production objective, it is important to identify the various social components which accompanied or resulted from program implementation.

This Chapter presents these other sides to M 99 through research findings from a variety of studies on the following:

a) Patterns of borrowing

b) Non-repayment behavior
c) Group lending
d) M 99 and informal financial markets
e) Who benefits?

A. *Patterns of Borrowing*

Before M 99 came along, rice farmers, particularly tenant farmers, were dependent on the landlord, private money lenders, relatives and friends for credit whether for production or consumption purposes. Such credit was supposedly given at usurious rates of interest except for relatives whose loans are often interest-free. It has likewise been lamented that small farmers do not have access to low-interest institutional credit because they have no collateral to offer. Table 4.1, for example, shows that regardless of tenure status, private money lenders were the most important credit source, followed by relatives and friends and the landlord. However, owner-operators and leaseholders had greater access to banks and other institutional sources than share tenants. The latter were more dependent on the landlord and other private sources. It is surprising that even during those days, the landlord was not the dominant source of credit for share tenants. The role of relatives and friends in this regard should not be discounted because they are quite often an interest-free source.

With the advent of M 99 for the crop year 1972-73, about 34 percent of farmer-borrowers studied by the Bureau of Agricultural Economics participated in this program. In 1974, participation went up to 84 percent. This is actually the peak period of the program with more than half a million borrowers; 866 thousand hectares and a total of ₱716 million loans granted (Table 4.2). The average farm size financed was less than 2 hectares. This certainly represents widespread countryside coverage of small farmers, which is more than 50 percent of the total estimated number of Filipino rice farmers. At its peak, there were 636 rural banks and PNB branches involved in this lending operation. Repayment rates were 94 percent for Phases I and II (1973-74). As of 1980, the number of borrowers dropped to 54,250 which is only about 10 percent of the peak period. Repayment also dipped to 68 percent which is really quite low considering the reduction in number and the likely selectivity of these remaining borrowers. Total loans were only ₱117 million, a mere 11

TABLE 4.1
FARMER-BORROWERS BY SOURCE OF LOAN AND BY TENURE
(In percent of total farmer borrowers)

Source of Loan	Owners	Leaseholders	Share Tenants
1970-71 Philippines			
ACA/FACOMA	19.1	23.9	8.3
Rural banks	13.3	5.4	6.7
DBP/PNB	7.6	0.0	0.8
Landlords	–	7.8	15.9
Private money-lenders	38.2	41.5	39.8
Relatives/friends	21.8	21.5	28.2
1971-72 Philippines			
ACA/FACOMA	9.8	24.0	8.0
Rural banks	13.5	6.3	6.2
DBP/PNB	6.8	0.4	0.0
Credit Unions	2.5	0.4	0.9
Landlords	–	9.7	19.4
Private money-lenders	40.9	38.7	36.6
Relatives/friends	26.5	20.6	28.8

Source: Bureau of Agricultural Economics Farm Indebtedness Surveys.

percent of the highest level of lending.

The major reason for the shrinking loan portfolio is the borrowers' inability to repay their loans. The $64 question therefore is – why farmers failed to pay.

To help us understand this downward spiralling of M 99, we need to examine micro-level data to supplement the aggregate trends shown previously. In this study of rice farmers' credit absorptive capacity, Cruz identified the following patterns of borrowing before, during and after the cropping season of June 1978 to May 1979.[5] Although there is nothing complicated about this piece of work, it takes us further than the usual categories we deal with such as "borrower-non-borrower". Starting from these 2 basic categories, overtime, we see the dynamics of borrowing behavior and the emergence of other types of borrowers and non-borrowers.

TABLE 4.2
STATUS OF THE MASAGANA 99 PROGRAM (as of April 1980)

	Phase	Number of borrowers	No. of banks	Area financed (hectares)	Loans granted ₱M	Loans collected ₱M	Loan repayment (percent)	Average loan per hectare (₱) (1)	Average loan per borrower (₱)	Average of farms financed (hectares)
I	May-October '73	401,461	555	620,922	389.5	347.3	94	585.0	921.4	1.55
II	November '73-April '74	236,115	526	355,387	230.7	216.9	94	649.9	977.5	1.50
III	May-October '74	529,161	536	866,351	716.2	601.6	84	827.0	1353.9	1.64
IV	November '74-April '75	354,901	602	593,609	572.1	469.1	82	963.1	1611.5	1.67
V	May-October '75	301,879	636	558,330	572.9	435.4	76	1026.7	1897.0	1.85
VI	November '75-April '76	151,862	495	255,882	255.9	207.3	81	999.6	1683.6	1.68
VII	May-October '76	144,265	511	244,477	274.3	219.4	80	1124.2	1904.9	1.69
VIII	November '76-April '77	89,623	392	148,763	164.3	133.1	81	1102.7	1825.6	1.66
IX	May-October '77	131,842	433	223,622	250.5	185.2	74	1118.3	1897.8	1.70
X	November '77-April '78	92,476	366	155,095	175.1	140.1	80	1129.7	1903.3	1.68
XI	May-October '78	116,624	387	202,606	236.9	161.0	68	1167.0	2024.8	1.74
XII	November '78-April '79	85,401	311	157,527	158.0	–	–	1000.0	1858.8	1.86
XIII	May-October '79	112,641	357	–	237.8	–	–	–	–	–
XIV	November '79-April '80	54,250	221	–	117.5	–	–	–	–	–

(1) ratio of loans granted to area financed

Source: Rice Division, NFAC cited in Emmanuel F. Esguerra, "Who pays and who benefits from the M 99 subsidy: Preliminary findings" (undated) TBAC, "A Study on the Benefits and Costs of M 99 Program", 5th National Agricultural Credit Workshop, March. 21-23, 1981. Zamboanga City.

Of the 226 respondents, 63 percent had borrowed before the June 1978 cropping season and 37 percent did not avail of credit from any source. Figure 4.1 shows that only 9 percent were "regular" borrowers regardless of source of credit. These farmers used credit before, during, and after the cropping season as a means to improve farming. They were able to establish good credit lines with the sources. On the other hand, 9 percent did not borrow at all from any source, hence, they are called *"non-borrowers"*. These farmers are capable of self-financing their rice farms. Their rice farms are small, thus, they need only a small amount of capital to finance the farm operation. They are also the type of farmers who are not used to borrowing from any source of credit.

Twenty-nine percent are *"drop-outs"*. These are farmers who initially borrowed capital for farm production but were unable to borrow during the cropping season under study because of their inability to pay their previous loans. They were motivated by fellow farmers and/or farm technicians to use credit but were not capable of paying their loans, hence, they could not avail of credit during and after the cropping season of June 1978 to May 1979. Other respondents (13 percent) are *"intermittent borrowers"*, i.e., the farmers who availed of farming capital before but failed to pay it thus could not obtain loans during the cropping season. However, upon payment of the previous loan, they decided to borrow once more. The counterparts are *"intermittent non-borrowers"* who make up 14 percent of the respondents. They did not avail of credit at the start of the credit program but decided later to borrow. However, they could not borrow thereafter because of failure to repay.

Some respondents (5 percent) were of the "cautious" type. They did not borrow at the initial phase of the credit program, decided to borrow in the next phase, became successful in their farming operations, and were able to pay their loans. As a consequence of their good farming performance, they renewed their loan applications to finance their farm operations.

Eight percent of the respondents are rather *"late"* users of credit. These farmers decided to borrow at the latter phase of the credit program after having been convinced by their peers who benefited from the credit program. They may be called the *"laggard borrowers"* in so far as the use of credit as a facility in improving the farm business is concerned.

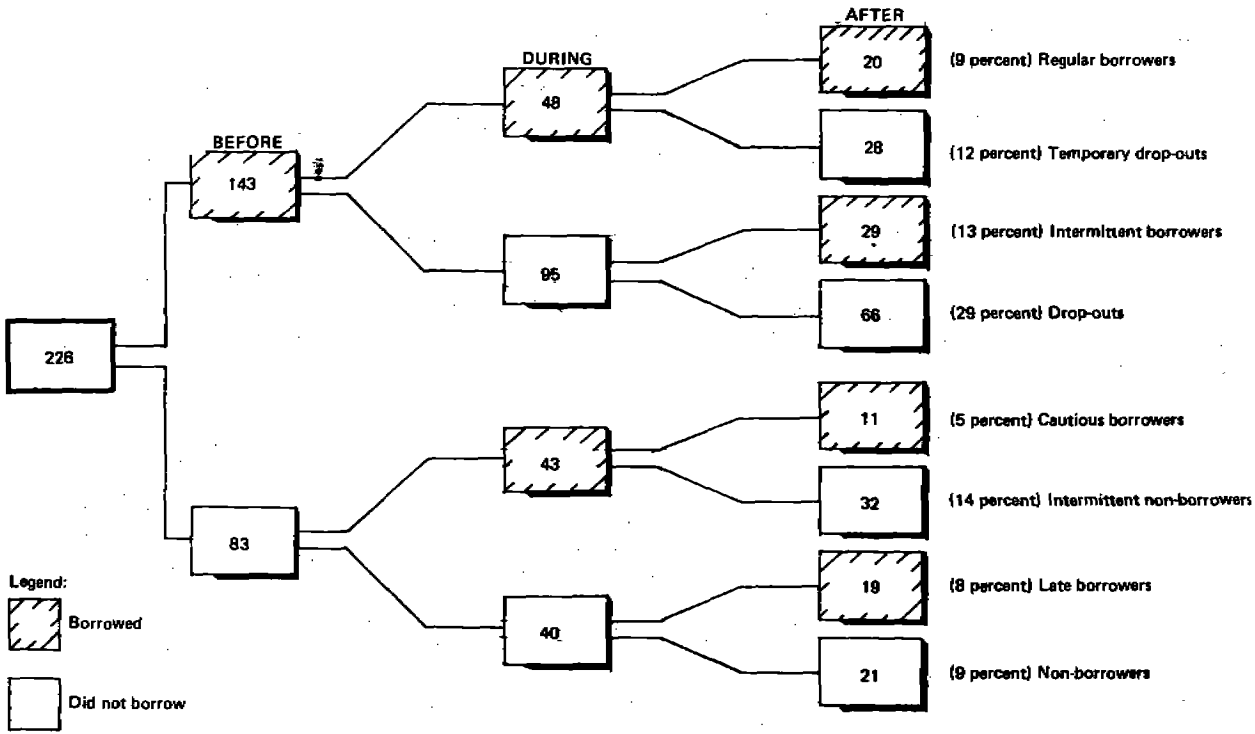

FIGURE 4.1 RESPONDENTS' GENERAL PATTERN OF BORROWING BEFORE, DURING AND AFTER JUNE 1978 TO MAY 1979 CROPPING PERIOD

Source: Federico A. Cruz, "Credit Absorptive Capacity of Rice Farmers," Unpublished M.S. Thesis, University of the Philippines at Los Baños, August 1980.

On the other hand, 12 percent of the respondents are *"temporary dropouts"*. These farmers were users of borrowed capital in the initial phase of the credit program and had temporarily stopped from borrowing either due to their inability to pay the previous loan or to their decision to finance the farm operation out of the income generated from the farm. This type of borrower availed of credit once the unpaid loans had been settled or when he did not have enough capital to finance his farming enterprise (Table 4.3).

The other credit behavior pattern which is of equal concern to us is credit source. Tables 4.4 and 4.5 show the trends before, during and after the cropping season of June 1978 to May 1979.

a) Institutional sources were used by 60 percent of farmers before. This dropped to 13 percent in the "after" period but only 20 percent shifted to non-institutional sources. More than 60 percent became "non-borrowers". The question that remains unanswered is how farmers managed during this period. Has the amount borrowed been "dissipated" or have the farmers chosen to plow it back as capital rather than repaying it to the source? If the former were true, production is likely to suffer. However, if the latter obtains, credit functions as an addition to the income stream and production is probably not affected although the cost is borne by the government or by the non-institutional source.
b) Tables 4.4 and 4.5 show a decline in the total amount of loan from ₱430,000 before 1978 to ₱115,472 during the period. This is a reduction to only about a fourth of the previous amount. Although there was an increase in repayment rate from 38.5 to 46.5 percent, this is probably due to greater selectivity since the number of borrowers dropped from 143 to 91.
c) A total of 192 loans were made for the "before" period and 98 for the "during" phase but the borrowers were only 143 and 91, respectively. This means that 50 loans for the first periods were multiple loans obtained at the same time. For the second phase, 7 loans were of a multiple nature.
d) Loans obtained from institutional sources such as the Rural Bank and Land Bank were considerably larger than those from non-institutional sources. Although the landlord has ceased to be a supplier of credit, relatives continued to be

important and became even more so during the second phase.

e) The repayment rate during this phase was higher for institutional than for non-institutional sources but there were only 38 as against 60 borrowers from the latter with relatives being resorted to as the single most frequently mentioned source.

Other data from the Cruz study indicate that although 72 percent of the borrowers from institutional sources were assisted by government technicians, only 58 percent were visited by them and 42 percent were not visited by the technician at all. Only 25 percent of borrowers from banks obtained loans on their own initiative. On repayment status, almost half, 46 percent, had not paid anything for the second phase loan and yet two-thirds of these borrowers were never contacted regarding repayment.

These findings have wider implications considering that

TABLE 4.3
PATTERNS OF CREDIT SOURCES BEFORE, DURING AND AFTER THE CROPPING SEASON OF JUNE 1978 TO MAY 1979
(226 sample farmers from Libmanan-Cabusao, Buhi-Lalo and Bula-Minalabac areas of Bicol)

Sources of Credit	Before	During	After
		(In Percent)	
Institutional	50	13	13
Non-institutional	5	25	21
Non-borrowers	36	60	65
N = 226	100	100	100

Source: Federico A. Cruz, "Credit Absorptive Capacity of Rice Farmers" (Unpublished M.S. Thesis, University of the Philippines at Los Baños), August 1980.

rice farmers included in this study are small (average 2.18 hectares), with 30 percent below 1 hectare and 75 percent having 6 years or less schooling; 20 percent are share tenants

TABLE 4.4
CREDIT SITUATION OF 143 BORROWERS *BEFORE* THE JUNE 1978 TO MAY 1979 CROPPING PERIOD

Source of credit	No. of loans	Amount of loan	Average amount borrowed	Amount repaid	Average amount repaid	Outstanding loan balance
Institutional						
Rural Bank	95	₱264,037	₱2779	₱102,822	₱1082	₱161,215
Philippine National Bank	34	56,526	1662	11,430	336	45,096
Land Bank	6	22,010	3668	13,310	2218	8,700
Agricultural Credit Adm.	19	34,800	1831	14,221	748	20,579
Others (GSIS)	5	4,380	876	2,227	445	2,153
Subtotal	159	₱381,753	₱2400	₱144,010	₱ 906	₱237,743
Rate of repayment					37.7%	
Non-Institutional						
Landlord	1	₱ 200	₱ 200	₱ 200	₱ 200	₱ –
Merchant	5	1,305	261	973	195	332
Private money-lenders	2	1,500	750	500	250	1,000
Relatives	20	36,263	1813	14,098	705	22,165
Other friends	5	9,000	1800	5,941	1188	3,059
Subtotal	33	₱48,268	₱1462	₱21,712	₱ 658	₱ 26,556
Rate of repayment					44.9%	
Grand Total		₱430,021		₱165,722		₱264,299
Overall Ave.		₱ 3,007		₱ 1,159		₱ 2,002
Overall rate of repayment					38.5%	

Source: Federico A. Cruz, *op. cit.*

TABLE 4.5
CREDIT SITUATION OF 91 BORROWERS DURING THE JUNE 1978 TO MAY 1979 CROPPING PERIOD

Source of credit	No. of loans	Amount of loan	Average amount borrowed	Amount repaid	Average amount repaid	Outstanding loan balance
Institutional						
Rural Bank	22	₱ 51,500	₱2340	₱28,060	₱1275	₱23,440
Philippine National Bank	8	16,150	2018	5,660	707	10,490
Agricultural Credit Adm.	1	60	60	60	60	–
Land Bank	5	11,000	2200	8,220	1,644	2,780
Others (GSIS)	2	1,800	900	589	294	1,211
Subtotal	38	₱80,510	2119	₱42,589	₱1121	₱37,921
Repayment rate					52.9%	
Non-institutional						
Landlord	1	₱ 300	₱ 300	₱ 300	₱ 300	–
Merchants	8	7,880	985	2,400	300	5,480
Private money-lenders	2	1,200	600	1,200	600	–
Relatives	39	23,842	611	6,180	158	17,662
Friends	10	1,740	174	1,010	101	730
Subtotal	60	₱34,962	₱ 583	₱11,090	₱ 185	₱23,872
Repayment rate					31.7%	
Grand Total		₱115,472		₱53,679		₱61,793
Overall ave.		₱ 1,269		₱ 1,142		₱ 1,084
Overall repayment rate					46.5%	

Source: Federico A. Cruz, *op. cit.*

and majority are owner-operators, amortizing owners and lessees; and average household size is 6.3 members. What many studies such as this one fail to observe in greater detail is the credit and repayment behavior of below average and above average farmers such as those who have less than a hectare or 4 to 12 hectares; those 6 percent who have college education; those whose yields are below 20 cavans per hectare; as well as those who are owner-operators. Is the behavior of such above-average or below-average farmers different from that of the "mythical average"? In this era of concern that increased benefits should accrue to those who are more disadvantaged rather than to those who are more privileged, it is very important to examine what is happening to the two "tail-ends" of any frequency distribution.

In general, we can say that institutional borrowing behavior is very much *"technician-influenced"* if not *"technician-induced"* but repayment behavior is not. Judging from patterns of borrowing, one suspects that *"credit opportunism"* rather than *"credit need"* influences what the farmer does with respect to credit.

Looking at both macro and micro level data, we can identify the following patterns of borrowing:

1) In pre-M99 period, landlords, private money lenders, relatives and friends were the dominant sources of credit. With the advent of M99, the shift was definitely toward rural banks and PNB branches. So it was from informal to institutional credit sources.
2) Non-collateralized loans opened bank loans to small farmers, hence, the tremendous expansion of short-term credit in the countryside.
3) With increasing non-repayments, drop-outs mushroomed although the decline in M99 participants is not a linear one. There were intermittent borrowers and intermittent drop-outs.
4) Although there was a revival of informal credit sources as M99 borrowers declined, the proportion of non-borrowers increased. It should likewise be noted that if there are intermittent borrowers, there are also *"persistent borrowers"*

TABLE 4.6
AREA PLANTED, PRODUCTION AND AVERAGE YIELD PER HECTARE UNDER THE MASAGANA 99 PROGRAM (AS OF END OF PHASE XII). AREA AND PRODUCTION IN THOUSAND UNITS

PHASE	IRRIGATED			RAINFED			TOTAL		
	Area (hectares)	Production (Cavans)	Average yield	Area (hectares)	Production (cavans)	Average yield	Area (hectares)	Production (cavans)	Average yield
I	479.2	33,219.2	89	202.7	12,144.2	60	681.9	45,363.4	67
II	358.0	25,213.0	70	22.1	1,148.1	52	380.1	26,361.1	69
III	639.1	40,733.4	64	286.9	14,856.5	52	926.0	55,589.9	60
IV	623.1	48,166.2	77	72.0	3,906.4	54	695.1	52,072.6	74
V	709.8	56,594.8	80	333.9	20,527.2	61	1043.7	77,122.0	74
VI	538.2	38,379.0	71	100.3	5,621.8	56	638.6	44,000.8	69
VII	669.1	49,897.5	75	341.8	21.032.0	62	1010.9	70,929.5	70
VIII	524.6	40,033.9	76	106.8	5,905.1	55	631.3	45,939.0	73
IX	752.6	61,744.4	82	327.7	21,861.1	67	1080.3	83,605.5	77
X	580.8	46,076.9	79	71.0	3,695.4	52	651.7	49,772.3	76
XI	764.9	54,983.5	71	301.3	20,217.3	67	1066.2	75,200.8	70
XII	638.6	53,729.1	84	60.7	3,709.7	61	699.2	57,438.8	82

Source: NFAC (Cited in Emmanueal F. Esguerra, "Who pays and who benefits from the Masagana 99 subsidy: Preliminary findings") undated.

(they are also called viable borrowers) and *"resistant non-borrowers".*

5) The major reason for the shrinking M99 loan portfolio is borrowers' default. The $64 question therefore is why farmers fail to repay the *"ideal loan"* which is *non-collateralized, low-interest, available to small farmers and relatively easy to obtain.* One would think that M99 has all the ingredients we were looking for to bail out the farmer from his quagmire of indebtedness.

B. *Non-Repayment Behavior*

Why do farmers fail to repay their loans? Unless otherwise stated, this review draws heavily from the Technical Board for Agricultural Credit (TBAC) study on non-repayment of agricultural loans which covered a two-tiered survey of 82 financial institutions and 1,113 farmers drawn from 10 regions and 22 provinces throughout the country.[6] Two major issues are dealt with here: the *viability issue* or the *capacity to repay* and the *attitudinal issue* or the *willingness to repay.*

1. *Capacity to repay*

The basic rationale for providing credit is to enhance productivity in order to make farming a profitable enterprise and hopefully increase farm incomes. Unless this happens, the agricultural credit system cannot survive. Production performance is therefore of primary significance.

☐ *Production Performance*

The TBAC study as well as other surveys reveal that production constraining factors were the predominant reasons for non-repayment. Crop failure due to pest and calamities and lack of irrigation water is the most important reason cited by respondents. Other studies on M99 loan delinquency reported similar findings. The NFAC-SGV[7] performance review, for example, identified poor production brought about by natural calamities and incidence of pests and diseases as the major cause of non-repayment. The BAECON nationwide survey in 1975 likewise found crop failure as the cul-

prit.[8] An earlier TBAC study also lends support to the general observation that production performance heavily influences the farmer's capacity to repay.[9]

Since yield per hectare is the most important indicator of production performance, we need to examine yield levels attained by M 99 farmers. Do these farmers really produce enough to make them viable borrowers? Table 4.6 presents M 99 yield figures from the National Food and Agriculture Council (NFAC). Irrigated areas through the 12 phases of the program averaged about 76 cavans per hectare and rainfed farms were reported to have an average of about 58 cavans. For the purpose of ascertaining credit viability, average yield is probably a very misleading measure because it is easily distorted by extremes in values. Tables showing frequency distribution of yields would show us a more realistic picture. Table 4.7 illustrates this point. Almost 68 percent of irrigated rice farms and 83 percent of rainfed farms reported yields lower than 45 cavans per hectare. With these production figures, and with 78 percent of these farmers being share tenants and lessees who have to share the produce or pay a fixed rental to the landlord, it is not difficult to understand why they have not been able to repay their loans. If we look at Table 4.6 once again, the picture is much more optimistic because it does not show the "spread of the yields." What proportion of the area produced yields below or above the average? It is also interesting that none of the studies available report yields which come close to the NFAC statistics. The BAECON survey for 1972-73 and 1973-74 estimated average production per hectare to be 28.4 for those without loans and 35.5 for those with M99 loans. For the first, second and third semesters of 1974, the average yields were 34 cavans per hectare; 40.6 and 32.4, respectively. The TBAC Central Luzon study on arrearages (Table 4.7) showed only one-third of irrigated; 17 percent of the rainfed and 20 percent of the combined irrigated/rainfed farms which registered yields above 45 cavans per hectare. On the other hand, Phases IV and V of NFAC report average yields of 77 and 80 for irrigated and 54 and 61 for the rainfed. If the NFAC yield estimates are used as a basis for assessing capacity to repay, the conclusions would be much more encouraging and expectations of repayment would be higher.

Table 4.8 illustrates the usefulness of presenting both frequency distribution as well as average yields. For example, in 1978, 61 per-

TABLE 4.7
DISTRIBUTION OF BORROWERS WITH IRRIGATED, RAINFED AND IRRIGATED/RAINFED LANDS BY YIELD PER HECTARE IN M99 PHASES IV AND V (1976) 370 FARMERS CENTRAL LUZON

Yield per hectare (cavans of 50 kg.)	*Irrigated*	*Rainfed*	*Combined Irrigated and Rainfed*
0	3.8	4.5	6.7
1 – 15	15.1	20.1	23.3
16 – 30	25.9	34.2	30.0
31 – 45	22.7	24.6	20.0
46 – 60	19.5	7.5	13.3
61 above	13.0	9.0	6.7
Total	100.0	100.0	100.0

Source: TBAC, "A Survey of the Causes of High Arrearages of Central Luzon Farmers in Phases IV and V of the Masagana 99 Program," April 1976, PCAC, Manila.

cent of Camarines Sur farmers obtained yields of below 25 cavans per hectare with an average yield of only 8.7 cavans. However, for the entire Camarines Sur sample, the average is 38.3. The average figure has been pulled up considerably by the 6 percent who obtained yields of more than 100 averaging 170 cavans. For this particular group, perhaps 11 percent has a higher probability of repaying their loans. Forty-five percent of the Bulacan sample reported yields of below 25 averaging 14.6 cavans. Such farmers have a very slim chance of being a viable borrower.

When 912 farmer-borrowers from Bulacan, Isabela and Camarines Sur were asked about the frequency of bad harvests over the years 1973-78 or ten seasons, those from the first two provinces reportedly experienced bad harvests in 4 out of 10 harvests on the average compared to 6 out of 10 harvests among the sample farmers in Camarines Sur. For 1978, 43 percent of the farmers regarded their harvests as "bad"; 45 percent rated them as "good" and 12 percent said "normal".[10] The frequency of bad harvest should be of special concern in assessing capacity to repay because in a country which receives an

TABLE 4.8
FIVE-YEAR WEIGHTED AVERAGE YIELD PER HECTARE (915 FARMER-BORROWERS, 1973-78)

Weighted yield cavans per hectare	*Bulacan*		*Camarines Sur*		*Isabela*	
	Percent of farmers reporting	*Average yield*	*Percent of farmers reporting*	*Average yield*	*Percent of farmers reporting*	*Average yield*
Below 25	2.0	20.7	10.8	19.1	3.6	31.7
25 – 50	27.2	45.3	53.5	36.7	23.5	41.5
50 – 75	32.8	62.8	22.3	60.5	49.0	63.1
75 – 100	24.0	87.2	8.9	84.7	19.8	95.8
Above 100	14.0	109.4	4.5	122.7	4.5	119.1
Total	100.0	69.6	100.0	48.2	100.0	65.9

YIELD PER HECTARE OF 915 FARMER-BORROWERS
1978

	Percent of farmers	*Average yield*	*Percent of farmers*	*Average yield*	*Percent of farmers*	*Average yield*
Below 25	44.7	14.6	61.0	8.7	42.4	6.9
25 – 50	29.3	35.7	17.1	36.2	34.4	33.1
50 – 75	15.1	60.6	11.2	52.8	10.4	62.7
75 – 100	4.8	88.9	4.8	86.8	5.1	87.6
Above 100	6.1	128.5	5.9	170.3	7.7	149.7
Total	100.0	31.7	100.0	38.3	100.0	37.7

Source: TBAC, "Explaining interest rates in informal rural financial markets," Report Series No. R02-80, February 1980, PCAC.

average of 19.5 typhoons a year and suffers periodic pest, disease, drought and flooding problems, normal harvests are "abnormal" occurrences. We cannot just put aside the "bad years". They are part of everyday life which farmers and lending institutions have to live with.

An intensive record-keeping project to examine how 34 small farmers allocate income between the farm and the household and how farm and household needs relate to credit use and repayment, found the season's (1980) harvest exceptionally good, coming after the heels of Typhoon Kading. The conclusion was that the *average sample respondent would have the resources to meet repayment requirements for that season.* But that was an exceptionally good season!! Because of the bumper harvest, an increase in farm and family outflow during those months was perceptible as evidenced by payment of loan obligations and tendency for family expenses to rise with income stream, usually accounted for by increase in food expenditures, June tuition fees and the purchase of household appliances. Other findings of this analysis deserve more attention such as:

- ☐ The *financial structure* of sample farm-households indicates a *generally limited internal source of liquidity,* thus defining a weak internal capability to generate cash flow for the season's farm and household needs. *Credit provides a valuable source of liquidity for farm-household activities.*
- ☐ In terms of future prospects for growth and development, the farm household financial structure of CLT holders (amortizing owners) and full owners as well as bigger-sized farms indicates a move towards the acquisition of new productive structures on which long-term development and increases in productive capacity may be based. They have used credit to build new farm capital-farm tools, machinery, equipment, and farm land. In contrast, lessees (smaller farms) have used credit largely for production and consumption purposes and have relatively low investments in fixed farm capital. As such, they have very little hedge against inflation. The increase in net income realized from the loan supported production activity may just be eroded by the falling purchasing power of money.
- ☐ Tenure change improves the equity positions of farmers and enhances growth in net worth. Amortizing owners and full owners

have higher hedge against inflation. The increase in net income realized from the loan supported production activity may just be eroded by the falling purchasing power of money.

- ☐ Tenure change improves the equity positions of farmers and enhances growth in net worth. Amortizing owners and full owners have higher levels of net worth than lessees. Land amortization is plowed back into the farm equity by a decrease in liabilities. In contrast, farm rent paid by lessees accrues to the landowner.
- ☐ Loans are used predominantly to straighten out income troughs, and trickle out over the season as farm income streams in. Moreover, in addition to the credit demand for actual needs of the farm household, a credit demand for liquidity also exists.
- ☐ Loans are the biggest flow items during the planting season, constituting 58 percent of resources available to support production as well as household activities. On the average, savings provides 25 percent while income flow contributes only 17 percent to total inflow. Lessees generally show greater dependence on credit use to generate inflow of resources than full owners and CLT holders because the latter two groups have greater initial savings accumulated from previous seasons.
- ☐ A comparison of debt burden and repayment potential indicates availability of resources to meet repayment requirements this season. However, 2 months after the harvest in May, repayment to current farm loans was only 57 percent. Moreover, there was a tendency among sample farmers to settle current loans first than carry-over debt obligations. Some possible reasons for this low repayment behavior may be due to farmers anticipating better market conditions compared to prevailing prices. The bumper harvest during the season exerted a downward pull on prices. Farmers intended to take advantage of the season's good harvest to offset harvest losses incurred in the previous season due to typhoon Kading. Farmers contemplated partial default in loan obligations.
- ☐ Multiple cropping provides additional sources of income to improve overall flow positions of farmers.
- ☐ The study recommended that the debt burden as well as financial capacity of potential farmer-borrowers be evaluated rather than base credit lending decisions entirely on the financial need of the

farmer. Overlooking these aspects might simply lead to worsening of the farmer's financial position. *While results of the study indicate the farmer's capability to repay loan obligations due to that particular season, current as well as carry-over, this finding might have been biased by the bumper harvest experienced that season.* What remains clear is that carry-over obligations are claims against future income.[11]

Another very potent issue in addition to productivity which is related to capacity to repay is the price received by farmers for their produce. Table 4.8 shows what sample farmers in Bulacan, Isabela and Camarines Sur received in 1978. More than 45 percent in the first season and 43 percent in the second season reported receiving ₱0.79 and less per kg. for their palay. Only 29 and 36 percent for the two seasons, respectively, got ₱1.00 and above which is the official support price.[12] Given this state of affairs, the high cost of inputs and hired labor added to the risks from natural calamities, capacity to repay becomes precarious indeed!

By the very nature of rice production, it is very vulnerable to the whims of Mother Nature. The weather is not a minor element in the M99 program and it cannot be ordered and tailored to the production process. Rather, production has to follow nature's rhythm sometimes more successfully than at other times. As farmers often say: "We don't know how much of a harvest we have until the produce is safely stashed away in the house". What looks good on the ground at some point can still be hit by a destructive drought, typhoon, or flood. Weather is therefore often cited as one important determinant of production performance. When asked about the main reason for the ability of the Philippines to export some surplus rice, more than 40 percent of farmer-respondents mentioned modern technology; 17 percent said "access to credit and capital"; and another 17 percent attributed the rice surplus to good weather.[13] In another study, farmers viewed weather positively as well as negatively in the sense that increase in yield was due to good weather (41 percent of farmer-respondents) and an equal percentage blamed poor weather for decrease in yield.

Since weather is such a primary determinant of production performance, how does one "deflate" for it in bad times and

"inflate" for it in good times so as to more accurately assess capacity to repay?

□ *Economic and Other Factors Affecting Viability*

The 1978 TBAC study of non-repayment which included comparisons of good and delinquent M99 borrowers showed a general tendency for good borrowers to have higher value of assets, yield per hectare, production value, sales income, net income, income from other sources, savings and material level of living. Although this is the general direction of the differences between good and delinquent borrowers, general characteristics of both groups as borrowers need to be highlighted because they affect viability. About 80 percent of all farmers have sales income of only ₱5,000 and below and net income of below ₱1,000. Income from other sources is also small with more than two-thirds receiving ₱1,000 or less from such sources. The study revealed that the probability of borrowers being unable to repay their loan decreases as income level increases. However, there comes a point where at very high levels of income, a higher proportion of delinquent than good borrowers is noticeable, suggesting that the relationship between income and repayment may be non-linear.

Type of farm seems to affect credit standing significantly as the percentage of delinquent borrowers appear higher for rainfed than for irrigated farms.

Savings appear very minimal with 72 percent of the total sample reporting savings of only ₱500 and less. With small net income and minimal savings for more than three-fourths of the borrowers, capacity to repay is a problem. More of the good than the delinquent borrowers possessed better material level of living as evidenced by the type of dwelling, fuel supply and household appliances used. They also had a slight edge in terms of food consumption. Further evidences on the role of viability may be gleaned from the fact that those who made repayments indicated that these funds came mainly from their income/earnings. Another possible indication of low repayment capacity is the fact that 30 percent admitted using the loans for family living expenses.

Although the *economic indicators of capacity to repay showed the expected relationship to repayment behavior, the differences between good and delinquent borrowers as far as these indicators are*

concerned are never very great suggesting that there are other factors influencing repayment.

Education was the one variable which significantly distinguished good from delinquent borrowers. It was observed that the majority (59.5 percent) of delinquent borrowers fall within the range of those who had no schooling and those who were elementary school graduates. On the other hand, most of the good borrowers (54.2 percent) attained high school and college education. A likely explanation for the significant relationship between education and repayment behavior is that it represents both capacity and willingness to pay based on a more enlightened long-run view on the value of maintaining credit worthiness. Higher education, of course, is also usually associated with higher income, networth, and higher status and prestige in the community. He has more to lose in terms of a blemished reputation and therefore more inclined to come through with his repayment. However, for those with really high education and income levels, the borrowers' status could be so secure that they become "untouchables" and therefore the usual social sanctions may no longer be effective.

Tenurial status also significantly affected their viability and credit standing. A larger proportion of good borrowers (45.9 percent) are owner-operators compared with "delinquent" owner operators (31.2 percent). On the other hand, share tenants comprise a larger proportion (27.1 percent) among delinquent than good borrowers (17.2 percent). This pattern is understandable because an owner-operator does not have to pay rentals or shares to the landlord, thus he is expected to be more viable than the share tenant or the lessee who still has to meet all these payments on top of his farm expenses.

Household size seems to place a burden on the repayment capacity of the borrowers. More good than delinquent borrowers belong to the one-to-three family size group while more delinquent than good belong to the seven-to-nine member group. A similar pattern was exhibited in terms of number of dependents.

Another TBAC study done by the UP Business Research Foundation looked into the common impression that low repayment of M99 loans is due to the practice of diverting these loans for consumption purposes. The assumption often made is that since consumption is unproductive, any amount of M99 funds diverted to it will reduce the ability of the farm households to generate higher farm income

resulting in poor repayment performance. The analysis found no significant relationship between repayment of M99 loans and percent of M99 funds used for consumption. One possible reason for the lack of significant relationship is the small percentage of diverted funds reported by M99 borrowers. Table 4.9 shows the extent of diversion of M99 funds as reported by 237 sample borrowers from Nueva Ecija, Davao del Sur and Iloilo. The total amount of M99 loans used for consumption is only about 4 percent of total M99 loans granted. Only about 53 percent reported to have used some of their M99 loans for consumption and the average amount used by such borrowers is about ₱239.

On the consumption loan requirements of farm households, the same study found that 36 percent of total sample (1215) reported to have used some amounts of credit for consumption purposes. The total amount involved comprised only 11 percent of the total loans obtained during the year. Compared with findings of previous studies, it can be observed that there has been a declining percentage of loans used for consumption since the pre-M99 period to the present. Of the respondents who acquired consumption loans, 18 percent reported consumption loans only while the remaining 82 percent had both consumption and production loans. Informal sources played a more important role than other sources with 62 percent of total consumption loans coming from professional moneylenders, friends, relatives, landlord and other private sources.

Those who resorted to consumption loans during the year used them mainly for food and other subsistence needs (49 percent); education (19 percent); consumer durables (12 percent); health (9 percent); ceremonial expenses (5 percent); housing/real estate (4 percent); and others (2 percent).

Results of cross-tabulation and regression analysis revealed the following:

- ☐ The acquisition of consumer durables as one of the reasons for obtaining consumption loans is found to be not a significant variable.
- ☐ Total outstanding liabilities are negatively related to demand for consumption loans which indicates that farm households tend to limit their consumption loans in the presence of outstanding debt. This implies that some kind of internal credit rationing measure is being employed. As liquidity increases,

TABLE 4.9
M99 BORROWERS' USE OF LOANS FOR CONSUMPTION (237 FARMERS) 1977

	No. of M99 borrowers	*Total amount of M99 loans*	*No. of M99 borrowers with M99 funds used for consumption*		*Total amount of M99 loans used for consumption*		*Ave. amount per borrower with limited funds*
				Percent		*Percent of total loan*	
Nueva Ecija	122	₱282,093	53	43	₱13,846	5	₱261
Davao del Sur	85	412,061	56	66	12,782	3	228
Iloilo	30	41,325	18	60	3,527	8	196
TOTAL	237	₱735,479	127	53	₱30,155		₱239

Source: UP Business Research Foundation, "Small Farmers' Subsistence Loans", University of the Philippines, Diliman, Quezon City, 1977.

the need for consumption loan tends to decrease and the expected negative effect of the proportion of loans for consumption on repayment performance is not supported by the data.

- ☐ *Consumption loans are obtained mainly to augment depleted liquidity brought about by some asset acquisition and production expenditures. The direct application of these loans were for legitimate purposes, mainly for food and subsistence needs and not for consumer durables or ceremonial expenses. The analysis also showed that repayment of loans is not adversely affected by the amount or proportion of loans used for consumption purposes.*[14]

- ☐ *Overfinancing and overborrowing*

Another factor possibly associated with non-repayment is the tendency to overborrow. The TBAC 1976 study indicated that the burden of other debts (besides M99) exerts a significant pressure on their repayment capacity. During the period covered by Phases IV and V, more than 65 percent of the delinquent borrowers had already past debts compared to less than 55 percent of good borrowers. Furthermore, more delinquent borrowers (61 percent) as against 51 percent of good borrowers incurred new debts from other sources of loans. *In general, for both groups, almost two-thirds had past debts in addition to borrowing from other sources besides M99.* The 1978 TBAC survey also found more delinquent (49 percent) than good (39 percent) borrowers, having 2 or more outstanding institutional loans. Are these not evidences of too much borrowing which eventually catches up with the borrower? Should we be surprised by the resulting non-repayment?

Besides incurring multiple debts, there is another closely related practice called overfinancing which comes in at least 4 different forms:

- ☐ Borrowers whose approved loan was based on the ₱1,200 ceiling per hectare but whose area actually planted was less than the number of hectares applied for financing.

  (Bank data) — 29 percent of total sample borrowers

- ☐ Borrowers whose approved loan was based on a ceiling greater than ₱1,200/hectare. 10 percent
  (Bank data)
- ☐ Borrowers whose availed loan was greater than ₱1,200/ha.
  (Bank data) 35 percent
- ☐ Borrowers whose availed loan was greater than ₱1,200/ha.
  (Farmer's data) 17 percent

With these cases of overfinancing, we have yet another contributory factor to non-repayment because it starts from "malicious inaccuracy" or dishonesty on the part of either borrower, farm management technician or banker or of all three parties. This particular 1976 TBAC study reported 79 percent of farmer-borrowers whose loan data are not the same as the information held by the bank. The 1978 study which did a more thorough investigation of this matter found almost *one-third of borrowers whose reported credit data differ with bank credit records with respect to* amount of loan, number of loan releases, date of loan approval/release, amount paid, outstanding amount, and past due amount. To make the repayment situation even more complicated, about 25 percent of borrowers indicated making repayments to persons other than the bank such as the technician, *selda* leader, Samahang Nayon leader, etc. The question is whether such payments ever reached the bank.

☐ *Self-Financing Post Masagana 99*

When a farmer-borrower fails to repay his M99 loans, the most predictable result is that he will drop out from the program either voluntarily or forcibly because he loses his eligibility. What happens to these dropouts? TBAC's study of 551 M99 dropouts found that 71 percent of them borrowed from non-M99 sources (relatives, 43 percent; private money lenders, 21 percent; friends/neighbors, 20 percent; and landlords, traders/millers, input dealers and other M99 banks, 16 percent). Of the 146 who did not borrow, we can identify two types of self-financing.

- ☐ *Truly self-financed* are those farmers who are eligible to borrow from the program but have stopped participating because of the ability to finance their farm operations from internally

generated funds. In addition, they utilize the package of technology recommended by the program.

- ☐ *Self-financed but with outstanding loan* are those farmers who are also able to finance their palay operations with internally generated funds and employed the package of technology but had past due loans. It would be ideal for the program if self-financing were accompanied by a continuing use of the technology package. However, it was observed in both cases that the recommended level of technology was cut down due to budgetary constraints. The study did not indicate whether productivity was affected by such input constraints.

The truly self-financed category made up 9 percent of those who refrained from outside borrowings for farm operations. They constitute only 2.5 percent of the total number of dropouts studied. Table 4.10 shows how M99 dropouts were able to be self-financing. What is worth noting in this table is the fact that income from rice production is not the most mentioned source of funds. There were more who used income derived from working in other farms and selling other farm products such as livestock and vegetables. For those with past due loans, income from own business, from other farm products and cash contributions from family members were resorted to by more M99 non-eligible dropouts.[15]

These latter observations make one wonder to what extent credit viability depends on income from other sources including family contributions rather than on rice production *per se.*

Some further clues on potential viability came from the 1978 TBAC survey on non-repayment through responses to the question:

"If you cannot borrow now from institutional sources because of past due loans, how do you finance your farm activities?"

Sixty percent replied *"own funds"* and thirty-five percent borrowed from non-institutional sources. Of the 30 percent of 600 M99 borrowers who indicated making loan repayments, 84 percent who repaid mentioned income or earnings; 11 percent, sale of assets; 4.1 percent, borrowings; and 1.2 percent, cash given by relatives. On the basis of these figures, about 24 percent of total 600 sample borrowers studied are *potentially viable borrowers* because they have

TABLE 4.10
DISTRIBUTION OF MASAGANA 99 DROPOUTS ACCORDING TO METHOD OF SELF-FINANCING, PHASE IX

Source of self-financing	*Eligible (Self-financed)*		*Not eligible because of past due loans*		*Total*	
	N	*Percent*	*N*	*Percent*	*N*	*Percent*
Income from rice production	3	23	15	11	18	12
Income from other farm products[1]	2	15	30	23	32	22
Income from farm labor	6	46	19	14	25	17
Income from own business[2]	1	8	37	28	38	26
Cash contributions from family members	1	8	32	24	33	23
Total	13	100	133	100	146	100

[1]Proceeds from sales of vegetables, poultry and livestock.
[2]Small transport business, sari-sari store, rent of farm equipment.
Source: TBAC, "Survey of M99 Dropouts in Nueva Ecija," PCAC, December 1977.

been able to repay loans from income and earnings. It does not say, however, whether such earnings came from rice production or from other earnings.

The 60 percent of borrowers who resorted to use of *own funds* when they were unable to obtain M99 loans belong to the category called *"self-financing but with outstanding loan"*. Perhaps in their case, M99 loans function as external infusions into the farmers' income stream which enable them to survive on a very rationed capitalization. Had they repaid their loans, would they really "go under", so to speak?

Bruce Best, in his analysis of low repayment rates, draws the following conclusions:

. . . it seems that farmers with credit are spending more for inputs than farmers without credit, but that, at most, only half of the increase is being spent on fertilizer and the other half is being spent on hired labor. In seasons with adverse weather conditions, such as wet season 1974, thin increase in inputs causes farmers' incomes to fall below the incomes of farmers not using institutional credit and higher input levels. In seasons without adverse weather conditions, such as dry 1975, increases in fertilizer probably resulted in higher yields, but income is still not increased because of the increase in expenditures for hired labor which would not necessarily increase income.

☐ Farmers with institutional credit may have slightly higher yields on the average due to higher levels of input use than farmers without institutional credit, but there is no difference in net income for the two groups. The amount of loan has been shown to have no effect on the net income of sample farmers. It has also been shown that net income has little or no effect on the farmers' repayment rate.

☐ *The main reason for the low repayment rates is the lack of incentives for farmers to repay,* which is due mostly to the non-collateral aspect of the loan. Clearly, most farmers will be better off if they do not repay their institutional loans. When granting non-collateral loans to small-scale rice farmers, it must be expected that eventually, the costly problem of high arrearages will arise.[16]

2. *Willingness to Repay*[17]

☐ *Institutional credit as an innovation*

Where the capacity to repay is problematic, perhaps willingness to repay becomes even more so particularly as Bruce Best points out that there is lack of incentives for farmers to repay. But M99 is a major institutional innovation and the process by which it gets adopted is not unlike that of any other technology introduced to potential users. The typical adoption process takes the shape of an *inverted pyramid* from awareness to adoption. This is illustrated by the following table regarding knowledge and use of contraceptive methods.[18] It will be observed that percent of eligible women who are *aware or recognize* a method starts from 87.3, a high percentage which goes down as we look at percent who know *how to use* the method. Further reduction is registered as we consider those who *have used* the method and finally dwindles to a very small percent of those who are *currently using a method* (Table 4.11). However, the reverse observations occur whereby adopters short-circuit or skip stages in the adoption process. This is illustrated in Table 4.12 which traces the situations of 90 farmer-adopters regarding the pro-

TABLE 4.11
KNOWLEDGE AND USE OF SELECTED CONTRACEPTIVE METHODS, 1968 AND 1973 (AN ILLUSTRATION OF THE INVERTED PYRAMID)

	Percentage of Currently Married Women Aged 15-44							
	Any Method		*Pill*		*I U D*		*Rhythm*	
	1968	*1973*	*1968*	*1973*	*1968*	*1973*	*1968*	*1973*
Recognize method	63.1	87.3	43.5	82.9	15.7	67.8	38.6	51.8
Know how to use method	36.4	50.7	16.7	38.7	4.7	24.7	19.1	22.3
Have used method	18.7	28.0	3.5	14.2	1.2	4.3	8.9	7.5
Currently using method	15.5	17.3	1.3	6.9	0.9	2.6	5.5	3.9

Adapted from: M.B. Concepcion and P.C. Smith, "The Demographic Situation in the Philippines: An Assessment in 1977," Papers of the East-West Population Institute No. 44, East-West Center, Honolulu, Hawaii, June 1977.

cess they went through in adopting the innovation. About a third started with a perception or a definition of farm problem for which a solution was being sought. Almost 70 percent proceeded from an awareness of the innovation to adoption without a clear definition of their farm problem and how the innovation relates specifically to this problem. Sixty percent skipped the interest stage which involves additional information-seeking especially on the how-to-do-it aspects of the innovation. Thirty-two and twenty percent omitted the evaluation and trial stages, respectively, and proceeded directly from awareness to adoption, thus, shortcircuiting the adoption process, quite often without the necessary knowledge, skills and understanding of the pros and cons surrounding the innovation being adopted. Twenty percent of the farmer-adopters "rationalized" or justified their use of the innovation after they have used it.[19]

In the case of M99, we cannot help suspecting that adoption proceeded very much in this "short-circuiting" fashion without regard to the complexity of this institutional innovation which is composed of many new and difficult components like:

a) using a bank
b) keeping records

TABLE 4.12
STAGES IN THE ADOPTION PROCESS UNDERGONE BY 90 FARMER-ADOPTERS OF AN AGRICULTURAL INNOVATION

Stages	*Percent of farmer-adopters who went through each stage*
1. *Perception definition* of farm problem* such as unproductive soil or damaging pests and diseases	31
2. *Awareness* — first knowledge or first exposure to the farm practice or innovation	69
3. *Interest* — additional information-seeking especially on the instructional or how-to-do-it aspects of the interest	40
4. *Evaluation* — considering pros and cons before applying the innovation	32
5. *Trial* — tentative or provisional application of the farm practice for testing purposes	20
6. *Resolution* — giving post-mortem explanation, rationalization, or justification for the use of the farm practice	20

*9 percent of the adopters perceived their particular farm problem after the trial or evaluation state.

Adapted from: V. Pb. Samonte, *et al, Socio-Communication Factors and Agricultural Innovativeness of Coconut Farmers,* UP at Los Baños, April 1976.

c) farm planning and budgeting (hopefully) with accurate and useful estimates of input-output
d) supervision of the production and marketing process so that agricultural credit could be optimally used to enable farmers not only to increase production but to make the enterprise profitable; and
e) loan repayment which is the indispensable other side of borrowing.

M99 borrowers, as adopters of agricultural credit, have probably proceeded from awareness to adoption without going through the interest, evaluation and trial stages which would provide them the knowledge, skills, experience, and management ability needed to assess their repayment capacity and to use credit effectively and profitably. This is a new era in rice farm management. In the past when there was no irrigation, minimal use of purchased inputs applied on traditional rice varieties and farmers borrowed only for emergency and not for production purposes, it was not necessary to learn how to use fertilizers and insecticides effectively, keep records, compute costs and returns. Now that we have expensive irrigation, fertilizer, insecticides, new rice seeds, hired labor and bank credit, the *farmer has to acquire a great deal of farm management sophistication* and appreciation for the science and economics of agricultural production in order to increase productivity, make money to repay loans and improve quality of life (despite recurring natural calamities, pests and diseases). This is a pretty tall order indeed.

In a sense, we might have "oversold" the bright and seductive angles of credit (the receiving side) but we might not have focused with equal vigor on the difficult, less attractive but more demanding aspect of credit (the giving or returning side) which spells REPAYMENT. Let us therefore examine the issue of repayment incentives and other credit-related attitudes and practices.

☐ *Repayment incentives*

In this study, Best reexamined the assumptions underlying incentives for farmers to repay their loans such as: (a) they cannot get more financing if they fail to repay their current loan; (b) they may be prosecuted in court or even put in the stockade for failing to repay; and (c) they will feel morally obligated to repay. Best attempted to show why such incentives do not work.

☐ Using revenue and production cost figures based on survey data and national rice statistics taken in Central Luzon, Best illustrates hypothetically how a *farmer who does not pay his loan is better off than the farmer who repays.* Comparing a hypothetical Farmer A who always repays; Farmer B who does not pay his first loan; and Farmer C who does not pay his fourth loan, one can see that by Phase VI, Farmer A

would have managed to save ₱354; Farmer B, ₱980; and Farmer C, ₱1,842. This shows that farmers who fail to repay are rewarded with an increase in their cumulative savings.

- ☐ Of course, Farmers B and C are taking a chance that they might be persecuted and put in jail but under the present system, it is highly unlikely. The rural banker must undertake the expenses of prosecuting the farmer; but with no collateral, even if the farmer is convicted, the banker still may not collect the loan. Also, the delinquent farmers are protected by the large, growing number of past due loans. There must be thousands of farmers with delinquent accounts since Phase I of the M99 program. It is also generally felt that the number of farmers who have actually been prosecuted is very small.
- ☐ Farmers are supposed to feel morally obligated to repay their loans and probably many of them do; but it is also easy for others to rationalize not repaying. Often the feeling is that bankers are wealthy and can afford to take some losses, and anyway, the money for the loans is coming from the government. This is the concept of the "dole-out mentality", where anything that comes from the government is free.[20]

☐ *Attitudes toward credit*

This notion plus other attitudes toward credit, non-repayment, group borrowing, etc., were examined more intensively by the 1978 TBAC study in the hope of understanding better the other side of the loan default problem — that of *willingness to repay.*

Table 4.13 suggests that farmers seem to have gotten the message and the conviction on the role of credit in increasing production and farm income. There is a very substantial consensus (92 percent) that "the best way to increase farm income is to borrow capital" and that "if production loans are not made available to farmers, production will decline" (86 percent). Although respondents in general viewed credit very positively, and regard borrowing from the bank as something a farmer should *not* be ashamed of (87 percent), it is not considered as an "unqualified good". There is a seamy side to credit. More than 30 percent felt that "farmers borrow money from the bank only because they have been encouraged to do so and not because they want to." Whether this is an actual experience on their

TABLE 4.13
FARMER-BORROWER'S ATTITUDES TOWARD CREDIT, LOAN REPAYMENT, THE BANK, GROUP BORROWING, AND THE DOLE-OUT SYNDROME

Attitudes toward credit	*Yes*	*No*	*Total*
	Percent		
1. The best way to increase farm income is to borrow capital.	92	8	100
2. If production loans are not made available to farmers, production will decline	86	14	100
3. One should borrow money only in case of emergency crisis.	62	38	100
4. Borrowing from the bank is something a farmer should be ashamed of.	13	87	100
5. Farmers borrow money from the bank only because they have been encouraged to do so and not because they want to.	31	69	100
6. Borrowing has made life difficult for many farmers.	32	68	100
7. Farmers should obtain production loans only when there is a technician to supervise the use of the loan.	60	40	100
Attitudes toward loan repayment			
1. A farmer who cannot repay his loan can only blame himself.	67	33	100
2. If there are many farmers who do not repay their loans, it is all right for a farmer not to pay his loan even if he can afford to do so.	7	93	100
3. Farmers do not pay loans because banks do not go to them to collect.	11	89	100
4. Delinquent farmers should be penalized.	71	29	100
5. A farmer should not lose sleep over his unpaid loans.	41	59	100
Attitudes toward the bank			
1. It is better to borrow money from the private money lender than the bank.	17	83	100

Table 4.13 (con't)

Attitudes toward credit	*Yes*	*No*	*Total*
	Percent		
2. It is difficult to borrow from the bank.	37	63	100
3. One of the objectives of the bank is to help farmers improve farm income.	97	3	100
4. The banker treats the farmer as a friend.	94	6	100
5. The bank is a safe place to deposit money.	99	1	100
The dole-out syndrome	*Yes*	*No*	*Total*
1. It is the government's responsibility to provide production credit to farmers.	93	7	100
2. Funds of the bank come from the government	79	21	100
3. Farmers have a right to production loans from the bank regardless of capacity to repay.	49	51	100
Attitudes toward group borrowing			
1. Do you prefer to borrow as an individual?	89	11	100
2. In case of group loans, if the other group members do not repay, do you consider it your obligation to repay their loans?	45	55	100

Source: TBAC, "A Study on the Non-repayment of Agricultural Loans in the Philippines," PCAC, 1978.

part or a rationalization is not clear but nonetheless the possibility of an "overexposure" or "oversell" on the advantages of credit cannot be totally discounted. There is even a tendency to revert to the old traditional value as shown by 62 percent who agreed with the statement that "one should borrow money only in cases of emergency and crisis". The other piece of evidence on the "negative side" of credit was suggested by one-third of the borrowers who said that "borrowing money from the bank has made life difficult for many farmers". An element or a "tinge of regret" could be detected from these reactions.

Despite all these, it appears that with the advent of M99, borrowing money for production has become more fashionable in comparison to the past such as evidenced in a 1963 study which gave "absence of debts" as a characteristic of a progressive farmer. A restudy in 1969 of the same sample reported a decline in respondents giving this answer from 26 to 6 percent.[21]

☐ *Attitudes toward repayment*

Since borrowing money is not regarded as something a farmer should be ashamed of, does it mean that inability to repay loans has also become socially acceptable? The evidences are mixed in this regard. More than two-thirds of the borrowers believe that a farmer who cannot repay his loan can only blame himself. About 70 percent also endorse penalty for delinquent farmers and practically everyone rejected the "bandwagon" hypothesis on non-repayment. The respondents disagree with the notion that "if many do not repay their loans, it is all right for a farmer not to pay his loan even if he can afford to do so". The cutting edge of the "wrongness" in "joining" the delinquents seems to lie in the condition "if he can afford to do so". Apparently, a farmer might be "morally comfortable" about joining the ranks of the "delinquents" if he does not have the capacity to repay. A more disturbing note on what appears to be a growing acceptability of loan default may be gleaned from the fact that more than 40 percent said "a farmer should not lose sleep over his unpaid loan". In the light of these attitudes, one could speculate that perhaps penalty for delinquents have been endorsed by the majority for either of three reasons. Penalty might be considered as a substitute for or in lieu of repayment. In other words, if they are penalized, they do not have to repay. A second possible reason is that farmers realize the limits to penalty which can be imposed when their loans are non-collaterized. Imprisonment also has its costs to the government. A third possibility is that penalizing so many farmers might not be as easy and as practical to implement. As Best puts it: "Delinquent farmers are protected by the large growing number of past due loans."

On balance, we could say that non-repayment is still regarded as "wrong" but not "so wrong" that one needs to be terribly concerned as to lose sleep about it.

As far as feelings about group borrowing are concerned, more than half of the respondents said that "in group borrowing, if the other group members do not repay, they do not consider it their obligation to repay their loans". Assuming responsibility for defaults of group members is not well accepted. The preference is overwhelmingly in favor of individual borrowing and as far as repayment behavior goes, there are more good borrowers among individual than among group borrowers.

☐ *Attitudes toward supervision by the technician*

M99 is meant to be a supervised credit scheme and as such, the technician really lies at the heart of the program between the farmer and the bank. In effect, he provides the farmer his passport to the M99 loan via his signature in the farm plan and budget which is presented to the bank. It is important therefore to ascertain what farmer-borrowers think of him. On the whole, technicians are highly regarded and technical supervision is valued. More than 80 percent believe a technician will make a good farmer. Furthermore, about 60 percent think that "farmers should obtain production loans only where there is a technician to supervise the use of the loan". A majority of them would like to be visited by the technician one to three times a month or oftener. Despite these encouraging reactions to supervision, it is necessary to find out why 40 percent do not think that technical supervision is necessary. To what extent have technicians played their supervisory farm management role by assisting in the farm planning and budgeting? Or is the farm plan and budget used just as an "expedient paper work" to legitimize non-collaterized credit?

☐ *Attitudes toward the bank*

Respondents have positive assessment of the bank as a better place to borrow from than a private money lender; as a farmer's friend whose objective is to help the farmer increase his income and as a safe place to deposit money. The bank's image however suffers a little bit in terms of ease with which one can obtain loans. About a third of them think it is difficult to borrow money from a bank. Majority also do not blame non-repayment on the bank's inability to go to them to collect.

☐ *Credit-related Record Keeping and Decision-Making*

In obtaining and utilizing loans, record-keeping of some kind is needed. Less than 40 percent of M99 borrowers kept records and among those who did, the wife performed the function for almost half of them. The farmer did it himself for more than a third. Unfortunately, record-keeping by the wife is not associated with better repayment although in total, there were more record keepers among the good than the delinquent borrowers.

Decisions on whether or not to borrow, how much, where to borrow, when and how much to repay are made more jointly by farmer and his wife for almost 60 percent and *farmer only* for a third of the borrowers (Table 4.14). Although less than 10 percent of the borrowers admitted that the technician made decisions in the credit process, we are inclined to believe that this influence is considerably greater and is probably imbedded in the 30 percent of *farmer only* decisions. After all, the technician's endorsement of the farm plan and budget is a prerequisite for the loan approval. The most interesting findings in Table 4.14 are those which pertain to "who obtains the loan proceeds from the bank and who holds the cash portion of the loan." Two-thirds of the farmer-borrowers obtained the loan proceeds but the same proportion of wives held the cash portion of the loan. The wife therefore has to be made as much a participant in the credit-extension-farm management-educational process as the farmer especially in the light of the fact that loans have also been used for family living expenses. It is virtually impossible to separate farm and home expenditures especially for small farmers. It is also very curious that 4 percent said the *technician* and 14 percent indicated that other *relatives* obtained loan proceeds from the bank. What happens to the loan proceeds between these intermediaries and the farmer-borrower? Is this an indication that the M99 loan is not held "sanguine" by the borrower and therefore it is entrusted to somebody else?

☐ *The Dole-Out Syndrome*

There has always been the suspicion that farmers regard the loans as dole-outs and therefore there is no sense of urgency to repay. Because it is difficult to ascertain the prevalence of this mentality, we can only infer from indirect evidence such as 93 percent

TABLE 4.14
CREDIT-RELATED DECISION-MAKING PATTERNS OF FARMER-BORROWERS

Decision/ activity	*Decision-maker/person responsible*					
	Farmer Borrower	*Spouse*	*Both farmer and wife*	*Technician*	*Other relatives*	*Total*
Total N = 1037			*— Percent —*			
Decision on whether or not to borrow	32	4	58	5	1	100
How much to borrow	31	4	55	8	1	100
Where to borrow	30	4	54	9	1	100
When to repay	33	4	57	5	1	100
How much to repay	33	4	58	4	1	100
Obtaining loan proceeds from source	68	6	8	4	14	100
Holding the cash portion of the loan	30	66	2	1	1	100

Source: TBAC, "Study on Non-Repayment of Agricultural Loans in the Philippines," PCAS, 1978.

of borrowers who believe that "it is the government's responsibility to provide production credit to farmers". Almost 80 percent know that "the funds of the banks come from the government". Furthermore, about half of them believe that "farmers have the right to production loans from the bank regardless of capacity to repay". When these evidences are related to the important role which they think credit plays in preventing production decline, we can interpret these responses as suggestive of an incipient dole-out mentality especially if they are aware of how anxious the government is to enhance production.

☐ *Credit-Shy Farmers*

In contrast to the rice farmers who have been the dominant target of M99, the small coconut farmers remain quite conservative with respect to indebtedness. A survey of 2,000 coconut farmers in 20 Leyte municipalities who obtained a total of 1,503 loans revealed that 87 percent of these loans came from non-institutional sources such as middlemen, private stores patronized, landlords, friends and relatives. When asked about source preference, they ranked middlemen first; followed by "stores patronized", and "relatives", as third. The most frequently given reason for preferring non-institutional sources was "credit is readily available when needed". Some said that the lender, particularly the middleman, was usually the buyer of their produce. Most of these respondents also claim that credit from such sources was interest-free. This may not be an accurate picture of the situation because some lenders who did not charge interest got other forms of reward such as pegging a slight discount on the price of the debtor's copra which are sold exclusively to them. This is true to most middlemen-lenders.

As regards the uses of credit, less than 4 percent of 2,000 respondents obtained credit solely for coconut production; 10 percent used credit partially for coconut production while 61 percent obtained credit but not for production. Money was used mainly for family needs. About one-fourth did not use credit at all for that year. Those who borrowed for farming purposes used the money to finance mostly the labor inputs.

Because of the subsistence level existence of most of these coconut farmer-respondents, and the predominant use of credit to meet home and family needs, there is ironically a credit aversion due to

fear of being unable to repay and the feeling of insecurity when indebted. Credit has a "negative" value because it is associated with the urgency of meeting basic needs rather than the "positive" promise of productive uses. As a matter of fact, even with reference to productivity, 64 percent of the farmers prefer "lower yield without debts" to "higher yield with debts". They likewise prefer a "life of scarcity without debts" (76 percent) than "an abundant life without debts."[22] Is it really possible to promise these farmers a life of abundance through the use of credit?

☐ *Post-M99 Credit "Viability" Aversion or Opportunism*

While the small Leyte coconut farmer exhibited a traditional "credit-shyness" associated with borrowing mainly for emergency and subsistence purposes, some M99 non-repayers developed "credit-aversion", after their "unpleasant" experience of successive loan defaults since 1975. In July 1980, a study was conducted among the 149 defaulting members of the Pinagbayanan Barrio Association in Pila, Laguna in order to determine the status of their projects and to inquire into possibilities or alternatives available to help liquidate their debts. Fifty-seven percent continued on with projects mostly on duck-raising and a few were engaged in swine production. Forty-three percent had ceased to manage projects. When those who had projects were asked as to how their enterprises were financed, *55 percent indicated using their own capital and resources;* 32 percent were assisted by the Barrio Association, while 5 percent combined their own resources with those from the Association. Eight percent borrowed capital from private money lenders or resorted to the old livestock sharing system with the animals (called *iwi* system) provided by the owner. Less than half of those with projects reported that they were earning from these. About 40 percent were not making money from their enterprises and 14 percent were not yet earning. When asked if they want to have a new project, *21 percent of total loan defaulters said "No",* because they *are afraid of getting deeper in debt,* considering the large unpaid loan balances in the Rural Bank. The most frequently mentioned reason for inability to repay loans was the death of their ducks; the low egg production due to inclement weather and fluctuating feed supply especially during the typhoons.

Since the loans to these farmers were given through the Barrio Association which was organized in 1970 with an initial membership of 19, the accumulation of unpaid loans from the Rural Bank has taken its toll on the organization itself. In 1979, out of 223 members, only about 20 percent were actively supporting the Association in terms of attending meetings, giving the eggs produced to the Barrio Association store and repaying their bank balances. In view of this, the Rural Bank thought of refinancing new projects to enable members to repay. What is intriguing is the presence of groups of farmer defaulters:

a) those who are able to continue on with projects using their own capital and resources (31 percent of 149 defaulters studied)
b) those who continue to have projects using capital from other sources
c) those who have discontinued projects; and have no desire and in fact a real fear of borrowing again for a new project.
d) those who already have continuing projects and want to use credit again from the Rural Bank
e) those who have no project but want to borrow anew in order to have one.[23]

Since all of these farmers have unpaid loan balances, is it possible that the first group who have been able to continue on with projects using their own resources have attained *viability* by not repaying their loans? Who among these groups are "rehabilitable" in terms of new infusion of credit and who among them are just waiting for another round of "income transfers" from the government via the Rural Bank? There is no question that the loan defaults have also "burned" a group of farmers as far as credit is concerned. How does this group compare with the others in terms of willingness to take risks, opportunism and entrepreneurship? Are those wanting to take advantage of new loans being "opportunistic" or "entrepreneurial"

C. *Group Lending*

One of the most important features of the M99 program is the lending to groups of farmers who usually do not have collateral to offer. Other farmers with collateral to offer can participate in the program even if they are not members of a group which is popularly known as the *Selda.* It is composed of 5-15 farmers (reduced to 5.7

in Phase VII) and organized based on any or a combination of the following criteria:

- ☐ Affinity of farmers to each other. Farmers must know each other intimately, either as close friends, neighbors in the barrio or closely related to each other.
- ☐ Contiguity of farms. Farms must be adjacent to each other or located in the same barrio.
- ☐ Size of farm. The size of the farms must more or less be equal.
- ☐ Comparable yields. Productivity performances must likewise be similar for all members of a given *selda.*
- ☐ Same number of cropping seasons. *Selda* members must at least have the same number of cropping seasons based on available irrigation facilities or cropping patterns in case the second crop is not rice.
- ☐ Willingness to undertake the joint liability agreement.

On April 1, 1976, the Executive Director of the National Food and Agricultural Council (NFAC) issued a memorandum restructuring the *Selda* for M99 and Masaganang Maisan (Corn program). From this memo, we could gather that group lending was in trouble:

> The existing *selda* system has been identified as one of the major impediments to effective collections. Farmers who can pay, do not pay since they will be disqualified from new crop loans because one or more members of the *selda* have unpaid past due loans. Farmers are not also fully aware of the *joint liability concept* – that in the event of a defaulting member, the rest of the *selda* must jointly and severally shoulder the payment of the unpaid loan of its defaulting member. On the other hand, some *selda* members do not want to shoulder the unpaid loans of defaulting members since their co-members are strangers to them.

The instruction on the restructuring of the *selda* focused on the joint liability is evidenced by the following guidelines:

- ☐ Provincial Program Officers and production technicians (PTs) conduct educational campaign/farmers' classes on the mechanics of the supervised credit scheme emphasizing the concept of the *selda* system and responsibilities of farmer-borrowers undertaking a joint liability agreement.
- ☐ A minimum of 5 farmers should compose a *selda* with one of them elected as *Selda* leader. Five to seven, preferably five, should be target *selda* size. The *selda* leader shall act as the spokesman of the selda. He shall report to the bank any misgivings they may have in respect to the

actions or lack of it on the part of the PTs assigned to work with them or on the part of any bank field personnel dealing with them or on the part of any seed or input supplier. He shall also see to it that all requirements of the program are fulfilled by the *selda* members.

The minimum of 5 is set so that in case any member or members fail to pay for their loans, the rest of the members can sustain amortization installments on unpaid balances of the non-paying members without too great a difficulty. Installments over a three-season period or more should be allowed as much as possible.

- ☐ New *seldas* may be formed to regroup farmers according to previously mentioned criteria and are willing to accept the responsibilities imposed by the joint liability concept and on the following condition:
- ☐ If the farmers come from a *selda* where one or more members have past due loan obligations, under the program, they can only be allowed to form a new *selda* after signing a new promissory note undertaking to pay the unpaid balance of the delinquent members under a plan of payment of the institution. The farmers will be reimbursed accordingly if and when the Bank succeeds in enforcing collections from the delinquent farmers. The first installment must be made before a new crop loan can be extended to the new *selda*.
- ☐ Old *seldas* that meet the above criteria can be maintained with the same membership. They likewise will be allowed new loans on the condition that they have paid their loan obligations. If some members of such a *selda* have past due balances, the members will have to enter into an undertaking to amortize these overdue loans under the same terms and procedures described in the preceding paragraph.[24]

It is quite obvious from the requirements cited above that the *Selda* from the M99 point of view is a device for ensuring loan repayments. It has not been intended for group development and not even specifically for increasing productivity. In effect, as far as the program is concerned, grouping borrowers into *seldas* is a "substitute" for collaterals.

How has the *Selda* as a group lending scheme performed in its "repayment insurance role"? Matienzo's detailed analysis of 90 *seldas*, 296 *selda* borrowers, 214 *non-selda* borrowers from Camarines Sur revealed the following findings:

- ☐ Group lending has shown no effect on repayment. *Selda* members reported a 67 percent repayment rate while non-*selda* borrowers registered 65 percent.
- ☐ One of the benefits expected from grouping borrowers is the possible reduction in the transaction cost of acquiring loans.

It was assumed that under grouped situations, instead of all borrowers taking time off from work to negotiate loans indidually, only one or two members of the group may go to the bank and make the loan transaction for all the members. Number of trips, therefore, would be lower on per individual basis and so with the other costs associated with these trips. Data showed that *selda* grouping has not effected the expected cost reduction. On per individual basis, the estimated average expenditures per loan for the *selda* borrowers was P20.64 against P21.02 for the *non-selda* borrowers.

- Comparing old and new *seldas,* those with borrowing experience showed a higher repayment rate (71 percent) than the new ones (64 percent). The more experienced *seldas* also exhibited lower transaction costs P11 as against P8 for the new *seldas.* Since no comparisons between experienced and new non-*selda* borrowers are available, it is not possible to attribute better repayment to the *Selda* grouping. Perhaps it is the borrowing experience and not the fact of belonging to a *selda* for a longer period which contributed to better repayment.
- Two-member and five-member *seldas* did not differ in their repayment rates (67 and 68 percent, respectively). In terms of credit transaction costs, the two member-groups incurred P8 cash cost per individual while P11 was incurred by the 5-member groups.
- One of the criteria for *selda* formation is the degree of closeness of relationship among members. *Seldas* made up predominantly of relatives (blood or affinity) could be assumed to be more closely knit than those made up largely of friends, neighbors, etc. Fifty-five percent of *seldas* studied were predominantly relatives as against 45 percent which were predominantly friends. The former groups reported higher repayment rate (73 percent). The latter registered 58 percent.
- Although contiguity of farms is a requirement for *selda* formation, 55 percent of *seldas* studied had predominantly noncontiguous farms. In any case, contiguity of farms failed to show better repayment and reduced transaction costs.
- Twenty-two percent of the *seldas* had no leaders but the presence of a leader in 78 percent of the groups showed no significant difference in repayment rate and transaction costs.

- One of the expected advantages of organizing farmers into a joint liability group is "the group and related pressures that can be exerted on any one member who may or may want to default in the repayment of his loan." Group pressure is present since the group cannot negotiate for another loan until all accountabilities of all the members are settled. Pressure on the members can also come from the *selda* leader and the technician assigned to the group. Thirty-three out of 90 *seldas* studied were paid *seldas*. Among these 33, fourteen *seldas* could have become delinquent had pressure from the group, the leader and the technician not prevented at least one member in each *selda* from defaulting. In 10 of these 14 *seldas,* collection pressure came from the group members; in 3, from the technician; and in one, from the group leader. In one of the *seldas,* the individual concerned was forced to sell his farm and household assets; in 4 *seldas,* the borrowers were forced to obtain funds from outside sources, while in the 9 other *seldas,* members did not know where and how their co-members were able to procure the funds needed for the repayment of their loans. For the M99 program, such pressures on the borrowers are certainly regarded as a positive effect whether it relates to those who did not have the capacity to repay but were forced to do so or to others who had the capacity to repay but may have had the inclination to postpone full or partial repayment.
- Group pressure can also have a negative effect, i.e., members who have the capacity to repay would choose not to do so because his co-members are not repaying. It is therefore among members of delinquent *seldas* where the negative effect becomes operational. A delinquent *selda* could be composed either of: (a) all fully delinquent *selda* members; (b) all partially delinquent *selda* members; or (c) a mixture of fully paid, partially delinquent and fully delinquent *selda* members. The 57 delinquent *seldas* with a membership of 193 had 48 fully paid members; 26 were fully delinquent and 117 were partially delinquent. For the 48 fully paid *selda* members, the negative effect was not operational. They fully repaid their loans despite the fact that their co-members were defaulting for various reasons. Pressure from the paying

members could not have been effective since they were a minority in the group.

When the partially delinquent and fully delinquent *selda* members were asked why they had defaulted, 75 percent of them indicated "no capacity to repay". Twenty-five percent include those who admitted the "negative effect" and others who did not specify their reasons. Based on income estimates, only about 64 percent of delinquent borrowers did not have the capacity to repay because of negative net income. Hence, there is a difference of 11 percent between the 75 percent who gave "no capacity to repay" as a reason for defaulting and those who actually had negative net income (64 percent). This 11 percent can be regarded as those who might have had the capacity to repay but had chosen not to do so due to the negative effect. Adding this 11 percent to the 25 percent who openly admitted the negative effect, we have a total of 36 percent of delinquent borrowers who had succumbed to the *pressure not to repay* from their non-repaying co-members.

- ☐ Although 78 percent of borrowers know rural bank lending procedures, 83 percent do not know how to prepare an actual farm plan and budget even the simple one being used in the program. Furthermore, although 75 percent had attended at least one training course on rice production, 76 percent still felt they needed the supervision of technicians. Majority of the borrowers said that technician visits were made before harvest time; not during harvest and threshing times which are the more strategic periods for collection efforts or at least loan reminders.
- ☐ Of the 9 rural bankers included in the study, 8 indicated that a certain number of their borrowers could *graduate from being a group borrower to an individual borrower* without collateral and co-maker.[25] (This is again another evidence that group lending is a substitute for collateral and that graduating into individual lending is a "higher-order" objective.)

D. *M99 and the Informal Rural Financial Markets*

During the peak of M99 lending sometime in 1974, informal sources of credit seemed to be on their way out but by 1975, the

rapid deterioration in loan repayments and the drop in the number of eligible borrowers triggered off a revival of informal credit markets. The nature and magnitude of this revival has been captured in many ways by the 1978 TBAC study on informal rural financial markets.[26] The following trends are particularly relevant to this review because of the relationship between M99 and the informal credit system:

- ☐ *Shift in credit source and purpose.* A survey of 1,828 farm households in 115 barrios of Bulacan, Camarines Sur and Isabela revealed that although 60 percent of them were able to participate in at least one supervised credit program in the past, by 1978, more than 90 percent of them borrowed from informal sources. A more intensive study of the 1,828 farm households showed that only 39 percent of the sample in Bulacan, 32 percent in Camarines Sur and 19 percent in Isabela were able to obtain loans from banking institutions. Total loans from formal sources accounted for 38 percent of total volume of loans for Bulacan; 43 percent in Camarines Sur; and 23 percent in Isabela. These figures suggest *the decline in the role of formal credit source and the upsurge of informal private money lending.*

  In addition, the farmer's purpose for obtaining loans has changed from one that was primarily consumptive in nature in the 1950s to one that is primarily for production. Farm studies in the fifties reported that the bulk of farmers' loans were used for subsistence and quasi-consumptive purposes. Preliminary survey results in 1978 revealed that 65 percent of farm households interviewed in Bulacan, 58 percent in Isabela and 72 percent in Camarines Sur reported they obtained production credit from their informal sources in 1978. On the other hand, only 30 percent in Bulacan, 15 percent in Isabela, and 63 percent in Camarines Sur reported that they also obtained consumption credit from informal loan sources. A more intensive survey from this sample found that 72.4 percent of the total number of informal loans were reportedly for farm production purposes. Almost 90 percent of formal loans were used for production although as mentioned earlier, the volume of credit coming from this source had declined. The intensive survey of 915 farmers who obtained a

total of 2,153 loans shows that only 16 percent of them came from formal sources.

Further evidences of *production-oriented borrowing* is the *substantial fertilizer and pesticide components of informal credit* amounting to as much as 43 percent in Bulacan, 25 percent in Camarines Sur and 21 percent in Isabela. Moreover, 1 out of 6 of the money lenders surveyed were engaged in input dealership either as a key or a secondary business line. It is probably this involvement of private money lenders in servicing the fertilizer and pesticide needs of farmers which has sustained yields despite the decline in the volume of formal credit.

- *Emergence of new private money lenders.* The class composition of private money lenders seems to have been altered with *landlords* and *palay traders losing their formerly major control of* the rural credit market, and *input dealers* together with *farmers cultivating* an average farm of less than 7 hectares (48 percent of them had less than 3 hectares) joining the group of moneylenders. In this TBAC study, formal lending institutions in the 3 provinces contributed around one-third of the total volume of loans of the sample farmers, while landlords and palay traders contributed 12.2 and 14.8 percent, respectively, or a total contribution of 27 percent. On the other hand, farmer-lenders contributed 13.6 percent while input dealers contributed 9.6 percent or a total contribution of 23.2 percent of the total volume of loans of the sample farmers.

With the above changes in the structure of rural credit markets, the older crop of moneylenders who have been in money-lending since the fifties, seem to have been replaced by a new group of moneylenders who started their money-lending operations in 1968 or later. For a better picture of these 163 moneylenders, the following are their general characteristics: one-fourth of them are female; 15 percent are 60 years old and above; 24 percent are 39 years old and younger, with an average age of 37; more than a third have only elementary schooling: another third have college education; 21 percent (35) have had 11 to over 20 years of money-lending experience but half started the business only in 1973

or later. Three out of the 35 moneylenders with this much experience are currently owners of rural banks. Sixty-two of 163 sample moneylenders are farmers engaged mostly in crop production (54) and 8 are livestock/poultry raisers. Twenty-four are landlords who are simultaneously either rice millers (5); palay traders (9); input dealers (3); storeowner (1); and construction materials dealer/contractor (6). Thirty-two of the moneylenders are engaged in palay training as a key business; 10 in rice milling; 13 are input dealers; 7 are storeowners; 5 are mainly moneylenders; 3 are construction contractors; 4 are in cottage industry; 2 are teachers and one is a midwife. Since majority of these moneylenders have only elementary or high school education, they have had humble beginnings making it to their present position by engaging in entrepreneurial activities, 82 percent of whom were in key businesses directly associated with the rice production-processing industry.

Tracing the entry of moneylenders into rural credit markets, the study found an accompanying expansion of their entrepreneurial activities through diversification of investment. For example, as of 1967, only 2 out of 10 farmer moneylenders were engaged in moneylending. This increased to 6 out of 10 as of 1972 and by 1978, all of them were involved in the business. As of 1967, very few of the farmer-moneylenders had other undertakings except farming. As of 1972, one out of 5 had a backyard poultry or piggery project; one out of 7 was engaged in palay trading, one out of 10 had a sari-sari store; one out of 20 had a passenger jeepney or a cargo truck. By 1978, one out of 3 operated a backyard poultry or piggery project, one out of 5 had a sari-sari store; one out of 4 was engaged in palay trading.

Table 4.15 shows some very interesting trends. All types of moneylenders (farmer, landlord, palay trader, miller, input dealer and storeowner) registered increasing involvement in rice production from 1967 to 1978. Does this mean they have had greater access to farm land over this period because of gains from their entrepreneurial activities? Among the landlords, for example, only 50 percent were engaged in crop production in 1967 but as of 1978, all of them were in it.

TABLE 4.15
PERCENT OF MONEYLENDERS INVOLVED IN DIFFERENT TYPES OF BUSINESS 1967, 1972, 1978

Type of Moneylender	Year	Industry or Business								
		Crop Culture	Livestock Poultry	Rice Milling	Palay Trading	Input Dealership	Sari-sari Store	Money Lending	Trucking	Others
Farmer										
	1967	85	6	2	10	–	3	21	–	–
	1972	81	18	6	15	–	10	56	5	–
	1978	95	27	11	26	3	18	100	8	3
Landlord										
	1967	50	–	17	42	8	–	21	6	13
	1972	83	4	17	54	13	8	58	17	25
	1978	100	13	42	71	29	29	100	38	33
Palay Trader										
	1967	22	3	–	22	3	3	22	–	6
	1972	38	3	3	63	6	9	44	9	6
	1978	59	13	9	100	16	22	100	13	6
Rice Miller										
	1967	22	11	44	11	–	11	–	11	–
	1972	33	33	89	33	–	11	22	11	–
	1978	33	56	100	33	22	22	100	22	–
Input Dealer										
	1967	46	15	–	–	39	8	39	8	8
	1972	54	15	–	–	69	15	62	8	16
	1978	85	15	–	–	100	46	100	23	31
Storeowner										
	1967	20	–	–	–	–	20	–	–	–
	1972	20	–	–	–	–	40	–	–	–
	1978	60	20	–	20	–	100	–	–	–

Source: TBAC, "Explaining Interest Rates in Informal Rural Financial Markets," Presidential Committee on Agricultural Credit, February 1980.

This could suggest that post-land reform transfers of cultivation or even ownership rights are taking place. Does this imply that some farmers had likewise dropped out of being farm operators and become hired farm labor or moved to non-farm jobs?

Every moneylender also registered increasing diversification during that period but the landlord and the palay trader registered the greatest diversification and the storeowner, the least. It is evident from the data that once an entrepreneur gets a foothold in one business, opportunities to enter other businesses open up for him, too.

To illustrate the expansion in product and credit markets:

As of the year 1967, only 94 out of the 163 private moneylenders were engaged in at least one form of business undertaking. These 94 entrepreneurs operated 168 business undertakings or an average of 1.8 undertakings per entrepreneur. Between 1968 and 1978, the other 69 sample moneylenders became involved in rural entrepreneurial activities. A total of 383 new business undertakings were established by all the sample moneylenders during this period, thus raising the total number of business undertakings of the sample to 551 as of 1978. The average number of business undertakings rose to 3.4 per moneylender in 1978, an increase of 89 percent over the 10-year period.

Only 35 out of the 94 entrepreneurs were engaged in moneylending as of 1967. By 1978, all of the 163 sample moneylenders were already involved in moneylending. This implies a 266 percent increase in the number of entrepreneurs who diversified into the rural credit markets during the period 1968 to 1978.

As of 1978, more than half of the sample moneylenders already had two to three business undertakings and one-third had four to five. In 1978 alone, they generated a total of P218.7 million funds, 72.4 percent of which came from merchandise sales of their various undertakings, 10.2 percent were collections of account receivables, 9.4 percent were loan availments, of which 8.9 came from banking institutions and 0.4 from informal sources.

Of the total funds generated in 1978, P160 million were used to finance inventory, as well as to defray operating expenses. Forty-one percent of this amount was invested by input dealers, 28 percent by palay traders, 20 percent by rice millers and only 3.5 percent by farmer-moneylenders. Investments in moneylending operations alone amount-

ed to P19.7 million in 1978, of which 94.7 percent were loan grants and 5.3 percent went to administrative expenses.

The trend of these investments clearly suggests the profitable opportunities opened up by the seed-fertilizer revolution, the irrigation expansion and cheap rural credit which these entrepreneurs had taken advantage of.

☐ *Lending practices and lender-borrower relations*

Private moneylenders have traditionally been stereotyped as "leeches" sucking blood from the poor and the needy. How much of this stereotype is borne out by this study of both lenders and borrowers? When asked about their reasons for being engaged in moneylending, 50 percent of 162 moneylenders interviewed gave the obvious response *"to earn additional income"*; 44 percent said *"to help people in need"*; 4 percent mentioned that *"they cannot refuse a friend"* and 2 percent, other reasons. Criteria used in selecting borrowers on the basis of rank were: (1) good credit standing; (2) urgency of need; (3) kinship tie; (4) good financial standing; (5) availability of security and (6) guarantor/co-maker.

We can be cynical about such motivations as "to help people in need" but this is the function they perform even for a "juice". Table 4.16 shows that private moneylenders are primarily businessmen. Their clientele are mostly "non-relations." Only a fourth of the farmer-borrowers said that their lenders are neighbors, friends or relatives but the other borrowers are not necessarily "unknown" to the lender or his "agents." It is important for lenders to know their clients because the private moneylending business is based very much on "mutual trust". Table 4.17 shows that while 75 percent of formal loans required promissory notes and the rest and guarantors, land titles and chattel mortgage, informal loans were secured only by verbal promises (61 percent) and the rest by promissory notes and crop liens. These verbal promises seem to work because Table 4.18 indicates that for fully matured loans in 1978, only 48 percent of formal loans had been fully paid as against 72 percent of informal loans. Moreover, total

TABLE 4.16
RELATIONS OF FARMER-BORROWERS WITH SOURCES OF INFORMAL LOANS OBTAINED IN 1978

Kinship ties	*Bulacan*	*Camarines Sur*	*Isabela*	*Total*
	N = 537	*N = 417*	*N = 811*	*N = 1298*
		(In Percent)		
None	70	56	84	74
Neighbor	11	25	4	11
Friend	1	1	1	1
Relative	19	18	11	15
1st degree relative[a]	(6)	(9)	(5)	(6)
2nd degree relative[b]	(13)	(9)	(6)	(9)

[a]Includes members of immediate family, i.e., parents and children.

[b]Includes all other relatives who are not members of immediate family.

Source: TBAC, "Explaining Interest Rates in Informal Rural Financial Markets," Presidential Committee on Agricultural Credit, February 1980.

TABLE 4.17
COLLATERALS USED ON 2,153 FORMAL AND INFORMAL LOANS OBTAINED BY 915 FARMERS 1978

Collateral used	*Formal loans*	*Informal loans*	*Total*
	No. = 347	*No. = 1806*	*No. = 2153*
	— Percent who used each collateral —		
Verbal promise	—	61	51
Written promissory note	75	0.7	13
Guarantor	5	0.8	2
Crop lien[1] and promissory note	—	35	29
Land title	14	1	3
Chattel Mortgage	6	0.8	2
Land title and chattel mortgage	—	0.2	—
Others	—	0.5	—

[1]Verbal agreements to sell the farmer's produce to the moneylender.

Source: TBAC, "Explaining Interest Rates in Informal Rural Financial Markets," *op. cit.*

TABLE 4.18
REPAYMENT RATES ON 347 FORMAL AND 1,699 INFORMAL FULLY MATURED LOANS OF 915 FARMER-BORROWERS, 1978

Levels of Repayment (In percent of the amount of loan)	*No. of Loans*	*Percent*	*Average Repavment*	*No. of Loans*	*Percent*	*Average Repayment*
0	75	21.0	0	281	16.5	0
1 – 20	29	8.4	13.3	11	0.6	15.0
21 – 40	32	9.2	38.4	3	2.3	34.8
41 – 60	25	7.2	51.0	55	3.2	49.9
61 – 80	14	4.0	71.0	65	3.8	71.8
81 – 99	6	1.7	92.8	33	1.9	88.8
100	166	47.8	100.0	1215	71.5	100.0
Total	347	100.0	60.6	1699	100.0	78.5

Source: TBAC, "Explaining Interest Rates in Informal Rural Financial Markets," *op. cit.*

loan payments as a percentage of total amount due was recorded at 78.5 percent for informal loans as against 60.6 percent for formal loans. The most common reasons for nonrepayment were poor harvest (60.7 percent); crop damages (20.5 percent), and lack of funds (13 percent).

When asked whether they would still lend to delinquent borrowers, 36 percent said they would no longer do so. Although 53 percent said they would still lend to loan defaulters, they cited certain conditions for them to be able to borrow again. Most of them (43 percent) would require delinquent borrowers to pay their loan first before they can borrow again. About 25 percent said they would impose penalty charges such as doubling interest rates. Another 21 percent would require collateral in addition to the good character of the borrower. Only a few could lend again if the loan is needed for emergency and the delinquent borrower must also be of good character. As a component of the "mutual trust" relationship, *good character* seems to be a *sine qua non.*

What must be pointed out is that:

Most of these conditions mentioned by sample moneylenders are being practiced by formal lending institutions but they seem to be more effective in small face-to-face relationships such as that maintained between the private money lenders and their clientele. The borrower's willingness to pay his informal loans could be enhanced further by the absence or unreliability of alternative sources of credit. As related by the borrowers themselves (72 percent), they consider buyers of their farm produce as reliable sources of loan.

The reliability of a private moneylender as a source of emergency credit could be one of the considerations taken into account by farmers who acquiesce to pre-marketing arrangements that lead to undervaluation of farm produce.

The limited scale of this practice is partly explained by the presence of a sizeable number of private moneylenders who are not engaged in palay trading and who prefer to receive payment in cash. On the other hand, the farmers themselves are not entirely helpless. They seem to be well-informed about the palay market in their locality. In making this observation, the sample farmers were asked to enumerate alternative selling outlets for their palay and then asked to identify who among the potential buyers they cited offered the better price in 1978. About half cited the sample moneylenders included in the study (who were also palay traders) as the ones offering the better bargain. Some 38 percent mentioned other palay trader-money lenders not included in the study sample but from whom the farmers also borrowed in 1978.

The palay market is quite competitive, what with the presence in this market of people from all walks of life. Among the sample moneylenders themselves, the list of those involved in palay trading includes 16 farmer-moneylenders; 17 landlord-moneylenders; 3 rice-millers; 1 storeowner; and 1 professional practitioner, not to mention the 31 money-lenders whose key business is palay trading.

From our perspective, what deserves more explanation is why repayment rates for the informal loans are not much better than they are. For example, 17 percent of the fully matured informal loans in 1978 (Table 4.18) had not been repaid at all compared to 21 percent of the formal loans. In other words, the difference between the non-repayment of formal and informal loans does not seem to be all that great. Perhaps the desire to protect a "single" credit source is no longer very pressing due to the presence of other lenders. As discussed earlier, the increase in the number of rural entrepreneurs engaged in rice-trading and input dealership has given

the farmer-borrowers more alternative outlets for their produce and consequently more credit sources. Two pieces of evidence seem to support this possibility. About 9 percent of moneylenders said they do not have borrowers every year and 77 percent of farmer respondents said they have informal sources of production credit. Only a fourth said they did not have this. It is in consumption credit where the alternatives seem to be less available with about half of farmer respondents admitting that they have no source for it.

One other intriguing potential explanation for the less than impressive repayment rates for informal loans is the possibility that the "dole-out mentality" might have started contaminating the informal credit borrowers. Although the funds loaned out by private moneylenders are purportedly "private", in the case of *rural-banker-cum-moneylender-input-dealer-palay trader-landlord,* would borrowers not suspect that informal loans are in a way also coming from government funds and therefore are to be regarded as "soft" loans, not to be treated with great urgency to return? This is a promising research area.

☐ *Changes in interest rates*

The TBAC study concludes that "Notwithstanding the general decline in the overall share of formal credit in the rural credit markets, the average level of interest rates on informal loans seem to have declined to lower levels compared to those in the 1950s, most particularly in areas where the presence of agricultural lending institutions is strongly felt."

At the outset, if only traditional credit arrangements were present in the rural areas and there were no formal credit, legal credit from non-bank sources and non-commercial loans, the average levels of interest rates would have stood at 58 percent per annum in Bulacan, 80 percent in Camarines Sur and 88 percent in Isabela. These levels are quite close to those reported in the middle of fifties. The introduction of formal credit, legal credit and non-commercial loans reduces the average levels of interest rate to 25 percent per annum in Bulacan, 47 percent in Camarines Sur and 66 percent in Isabela . . . *The average level of interest rates in Bulacan is lowest among the three provinces because of the combined impact of formal credit, legal credit types from nonbank sources and non-commercial loans.* In Camarines Sur, legal credit types were few but the density of formal credit was high

as well as that of non-commercial loans. In contrast, the density of formal credit was lowest in Isabela and their scarcity was not mitigated by the presence of a substantially large supply of non-commercial loans as in Camarines Sur.

The *relative densities of formal credit in the 3 provinces* may be traced to the *scope of operations of the rural banks* in the areas surveyed. In 1978, there were 7 rural banks catering to the 6 municipalities surveyed in Bulacan and 6 rural banks serving the 5 municipalities in Camarines Sur. In Isabela, however, there were only 4 rural banks serving the 5 municipalities surveyed. While the 4 rural banks in Isabela transacted a total of 6,552 supervised and non-supervised loan accounts in 1978 or larger than those transacted by the 6 rural banks in Camarines Sur, these accounts amounted to only P15.1 million in Bulacan compared to P24 million in Camarines Sur and P26 million in Bulacan.

On the other hand, the relative density of low-cost informal credit arrangements is traceable to the type of moneylenders predominant in the area. In Bulacan, 90 percent of the total volume of loans granted to all the borrowers of the sample moneylenders were contributed by input dealers from whom legal credit types bearing 12 percent interest per annum were mostly obtained. In Camarines Sur, the largest volume of loans granted to all the borrowers of the sample moneylenders in 1978 came from storeowners and farmer-moneylenders. These types of moneylenders are the most likely sources of non-commercial loans which were observed to be highly predominant in Camarines Sur. In comparison, palay traders were the largest contributor to the total volume of loans granted by the Isabela moneylenders to all their borrowers in 1978. These traders are the most likely sources of traditional credit types such as the TERCIAHAN (Average effective interest rate of 30 percent from date of loan release to agreed date repayment) and they usually require their borrowers to pay in palay . . .

The combined impact of formal credit, legal credit and non-commercial loans tends to be high where the density of these loans is high . . . *Where the combined share of the low-cost loans to the total volume of loans of the sample farmers is high, average interest rates tend to be lower.* Furthermore, different types of moneylenders tend to charge different interest rates. *Among the input dealers, palay traders, landlord-moneylenders and farmer-moneylenders, the input dealers generally charged the lowest interest rate while palay traders charged the highest interest rates.*

☐ *Creative informal credit arrangements*

Private moneylenders reduce default risk and information

cost by the creative adaptation of their techniques to suit local conditions. Among the steps taken by them are the following:

- ☐ *Integration of product markets with credit markets like linking moneylending with palay trading, farming with moneylending or input dealership with moneylending.*

  The multiple services provided cater to the basic consumption and production needs of the farmers thus enabling the moneylender to spread risks and lower transaction costs of farmer-borrowers.

- ☐ *Lending by most moneylenders to small circles of friends, neighbors, relatives and suki (i.e., regular business clients) which simplifies, in effect, information gathering, and record-keeping.*

  In Camarines Sur, nearly half of the informal loans were granted to farmer-borrowers who were related to the moneylenders either socially as a friend, a neighbor or as a blood kin. Most of the moneylenders in this province recorded their transactions in a handy notebook. In Isabela and Bulacan, however, lending to farmer-borrowers outside the moneylender's circle of friends, neighbors and relatives tend to be more extensive covering about 85 to 70 percent, respectively, of the total number of informal loans in the 2 provinces. The larger scope of moneylending operations in Isabela and Bulacan may partly explain why many of the sample moneylenders in these 2 provinces kept more sophisticated credit files.

- ☐ *Moneylenders, particularly those engaged in palay trading, requiring their borrowers to pay their loans in terms of palay.* This innovation circumvents the need for a loan collateral, assures the moneylender of a future supply of palay which in turn reduces his market risks, lowers the transaction costs of both lender and borrower but also gives the moneylender the opportunity to undervalue the farmer's produce and thus realize some "hidden" charges. About 58 percent of the total number of loans of the sample farmer-borrowers recorded such arrangement, covering around 55 percent of their total volume of loans.

- ☐ *Employment by an urban-based entrepreneur moneylender of a rural-based "Katiwala" (farmer overseer) who is known to the local folks to extend moneylending operations in the rural areas in order to reduce transaction costs.* The scheme reduces the information cost of the urban moneylender as well as the risk of default and collection costs.
- ☐ *Adoption of an innovation which arises from integrating markets known as the palay deposit scheme reported by big rice miller-palay traders in Bulacan.* Under the scheme, borrowers are allowed to deposit their newly-harvested palay in the miller's warehouse at no cost to the farmer. He can postpone collecting the proceeds from the rice miller until prices of palay are high. Moreover, he can "withdraw" his palay deposit in the form of cash, milled rice or the same variety of palay and he can borrow from the miller an amount larger than the value of his palay deposit. On the miller's side, he can sell the palay deposit and therefore increase his volume of transactions without impinging on his cash resources at a time (i.e., harvest time) when he needs it most to generate a larger volume of transactions.
- ☐ *Capacity of moneylenders to provide credit to their borrowers at an average interest rate of 15 percent per annum because their operations in the informal credit were closely integrated with those in the formal credit market.* The cases cited are 2 input dealers who are also owners of rural bank and 1 rice miller who also owns a local bank. In 1978, their banks reportedly granted a total of P13.24 million in loans, while they themselves granted a total of P489,000 to 287 informal borrowers in the same year . . . When farmers do not qualify for a loan in the bank or when they need smaller amounts urgently, they go to the entrepreneur-moneylender. One of the innovations that emerge from this type of interaction is the legal type of an informal credit arrangement.

  Accessibility to low-cost funds is a factor that works favorably for the types of moneylenders cited above. In 1978, two of the banks owned by the said moneylenders

were able to obtain more than ₱6 million in rediscounts from the Central Bank. In addition, one of the input dealer-moneylenders obtained a ₱200,000 credit from Planter's Product Inc. while the rice miller-moneylender obtained a ₱100,000 credit from a commercial bank.

- *Research areas to further explore*

In a review of credit, cooperatives and other organizational components of rice production, Castillo made the following observations which are rarely paid attention to in the research and literature on the subject;

- Although the typical image of a *rice farmer is that of a perpetual debtor, some of them are creditors,* not debtors. In certain instances, the *farmer is both a borrower* and *a lender,* perhaps not simultaneously but at different points in time. If a farmer plays the role of borrower and/or lender instead of borrower all the time, there is some opportunity to even up the score, although admittedly, some will be net borrowers and some net lenders. There are evidences that *farmer-creditors* lent predominantly to non-kinsmen which could suggest that it is really a "business" lending rather than a family obligation. The TBAC study presented in this section supports this finding in the emergence of a category of *farmer-moneylender rural entrepreneur.* An in-depth analysis of how such farmers made it could provide useful insights on farmer upward mobility particularly those who were small farmers and had little education to begin with.
- All the writings and studies on credit underscores the usurious interest rates farmers are subjected to and, therefore, moneylenders are regarded as social evils to be done away with. This preoccupation with usury has given us a lopsided picture of credit which needs to be balanced by a discussion of *interest-free loans.* Several studies report from 12 to 49 percent of loans made as being interest-free. A significant proportion also report legal rates. What we know little about are the dynamics and motivations for free lending in cash and kind. There are evidences to show that landlords lend free to both lessees and share tenants whether they are kinsmen or not. Even non-land-

lords and non-kinsmen also practice this type of lending. Predictably, however, kinsmen, even if non-landlords, have a greater inclination toward this practice.

- ☐ Equally important as borrowing behavior is the *phenomenon of non-borrowing.* Previous studies have reported farmers who had no indebtedness of any kind, regardless of tenure status. Can we assume that these are the self-financing farmers who do not need to borrow? Are they the traditional conservative farmers who do not use purchased inputs or are they the very progressive farmers who are able to realize sufficient profit from rice-farming as to enable them to be self-financing?[27] Findings from the TBAC study underscore the need to examine this phenomenon more thoroughly because 13 percent of those who have informal sources of production credit did not borrow and 20 percent of those who have such a source for consumption credit also did not borrow. The question of why and how they get along remains unanswered. On the other hand, 24 percent of respondents had no informal source of production credit. What happens to them in terms of productivity? What is more disturbing is the 48 percent of farmer-respondents who indicated that they have no informal sources for consumption credit.[28] Does this suggest that the shift of emphasis to production credit means less availability of consumption credit? How do farmer-households meet this need? It has always been said that the Filipino, particularly the poor Filipino, is "resilient" and is armed with social mechanisms for coping with poverty. Is he better able to cope now than before or is the "coping mechanism" beginning to wear out? We have no real answers to these questions at the moment but we need to find out.

E. *Who Benefits from M99?*

As mentioned earlier, from the point of view of government, the most significant pay-off from the M99 program is the attainment of rice self-sufficiency, and the relative stability of rice prices thus benefitting the rice consumers and saving foreign exchange. Because the program is not an inexpensive one and it involves many groups of people and institutions, there are other beneficiaries besides farmers

and rice consumers. This section examines relative benefits to credit institutions and farmers. We will likewise explore other possible, but less obvious beneficiaries, such as farm management technicians and landless laborers and will look into the M99 loan default problem in the light of other "national default problems."

☐ *Credit institutions and farmers*

Based on estimates, M99 program costs in nominal terms amount to about ₱1.2 billion. This includes credit subsidy (P214 million), subsidy to educational and advisory services (₱69 million) and fertilizer subsidy (₱868 million). Taking into account the scarcity of value resources used and the impact of inflation, the real subsidy as the economic costs of the program is placed at around ₱1.4 billion, broken down into ₱862.3 million for credit subsidy; ₱462.4 million for fertilizer subsidy; and ₱34.8 million for subsidy to educational and advisory services. Each additional ton of palay output due to M99 costs the government around ₱257. In nominal terms, the fertilizer subsidy makes up 75 percent of program costs but in real terms, it is the credit subsidy which comes out as the major cost which is estimated to be 63 percent.[29]

The credit subsidy relates to the incentives given to the participating rural banks in order to encourage them to lend without collaterals. These incentives take the form of rediscounting privilege with the Central Bank and loan repayment guarantee. Rural banks can rediscount at 100 percent all eligible papers under the supervised credit scheme at a *preferential rate of not more than 1 percent per annum.* Funds *generated are lent at 1 percent per month.* Rural banks can also participate in a loan repayment guarantee scheme being administered by the Land Bank of the Philippines. For a non-refundable guarantee fee of 1 percent of the amount of supervised crop production loans granted to farmers, the Land Bank guarantees the repayment of, at most, 85 percent of the outstanding balance of the loan exclusive of interest or 85 percent of the production loss, whichever is lower in case of default of the supervised credit borrowers. For the guarantee to be made effective, however, a rural bank suffering low repayments has to prove that it has exhausted all means of collecting from the borrowers.[30]

Esguerra divides the credit subsidy into the *intended* and the *unintended subsidy:*

The intended subsidy to M99 borrowers is the interest rate subsidy on their loans. Since this subsidy to farmers would not be possible without the government subsidy to lending institutions in terms of low-cost funds, then it could be argued that the subsidy granted to M99 borrowers actually comes from the government, while the institutional sources of M99 loans merely perform an intermediary function with respect to the subsidy. In other words, the intended subsidy for M99 borrowers is what is passed on to them by the credit institutions out of the credit subsidy that the government has granted these institutions. The total credit subsidy granted credit institutions was estimated to be ₱1,061 million in Phases I-XIV. Over the same period, however, intended credit subsidy to M99 borrowers amounted to only ₱359.1 million. Thus, the lending banks under M99 were able to capture the rest of the subsidy amounting to ₱701.9 million.

The credit subsidy accruing to credit agencies is 66 percent while that which went to farmer-borrowers is only 34 percent.[31]

Furthermore, Esguerra cites the Clemente and Sevilla study[32] which revealed that *total rediscount availments by rural banks* under the *M99 Program in fact exceeded loans granted to farmers.* The availments amounted to ₱1,349 million for Phases I-VI while the total loans granted for the same period out of which such rediscounts could have arisen totalled only ₱1,250 million. The excess of rediscount availments over loans which is ₱99.3 million could have been used for purposes other than for lending to M99 borrowers. This difference represents 24 percent of total outstanding M99 rediscounting valued at ₱413 million. The researchers therefore raise the question regarding the possibility of rural banks losing and failing to pay the Central Bank not so much because of farmers' default but because of funds mismanagement.

This question raised by the study seems to find some supportive answers in several news items such as the following: *"14 rural bank execs face raps for Masagana 99 loan anomalies."* The news report said that "the Ministry of Justice approved the filing of criminal charges against the owners and 14 officials of two rural banks in Iloilo in connection with the allegedly anomalous grants of M99 loans amounting to millions of pesos to fictitious borrowers . . . The State Prosecutor said that two of the accused were the majority stockholders who allegedly connived with the officers of the two rural banks in appropriating for themselves various amounts granted to supposed loan borrowers by forging and falsifying documents such as promissory notes, chattel (assurance for payment of loans) mort-

gages, investigation reports and loan application forms. In some cases, the preparation of official receipts was stimulated to make it appear that the loans were paid to the borrowers when, in fact and in truth, those borrowers were fictitious. . . The proceeds were allegedly drawn by the owners to the damage and prejudice of the Central Bank through the so-called rediscounting system. . . In most cases, the alleged borrowers were made to appear as owners of farmlands in certain places, but the barangay captains certified that those persons were not known in their areas."[33]

Other evidences lending support to the possible existence of such happenings is the discovery of "fake farmers" and "ghost borrowers" by TBAC studies. "Fake farmers" include (1) those whose names were used by others to obtain loans; and (2) those who are not in any way engaged in any farming enterprise but availed of M99 and used them for other purposes. The category "ghost borrowers" is a more general one. It includes those classified under the category "fake farmers" as well as those who could not be located or refused to be interviewed about their M99 loans. Of the 682 rice farmers included in the TBAC survey, 11 percent were "fake farmers" and/or "ghost borrowers."[34] These "ghost appearances" could also be behind the discrepancies between bank data and farmers' information which occurred in 79 percent of cases included in the 1976 TBAC study and the almost 30 percent reported in the 1978 survey of non-repayment.

Esguerra likewise found a discrepancy between number of farmer-borrowers based on National Food and Agriculture Council (NFAC) reports, on the one hand, and CB-DRBSLA (Central Bank, Department of Rural Banks, Savings and Loans Association), PNB and ACA reports, on the other hand, suggesting "that diversion of Central Bank funds intended for M99 lending by rural banks is a real possibility." The former reported a total of 2,799,111 farmer-borrowers from Phase I-XIV and the latter registered 2,768,519 or a difference of 30,592. Such a discrepancy when considered in the light of rediscounting availments which exceed loans granted under the same program "raises a question regarding the administration of funds under this supervised credit scheme". In the case of PNB, this seems to be less of a possibility because data show that rediscounting availments are less than loans granted.[35]

A fact of life which contributes to the rural bankers' vulnerabi-

lity to the temptation to borrow from their own banks is the relatively low exposure of their own funds to the risks of lending. Table 4.19 shows that the equity capital in the resource structure of rural banks has declined from 45 percent in 1961 to 16 percent in 1975. Proportion of bank resources coming from deposits has also gone down from 32 to 25 percent in the same period. On the other hand, the percentage which derives from Central Bank borrowings rose from 18 percent in 1961 to 54 percent in 1975. Recent figures (1978) show that borrowings make up 48 percent and deposits, 32 percent. What is disturbing in the resource structure of the rural banking system is that the composition is *84 percent liabilities* and *16 percent* capital accounts. In 1953, liabilities made up only 12.5 percent and capital accounts, 88 percent. Clearly, the system is less than "afloat". Sarmago, in his analysis of the rural banking system, found that "during the 1976 business year, about 81 percent of all the funds that the system loaned out came from its own borrowings, 82 percent of which was in the form of rediscounting. Its other borrowings during this same year also came from the Central Bank although from the different special funds to support government-sponsored programs. Therefore, the system represents a kind of government arm – a conduit for government funds, in the province of credit to agriculture."[36]

In David's terms, "rural banks appear to function as retailers of Central Bank money instead of mobilizers of resources in the rural sector".[37]

If the *interest rate subsidy* is the *intended subsidy, nonrepayment* of loans is a transfer payment to defaulting borrowers and *is the unintended subsidy.* However, Esguerra considers default as one of the least acceptable forms of resource transfer since it impairs the financial viability of credit institutions and encourages the use of resources for other than their intended purpose.

From Phases I-XIV, a total of ₱4,358.2 million worth of loans were granted while a total of ₱3,344.6 million were collected. Esguerra estimates that the value of M99 credit subsidy arising from non-repayment of loans adjusted for forgone penalty payments, write-offs, inflation and other possible penalty payments as of December 31, 1979 *is at lèast ₱1,070.5 million.* Adding this unintended subsidy to the intended subsidy of ₱359.1 million gives a *total M99 credit subsidy of ₱1,429.6 million to farmer-borrowers.* Principal

TABLE 4.19
PATTERN OF RESOURCE STRUCTURE OF RURAL BANKS IN THE PHILIPPINES

	1961	*1965*	*1969*	*1973*	*1975*
			— Percent —		
Equity capital	45	44	36	23	16
Deposits	32	28	32	32	25
Borrowings	18	24	22	39	54
Miscellaneous	5	4	10	6	6

Source: E. P. Javier, "Rural Financial Markets in the Philippines: A Case Study" (Paper presented at the ADB-SEARCA Seminar on Agricultural Credit) Los Baños, December 1976.

outstanding loans written off is about ₱590.2 million. To the extent that these loans went to "fake farmers" and parties for which the loans were not intended, that much less of the unrepaid loans accrued to legitimate farmer-borrowers. If non-repayment were "malicious" or intentional despite capacity to repay, then the borrower acquired an additional resource into his income stream. However, "windfalls" from loan defaults are rather short-lived unless they were very, very profitably applied and treated with great care. The 1978 TBAC study on non-repayment asked farmer-borrowers *how they financed their farm activities if they could no longer borrow from institutional sources* because of past due loans. Sixty percent of the borrowers replied use of *own funds.* We can now speculate on the possibility that the *loan defaults have become part of their own resources* which might have contributed to their capacity to be "self-financing" in a manner of speaking. However, if non-repayment were due to natural calamities like floods, typhoons, pests and diseases, then "no subsidy is realized by the defaulting farmers."[38]

Since part of the loan came in the form of fertilizers, insecticides, and pesticides, despite the arrearages, input dealers have blossomed in the process. When input dealers are also rural bankers (as indicated in the earlier discussion of informal rural markets), they captured both interest from the loans and the profits from the input sales.

But, as previously mentioned, such transactions seldom have a long life.

Based on figures in Table 4.2, the average farm size of M99 borrowers is less than 2 hectares. The 1978 TBAC study shows that 67 percent of supervised-credit borrowers have farms of 2 hectares or smaller. During the later phases when the number of borrowers declined due to disqualifications arising from defaults, selective lending has probably gone to larger farms. But M99 loans *as distinct from other types of agricultural loans* from banks seem to have reached small farmers in different parts of the country at different phases of the program. Considering that majority of farmers borrowed from informal sources before M99, then for many of the small farmer-borrowers, M99 is their first opportunity to take advantage of low interest credit from government funds. This is not to say that small farmers were reached more than large farmers but that many small farmers who have had no access before to low-interest formal institutional credit have had a chance to enjoy it even once from M99.

Over the 12 phases of the M99 program, a cumulative total of 7,320.1 thousand hectares of irrigated rice lands and 2,230.6 thousand hectares of rainfed areas were funded through loans from the program (Table 4.2). The rainfed area is about 30 percent of the total hectarage. Again, before M99, rainfed farms had practically no chance to obtain loans from formal sources. At least for a little while, some rainfed farmers had access to these loans.

It must be remembered that for a long, long time, the plight of the perpetually indebted rice farmer who is in the clutches of the usurer had been lamented. M99 is a major effort to provide non-collateral, low-interest institutional loans to small farmers. The fact that there were "leakages", serious loan defaults and diversions should not be a surprise in a program as massive as M99 with as many farmers as had been involved.

☐ *Hired farm laborer*

One of the *indirect beneficiaries of the M99 program is the hired farm laborer who is usually an agriculturally landless worker.* About 30 percent of the typical farm budget per hectare which is the basis for determining the size of the loan is allocated for hired labor. The 1978 TBAC study reported that 31 percent used the loan for pay-

ment of hired labor. In Matienzo's study, hired labor was the major cash expense item with 41 percent of the total farm cash expenses devoted for this purpose.[39] When 2,447 farmer-borrowers were asked how M99 loans benefited them, 82 percent said that credit enabled them to procure agricultural farm chemicals and fertilizers; *72 percent reported that their loans enabled them to hire needed manpower;* increased farm production and income as a result of credit extension was cited by 58 percent. Forty-four percent said the loans were diverted for domestic purposes. However, only 10 to 12 percent of the loans were actually used for family living expenditures. Twenty percent said credit enabled them to purchase farm tools and equipment from loan funds. Fourteen percent mentioned paying previous debts from their loans. But even as the borrowers cited the benefits derived from the M99 loans, *13 percent felt that the loans were not helpful enough in effecting the desired agricultural changes.*[40]

An even more negative assessment of M99's impact (which was mentioned earlier) comes from about one-third of farmer-borrower respondents in the 1978 TBAC study who said that "borrowing has made life difficult for many farmers."

In the absence of aggregate figures on how much of the M99 loans was spent for hired labor, it may not be too unrealistic to estimate that a third of the loans received by farmers went to pay hired labor who are mostly landless agricultural workers.

☐ *Production Technicians*

The Masagana 99 Guidelines spell out the Strategy of Implementation for supervised credit outlining the role of the Production Technician (PT) in the following manner:

> Non-collateral production loans under a supervised credit scheme are extended to needy farmers who have to organize themselves into a mutual liability group known as *selda.* Farmers who can put up the necessary collateral need not become members of a *selda* to qualify for an M99 loan, however, *proper technical supervision should be provided them by production technicians. . . The PT shall use his wise judgment in determining the actual credit requirement of the farmer,* but in no case shall it exceed ₱1,200 per hectare (the guideline loaning rate in 1976). . .
>
> *Production technicians must request a masterlist of farmer-cooperators* from the Department of Agrarian Reform Field Offices *which should indi-*

cate, among other things, the *area of landholding* per individual and the lot number as specified by parcelliary maps conducted by the Bureau of Lands. In the absence of this, the PT must refer to a masterlist of farmer-cooperators provided by the National Irrigation Administration if ever possible. . . *The farmer, assisted by the PT, prepares his farm plan and budget* in accordance to his actual credit needs. On the second page of the farm plan and budget, *the PT fills up a sworn statement certifying the farmer-borrower to be a bonafide farmer and the rice area he tills. . .*

In order to maintain the proper distribution of fertilizers, chemicals and seeds to M99 farmers, the distribution scheme is carried out through chits for seeds, fertilizer and chemicals. *The chits shall be accomplished and issued* out with the *farm plan* and *budget* by *the technician* to the farmer *before the loan is approved by the bank.* The bank shall stamp seal on chits upon the approval of the loan, and issue to the farmer, the bank's and dealer's portions of the chits which shall be presented to the dealer for input withdrawal. . . The PT *keeps the stub portion of the chit for reference. The effectivity of the groups of pesticides/herbicides against the kinds of infestations* in the field *shall be explained to the farmer-borrowers by the PT.* A *list of approved recommended chemicals* together with their corresponding codes *shall be provided to farmer-borrowers* for their reference and guidance. Likewise, a list of accredited dealers/outlets and the lines carried shall be posted in lending banks and accredited outlet's store . . . PTs must provide the list of accredited dealers/outlets and their areas of jurisdiction/coverage to financed and non-financed farmers. The farmers must have the freedom to purchase their fertilizer requirements from any accredited dealers/outlets assigned to serve the area. . . Using the chit stubs as reference, the *PT visits the farmer and verifies actual input withdrawn. The PT also oversees the utilization of these inputs.*

The Rice Provincial Program Officer and *Production Technician* together with the National Irrigation Administration superintendent, water masters or water tenders *prepare the masterlist of farmer-cooperators* based on the parcelliary maps. The masterlist is submitted to the lending institution, with certification of availability of irrigation water in the area for *purposes of approving production loans to prospective farmer-cooperators. For rainfed areas, the PT certifies* to the *availability of water during the critical rice growing period.*

Supervision of farmer-cooperators by PT is a recurrent component of the package of technology, which starts from the farmers' formation of the selda, until the farmers have fully paid their loans. A continuous training for specialists and technicians is undertaken each year to strengthen their technical and management capabilities on rice production and other related activities. This scheme is corollary to the effective extension of the M99 package of technology. . .

In addition to all of these, the "PT reports to the banks concerned, harvesting activities of farmer-borrowers under his coverage. Immediately after threshing, the PT shall again report to the bank the volume of harvest of individual borrowers. Thereafter, the *PT renders a continuous report on all harvesting and threshing activities of his farmer-borrowers to the lending institution including yield whenever possible.* The *PT checks with the bank the outstanding obligations of his farmer-borrowers and consequently remind them of their due dates and amounts they have to pay.*

As supplementary force in certain areas . . . bonded *production technicians shall collect each payment directly from farmers.* However, technicians are limited to ₱3,000 cash on hand at any one time."

Side by side with these onerous obligations came *incentive allowances* which were to be paid as follows:

- ☐ For the duration of the loan, ₱0.50 per month for every farmer supervised. However, full payment of the loan prior to maturity date shall also entitle the PT to the balance of the total amount corresponding to the loan period which is ₱3.00 for M99. . .
- ☐ ₱6.00 upon full payment of the M99 loan on or before maturity date.
- ☐ Payment of the ₱3.00 for each fully-paid due loan granted from May 1, 1976.[41]

Based on these guidelines, the role of the PT is a very comprehensive one which includes being a *selda organizer; legitimizer of farmer-borrowers* not only in terms of their authenticity as farmers but also of their farm sizes as basis for determining loan amounts they are entitled to. As *an extension worker,* the PT is the *principal conduit for transfer of the M99 technology package* to farmers. He is likewise the legitimizer of *input acquisition* both in terms of kind and quantity and *supervisor of input utilization.* He is also an "informer" to lending institutions with regard to harvesting and threshing activities of farmer-borrowers, ostensibly to keep the banks informed of opportune times to collect and to let them know whether or not particular farmers have capacity to repay based on their harvests. Furthermore, the *PT* also *performs the function of a collection agent* for the bank with authority to collect direct cash payments from farmer-borrowers. These roles are not only *terribly demanding* of their *time, energy,* and *expertise* but are also inherently *taxing* on the *PT's in-*

tegrity. The temptations along the way are legion and as we Filipinos often say: "They are only human" hence, some PTs managed to succumb to these temptations which are manifested in the occurrence of:

- ☐ *Overfinancing* (borrowers obtaining more loans than they are entitled to);
- ☐ Fake farmers;
- ☐ *Tie-ups* between input dealers and technicians;
- ☐ *Preferentially selective recommendations* on *the use of inputs* particularly fertilizers, insecticides and pesticides;
- ☐ A *neglect of the extension role and a larger preoccupation* with the lending role since this is where incentive allowances are paid;
- ☐ Use of the *farm plan* and *budget as a pro-forma requirement* rather than as a farm management tool;
- ☐ Strong motivation to recruit as many farmer-borrowers as possible (the more the merrier) and perhaps a predilection to overselling the merits of borrowing.

On the plus side, one Rice Provincial Production Officer remarked that "It is only in the M99 program that the Production Technician earned a definite role for himself which is highly valued. For the first time, he became an important and key person upon whose performance much of program implementation depends. M99 did not only curve out a specific, critical role for the PT, but also offered new job opportunities for agriculture graduates. From 3,133 Production Technicians deployed during Phase I, their number increased to more than 5,000 in Phase XII. This expansion in employment is one of the side benefits from M99.

Despite the unsavory image which some PTs have managed to give their role, majority of farmers value the services and supervision of the PT as evidenced by several studies cited earlier in addition to which is the PCARR-BAECON[42] 1975 survey which showed that 79 percent of the 2,633 farmer-respondents think that the Production Technician is effective in advising farmers in their area and they consider him the best adviser regarding farming technology and farming information.

☐ *Interest Rates on Informal Loans*

As discussed in a preceding section on informal rural markets,

the density of loans from formal institutions has had a downward pressure on interest rates charged by private money lenders. To the extent that M99 loans have contributed to this density, the M99 Program has helped bring down interest rates even from informal sources.

☐ *The National "Default" Problem*

The M99 loan default problem is a much lamented problem and farmers are a much maligned group of people purportedly "spoiled by dole-outs" in a continuing pattern of dependency on government and unwillingness to assume responsibility for obligations. Without meaning to defend these defaults, the M99 problem must be viewed in the national context. It is no secret that five-star hotels built with loans from government banking and financial institutions have resulted in government taking over or becoming a major stockholder in such hotels due to their inability to repay. We can say without sounding cavalier that *M99 loan defaults are "peanuts"* for thousands of small rural bankers scattered around the country compared to the scandals which recently hit the nation's financial and banking system.

Unlike the M99 defaulting farmer-borrowers who have been studied, interviewed and analyzed with respect to their capacity and willingness to repay, the "actors" in these financial scandals have not been the subject of social science research. We do not or at least we have not tried to understand why they behave the way they do. Unlike farmers, there is no "research access" to high-level defaulters. The Metropolitan dailies are the only information sources available to us. For a cursory view of what is involved in these "white-collar-executive class" past dues; let us review some of the write-ups:

> Delta Motor Corporation and Philippine Blooming Mills, Inc. are seeking financial assistance of ₱120 million each from the Philippine National Bank under the industrial fund of the Central Bank.
>
> Like the ₱300 million granted earlier by the PNB to Construction and Development Corp. of the Philippines, the proceeds of the financial assistance being sought by the two firms will be used to restructure their respective financial position, most of which will be utilized to pay off past dues and mostly money market borrowings.
>
> Both companies have been pronounced viable and vital to the economy by P.O. Domingo, PNB president.

He said that PNB was also working out a financial package for Marinduque Mining and Industrial Corporation, but the amounts were still being sorted out.

The mining company, bugged by heavy-interest burden on its foreign and domestic loans and by high fuel prices, is seeking assistance in the neighborhood of about ₱300 million for the next two years.

On the other hand, the financing being asked by PBM will retire money market obligations which were previously incurred to finance the steel firm's big inventory of both finished products and raw materials.

Paper Industries Corp. of the Philippines was also granted by the bank $50 million which can be taken from the consolidated foreign borrowing program of the CB.

Included in the PICOP financial restructuring package is a ₱150 million equity by the National Development Company. The Soriano holding firm, Anscor, was required to put up a counterpart additional equity of ₱150 million with a fresh foreign investment equivalent to another ₱150 million being finalized from a syndicate of foreign investment.

Meanwhile, Ricardo Silverio, Delta president, explained yesterday that Delta was seeking the financial assistance to enable the automotive firm to strengthen its financial position.

"The reason why Delta's financial position is in a bind is because of overexpansion in plant and machinery during the last three years," he said.

A substantial portion of the financial requirements of this expansion, which Silverio estimates to have cost at least ₱1.5 billion for the three-year period, was apparently financed by costly borrowings, a major portion of which came from the money market.[43]

Another story is that of one man's "flight" out of the country leaving behind millions of unpaid and unsecured loans and the network of "collaborators" (wittingly or unwittingly). The perpetration of the deed seems like a Hollywood movie with the "hero" apparently able to "get away with it."[44]

There is certainly no income redistribution effect in these "abscondments" since the "perpetrators" are associated with the "princely life style of high society". It is curious, for example, that in the newspaper where the magnitude of the financial disaster and the individuals involved are discussed, the "High Society" column on the same page "confidentially" reveals that the *patriarch of the group* of companies which is in distress "maintains big properties at fashionable Hillsborough near San Francisco, California, the next door neighbor of the late Hollywood singer Bing Crosby . . ." It was also

rumored that negotiations had been going on for the "sale of a big property at a very high-class section on Jackson street near Union Street, San Francisco and is refurbishing it . . . It looks like a palace." The buyer is said to be the same "patriarch".

The Society columnist further mentioned that the president of the construction and development company which is being "bailed out" of its financial woes by millions of government "rescue funds" has "two of the most prestigious properties in San Francisco at Belmont Drive and St. Francis Woods, plus an apartment at Nob Hill. His son . . . and daughter . . . have theirs at the Grove. . ."[45]

These cases are referred to here in order to underscore the nation's emerging "crisis of values". Where does one turn to for a "moral and behavioral model" of integrity?

SUMMARY AND CONCLUSIONS

The Philippines' success in the attainment not only of rice self-sufficiency but of some exports is attributed to the Masagana 99 Program which was launched after the disastrous crop years of 1971, 1972, and 1973. The key elements of this program were a revolutionary credit system; transfer of technology: low-cost fertilizer; good weather during the first year; and price support. This Chapter identified various social components which accompanied or resulted from program implementation other than increased rice production. These other sides to Masagana 99 include: patterns of borrowing; non-repayment behavior; group lending; M 99 and informal financial markets; and who benefited.

Patterns of Borrowing

With the advent of M99 there was a definite shift from informal (landlord, private moneylender, etc.) to institutional (rural bank, PNB, etc.) credit sources. Non-collateralized loans opened bank

credit to small farmers, hence, the tremendous expansion of short-term credit in the countryside. After about two years, the repayment rate started declining and so did the number of borrowers. Although there was a revival of informal credit sources, the proportion of non-borrowers increased. There were intermittent borrowers; persistent borrowers as well as resistant non-borrowers. The latter category has never been deliberately studied but deserves to be scrutinized precisely because the credit system has no interest in non-borrowers.

Non-Repayment Behavior

Two major issues were examined in connection with why farmers failed to repay; the viability issue or capacity to repay and the attitudinal issue or willingness to repay. Production constraining factors were the predominant reasons for non-repayment with natural calamities, pests and diseases mentioned as major causes. The review suggested that estimates of production performance and capacity to repay must take this into account in order not to overestimate repayment capacity. Economic indicators of capacity to repay showed the expected relationship to repayment behavior but the differences between good and delinquent borrowers as far as these indicators were concerned were never very great suggesting that there were other factors influencing repayment. The suspicion that low repayment was due to diversion of loans for consumption purposes was not supported by empirical evidences. So-called "diverted funds" were very small and there was no significant relationship between repayment of M99 loans and percent of M99 funds used for consumption. Two factors found to be associated with non-repayment were overborrowing and overfinancing. Self-financed dropouts from M99 were of 2 kinds: truly self-financed and self-financed but with outstanding loans. Both of these should be studied more thoroughly because they have never been the foci of research.

Analysis of willingness to repay suggests that the M99 program might have oversold the "receiving" side of credit but had not focused equally on the repayment aspect. Honest-to-goodness farm management and effective credit utilization were not assiduously pursued. Furthermore, the program incentives for farmers to repay their loans did not seem to work. There were evidences to show that being a borrower was no longer regarded as something to be ashamed

of; credit was perceived as necessary for increased income and production and that it was the government's responsibility to provide credit regardless of capacity to repay. Individual borrowing was preferred to group borrowing. While there were hints of the dole-out syndrome, there was also a seamy side of credit revealed by those who said that bank credit had made life difficult. Technicians were highly regarded and their supervision valued. While rice farmers had jumped on the institutional credit bandwagon, small coconut farmers remained credit-shy. Some "credit aversion" seemed to surface post-M99 loan non-repayment but some farmers remained "opportunistic" about the prospects of refinancing.

Group Lending

The *selda* from the point of view of M99 was a device for insuring loan repayment and grouping borrowers into a *selda* was in effect in "substitute" for collateral. A detailed analysis of this group lending scheme showed no effect on repayment. It had not effected a reduction in transaction cost in acquiring loans, either. One of the expected advantages of *seldas* was the group pressures that could be exerted on any member who might want to default in the repayment of his loan. There were some evidences of "positive" pressure but "negative" pressure was also evident, i.e., pressure not to repay from non-repaying co-members.

M99 and the Informal Rural Financial Markets

Following the deterioration in M99 loan repayments, there was a resurgence of informal private money lending but mainly for production purposes. The class composition of private money lenders seemed to have altered with landlords and palay traders losing their formerly major control of the rural credit market to input dealers and farmer-lenders. This new group of money-lenders started operations in 1968 or later. Most of them were in key businesses directly associated with the rice production-processing industry. Entry of money lenders into the rural credit market was accompanied by an expansion of activities through diversification of investment. These entrepreneurs had taken advantage of profitable opportunities opened up by the seed-fertilizer revolution, irrigation expansion and cheap rural credit.

Private money lenders were primarily businessmen because their clientele were mostly non-relatives although majority of informal loans were secured only by verbal promises. One interesting finding is the fact that non-repayment of formal and informal loans did not differ much. The explanation for this trend is a promising research area because past studies had reported better repayment performance for private money lenders than for formal sources.

On the impact of formal credit on rural credit markets, one study concluded that the average level of interest rates on informal loans seemed to have declined to lower levels most particularly in areas where the presence of agricultural lending institutions was strongly felt. It was also pointed out that private money lenders reduced default risk and information cost by the creative adaptation of their techniques to suit local conditions. There were also instances where operations in the informal credit were closely integrated with those in the formal credit market, e.g., input dealers who were also rural bank owners.

Who Benefited from M99?

Based on an economic analysis of M99 program costs and the subsidies involved such as fertilizer, credit, educational and advisory services, credit subsidy came out as the major cost. The conclusion was that the lending banks captured 66 percent of the credit subsidy while only 34 percent went to farmer-borrowers. With the M99 lending program also emerged "fake farmers" and "fictitious borrowers". There were therefore "ghost" beneficiaries of the program. But what is disturbing is the resource structure of rural banks which showed declining equity capital and increasing Central Bank borrowings. As an economist put it: "Rural banks appear to function as retailers of Central Bank money instead of mobilizers of resources in the rural sector".

M99 loans as distinct from other types of agricultural loans from banks seemed to have reached small farmers (less than 2 hectares) in different parts of the country at different phases of the program. Even rainfed farmers had access to these loans.

One of the indirect beneficiaries of M99 was the hired farm laborer (usually a landless worker) because the loans enabled farmers to hire labor.

On the negative side, some farmers felt that loans were not helpful in effecting desired agricultural changes.

M99 did not only curve out a specific, critical role for the production technician but also offered new job opportunities for agricultural graduates. Despite the unsavory image which some of them had given to their role, majority of farmers valued their services and supervision.

The M99 default problem, although substantial, becomes trivial when placed in the context of our national "default" problem and the recent huge financial scandals perpetrated by "high finance" sectors of our society. The question is: Where does one turn to for a moral and behavioral model of integrity?

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CHAPTER V

CHANGING LAND AND LABOR RELATIONS IN AGRICULTURAL PRODUCTION

Institutions which revolve around man-land and man-man relations with respect to the use of land and the relations among people regarding the use of labor and the rewards thereto are the most significant institutions in agricultural production. Population pressure on land, migration, the advent of new productive technologies (whether land augmenting or labor-saving); government policies and development programs such as agrarian reform, agricultural extension, credit, irrigation, farmers' associations, road construction, transportation etc. have had their inevitable impact on different aspects of these institutions particularly the tenure system, wage rates, and the nature of land and labor relations. While changes in these two major rural institutions are sought to restructure society in the interest of greater equity, employment and better productivity incentives, many are those who nostalgically invoke the traditional spirit of *bayanihan* (mutual assistance and exchange of labor) as the foundation of cooperatives development and farmer organization:

"Cooperation is as old as its culture. *Bayanihan* is the native word for the centuries old natural in-born trait of the Filipino people. Bayanihan is that trait of cooperation, the voluntary gathering of friends and neighbors to help a man-in-need. Bayanihan is the bond that makes an individual adhere to a group for cohesiveness and strength. The spirit of cooperation is the solid foundation of the cooperative movement. It is the system to help the common tao put together their limited resources for better economic returns and improved social status."[1]

Sacay adds that: "What we want farmers to realize is that *bayanihan* does not stop with helping a neighbor move his house from one place to another. In the Samahang Nayon, the Filipino value of *bayanihan* enlarges its scope, takes on a deeper meaning and realizes its original concept: a way of life. After all, what is a cooperative, but bayanihan?"[2]

So far, *bayanihan* as a basis for the cooperatives movement has always been assumed. No one has bothered to analyze how relevant and appropriate this tradition is for modern day institutions designed to achieve development goals, perform economic and other functions through group action.

In this chapter we present the following:

a. Inventory of traditional forms of cooperation in agricultural production as practiced in different parts of the country;
b. The survival and erosion of such traditional institutions;
c. Changes in labor arrangements for agricultural production such as harvesting, threshing and use of hired labor;
d. Different interpretations of the emerging relations between farmer and landless; and
e. Some identifiable tenure patterns post land reform.

A. *Traditional Forms of Cooperation in Agricultural Production*

What are these traditional forms of cooperation whose virtues we are calling forth to lead us to the design and implementation of "socially and culturally compatible" structures for development purposes? So that we can have a frame of reference for assessing the changing scenario and the likely continuing relevance of its features for what we want to achieve today and in the near future, Cosico's attempt to inventory the various forms which have been studied by different authors is reproduced here in abbreviated fashion.[3]

Among the Kalingas of Mountain Province, close kins and their neighbors hunt for food and their catch is divided equally among the hunting party in a practice called *"Anop"*. Similarly *"Sopnak"* is held when the Kalingas fish in their rivers and the catch is divided equally among the participants. For planting and harvesting, they practice *Kil'lo'ong* (their term for reciprocal exchange of labor).

In like manner, the Malitbogs and Aklanons have *hilo-hilo* mostly for plowing, harrowing, transplanting and harvesting. Similarly, the

Bicolano farmers sponsor the *loyohan* which operates in the same way. The Ilocano farmers adopt the *Ammuyo* as their own version of reciprocal exchange of farm labor.

Among Laguna farmers – the *tornohan* (which is a cyclical reciprocal labor arrangement especially for plowing and harvesting) obliges any participant member to reciprocate the favor extended to him by doing equivalent labor in due time for those who helped him. Since one day is normally spent in doing the farm activity, in a *tornohan,* he would be working in other farms as many days as there are members of the group. If for some reason, he is unable to help others, he is expected to send a substitute or to pay the fellow who is a "labor-recipient" the corresponding amount for a day's work. In this type of labor arrangement, only those who own a carabao and the necessary tools are accepted for membership. In the event that one member does not have a farm of his own, he has the right to contract a harrowing or a plowing job with a farmer who needs help. He then gets the wage equivalent of the labor of all the *tornohan* members for one day all to himself.

In *hilo-hilo,* the farmer initiator of group work is traditionally required to reciprocate the services of another who has done him a favor. This is a strictly followed rule.

Among the Ilocanos, the mechanics of exchange labor goes this way: the extra labor needed to work the two and three acre-sized rice paddies is normally obtained through *the ammuyo;* essentially a one-for-one, hour-for-hour exchange of work. It is at the same time, a relationship which normally persists from one year to the next involving the same individuals in the same task and in the same field. When, as it sometimes happens, an exchange imbalance arises as a result of unequal landholding size, the difference will be made up in money, rice, or by additional persons who will be hired on what is essentially the commercial contractual arrangement called *pakiawan.* (This means 2 or more persons pool their efforts to clear, plow, harvest or weed the field of another for a certain amount of money). The number of people involved in an *ammuyo* group is related to the size of the field to be worked on. Ten to twenty people are utilized on a hectare field.

There is a derivative relationship of the *ammuyo* pact, called the Ilocano *bataris* which indicates that the balance is not strict (though there is the assumption of eventual equivalent). *Bataris* is a sort of

cumulative, socio-economic "interest" which builds up between *ammuyo* partners. An emergency may arise (e.g. draft animal unable to work, sickness in the family, the need to replant a storm-damaged field) which requires additional help and for which it is impossible to reciprocate directly through the *ammuyo* tie. In such circumstances, an individual will ask his *ammuyo* partners for *bataris* help and they have the moral obligation to assist. Under similar circumstances and emergencies, they would expect as much. *Bataris* is not based upon an immediate, equivalent return; it is extra to the normal exchange of *ammuyo* labor, extra in the sense of involving unforeseen circumstances, emergencies which cannot be calculated in the normal hour-for-hour exchange. It is a reciprocal, moral obligation developing out of the *ammuyo* relationship and based on the continuing mutual exchange of services.

In the reciprocal exchange of labor discussed (tornohan, Kil'lo'-ong, hilo-hilo, loyohan, ammuyo) the participants are provided with lunch, morning and afternoon snacks. The food which are served most frequently for lunch are rice, vegetables, fish, and/or meat depending on the financial status of the sponsor. Cigarettes are also offered. Snacks consist of bread, or rice cakes, and soft drinks.

The general term used to describe exchange labor in farming is *bayanihan* among the Tagalogs: *Hunglos* among the Visayans or *Cayyayyannan* among the *Ivatans.* Reciprocity for labor extended to a farmer is the major characteristic. However, the exchange of labor maybe immediate for the same type of work extended within the same cropping season or that reciprocation may be done at some future time doing a similar or a different type of job. As described earlier, different ethnic groups practice some variation of the general pattern.

In the farm labor exchange arrangement which does not require immediate reciprocation, the immediate concern seems to be the desire to help other farmers who are urgently in need of extra help to complete farm work. For instance, the *Pango* of the Kalingas is undertaken for someone who is behind in his work and therefore needs to hurriedly finish his farm work to enable him to keep in time with the seasons. As such, it is normally done during the final phase of planting and harvesting. Moreover, if assistance comes during the usual farming period, the practice is called *ab-ab-bo-yog.* In either case, whatever help a farmer extends to another will be reciprocated

later. In Kaingin making, the Malitbogs resort to *patawili,* which refers to their cooperative activity in cutting of trees, and *patabang* which refers to their practice in the cooperative planting of crops.

Among the lowlanders, the more common forms of share labor are: the *dagyaw* of the Visayans and the *palusong* of the Tagalogs. *Dagyaw* is a type of cooperative labor in which the initiator is not morally required to return the services of other people, although he may do so if he likes. While he is thus exempted, the man who calls for the *dagyaw* usually returns the services of those who have helped him, because if he does not reciprocate they may not come again when he needs assistance. In *palusong,* when a farmer needs help in planting his ricefield, he may invite other farmers to help. He need not bother about paying them wages because when others seek his help, he too gives his services freely. This cooperative undertaking may include moving houses, building fences, dikes or irrigation canals, clearing lands, eradicating pests, and other activities. In Central Luzon and among the Tagalogs, this practice is known as *palusong sa pagbuhat ng bahay or palipat* in case of house moving and *palusong sa pag-aararo ng bukid* in case of plowing the field or other activities.

In Zamboanga del Norte, the activities of greatest importance to the natives are those concerned with swidden preparation and cultivation. The swidden unit, equivalent to the household and family, occasionally uses non-family labor. Such unit fulfills most of their needs for extra labor from fellow community members whose services can be solicited by exchange arrangement (*Saud*), by feasting (*pesilut*) or by kinship obligation (*manul*). It was further explained that exchange labor is one of the diagnostics of community interaction, for only community members participate. This principle holds for equivalent and non-equivalent exchanges. Except during planting, when the entire community takes part, exchanges are arranged between households or groups of households within the community without regard for kinship ties. The arrangements are informal, no feast or compensation other than reciprocity which is deemed necessary.

Among Ilocano farmers, on certain occasions neighbors are called upon for special work, well over and above the regular favors and *padigo* exchange which involves the cooperative effort of several individuals working together. Such cooperative assistance is called

tagnawa. The work group is by no means composed only of neighbors. The host provides food and drink for such occasions and there is great stress upon sociability.

It has also been reported that *tagnawa* is a form of cooperation given to a leader, or "Cabeza de Barangay" or "teniente del barrio" or to a worthy neighbor in the land preparation of a farm, in planting or in harvesting, in the repair of a house, or in some big projects where plenty of labor is needed. The farmer-leader assigns a day in advance and announces to his constituents his work project. In this system of cooperation, the farmers give their labor free to their leader. Wives also lend their labor in the preparation and serving of meals to the laborers which they carry to the farm at noontime.

The difference between the *tagnawa* and the *ammuyo* is that in the former, the labor given by the farmer is free, without expecting remuneration either in the form of labor or monetary benefits. In the *ammuyo,* on the other hand, exists a mutual exchange of labor between and among farmers. One helps another and expects the same to be returned, not in money but in kind (labor).

Another traditional cooperative institution among the Ilocanos is the so-called *equido* system. It is a communal enterprise among members of a homogeneous group called barangay. Under the system, a parcel of public land is leased or purchased collectively by the group from the government. The arable portion is cleared, levelled, parcelled and divided equally among the members. One-tenth of this arable portion is usually set aside as a communal property where the produce is kept in a communal barn for use by members of the *equido* during their cooperative work projects. Members work freely by turn on this communal property. Sometimes all of the arable portion are divided among members without leaving a communal parcel, but every member agrees to turn over to the treasury the equivalent of one-tenth of his harvest, which is kept in the communal barn to be used for the same purpose as above. The upland or rolling portion of the land, which is not suitable for farming, is enclosed and used as a communal grazing ground. Each member puts into the enclosure his cattle, carabaos or horses. Again, some carabaos or cattle are owned collectively by the group. A surplus of the stored rice is sold and part of the proceeds is used to purchase a pair of cattle or carabaos to be cooperatively owned.

Another form of cooperative labor is *pakyaw* which is an arrangement whereby two or more men pool their efforts and resources to clear, plow, harvest or weed the field of another for a certain amount of money. This requires payment in cash or in kind either in advance or immediately after the job is done.

Traditional institutions of cooperation for non-farm activities are varied. Sometimes, the practice of cooperation as exhibited in farm activities are likewise applied to non-farm activities maintaining the use of the same terminologies. For example, *bayanihan* is adopted in the moving of a house, digging of canals, building of feeder road, making of fences or celebrating birthdays, weddings etc. The *hilo-hilo, loyohan, tagnawa,* and *palusong* for non-farm activities include carpentry, nipa thatch making, house moving, building fences etc.

In some cases, specific colloquial terms are used to describe the particular institutions of cooperation in non-farm activities. For example, in the Ilocano region, the practice of *bir-biris* is prevalent. It is a form of cooperation by friends and neighbors to finance a wedding feast. People contribute rice, chickens, a jar of wine, bundle of wood, some centavos, etc. to the fund.

Another form of cooperation widely practiced is the *arayat* which refers to aid contributed toward the burial of a deceased family member, neighbor or friend. *Arayat* may also be given by friends and relatives to help a candidate for public office or to someone struggling for an education or making a trip to a distant country.

Ilocanos have a practice called *in-namong* and among Tagalogs, it is known as *paluwagan.* Under this system, a group of friends or coworkers agree to contribute equal amounts each week as the case may be for as many months or weeks as there are members of the group. One member gets the contribution of the entire group when his turn to be a recipient comes. Sometimes a raffle is made among members to determine their individual schedules. Sometimes the schedule is adjusted according to the members' needs. In this manner, the contributions help meet their individual needs.[4]

Cosico's review of these different traditional forms of cooperation reveals the following characteristics:

(1) The norms of reciprocity in traditional forms of cooperation in farm labor are of two types:

(a) Those which require *"equivalence"* in work *reciprocation* which is rendered in an *obligatory* manner within a specified

period such as in *Kil'lo'ong, tornohan* or *ammuyo.* A group engaged in the practice has more definite membership.

(b) Those which *do not demand immediate and specified reciprocation, activity open to the community and number of participants is undetermined.* Furthermore, the participant is not obliged to return the same type of favor extended to him. He may reciprocate by doing another type of job. There is no regular pattern and no fixed obligations.

(2) Participation in traditional exchange labor arrangements is usually among close kins, friends or neighbors.

(3) The sponsor for traditional cooperative labor activities usually provide a meal, merienda, and/or drinks. This is the "socializing", built-in *"have-fun"* portion of their work.

(4) Most of the actual labor rendered in the exchange is carried out in one day. Although the cycle in something like *tornohan* may last longer depending on the number of participants in the group, each member receives the entire group's labor contribution for one day.

(5) The tasks carried out in the farm labor exchange are very specific to plowing, harrowing, planting, weeding, harvesting etc.

(6) Traditional cooperation in labor is in reality a pooling together of farmers' labor in order to meet farming requirements in time. Each participating farmer takes his turn in receiving this "pool of labor" when he needs it.

(7) These traditional practices take place mainly among equals, i.e. *among farmers.* After all, what is involved is an exchange, a reciprocal relationship. The agriculturally landless are not part of this traditional exchange relationship because they have no farms on which the labor contributions can be applied. However, the *pakyawan* system can be a contractual arrangement between the farmer and a group of landless hired laborers who can pool their efforts to accomplish a specified task for a certain payment in cash or kind.

Traditional practice of cooperation is not a transfer of resources from "haves" to "have-nots". It is cooperation for "equivalent" gain from the exchange relationship, although the reciprocation may not be specified in time and type. This is where some participants may be helped more than others when such assistance is needed.

Given these major features of traditional forms of cooperation generically referred to as *bayanihan,* it is difficult to understand how

this can be the underlying basis for the Samahang Nayon, cooperatives development, seldas etc. *Bayanihan* and its variations is neither a joint liability nor a joint borrowing group; it is not group action to obtain better prices for inputs and produce; it is not an organization for technology transfer; it is not organized to do business.

All these years we have tended to endow *bayanihan* with more virtues than it is capable of responding to. We have extrapolated too much on what it can do. It is not "a system to help the common tao put together their limited resources for better economic returns and improved social status."[5] The purpose and operation of *bayanihan* is much, much simpler than the Samahang Nayon design. *Bayanihan* as it applies to farm labor is usually a one-day, task-specific exchange of labor among close kin, neighbors, and friends. Exchange relations are internal among participating members. Traditional *bayanihan* is not a group lobby; it is not an attempt to do away with the middleman and his "excessive margins"; it is not even a "distant cousin" of Samahang Nayon. It *is* or *was* a significant institution for very specified functions which needed to be performed.

Barrameda looks at group cooperation not in terms of the traditional and the new ways but rather in terms of two clearly different modes: *pakikiiba* and *pakikidamay.* The first is for *official community or organizational undertakings directed by a formal leader;* the second is for *activities in which an individual's social allies assist him in meeting some household or family need or crisis.* Table 5.1 summarizes the main features of these two modes of group cooperation. One obvious conclusion is that: *"pakikidamay* promotes infinitely more personal involvement and fulfillment than does *pakikiiba. . .* The first must start with the recognition of a need felt by a close friend and achieves its goal by a voluntary wholehearted response to it, the second requires only external compliance and token participation. The first is warm, the other cool; the first is invariably a meaningful experience for those who share it; the second is more likely seen as a forceful interruption of more important, more satisfying activities."

On the basis of these conclusions, some suggestions were made: "Where cooperative work must be done for the community or a subcommittee within it, consider this alternative: *organization by alliance groupings rather than by geographical units* . . . . and identification of the various alliance-grouping *leaders* will be accomplished

TABLE 5.1
MAIN FEATURES OF PAKIKIIBA AND PAKIKIDAMAY COOPERATION AS SEEN IN 66 CASE HISTORIES (BICOL RIVER BASIN, CAMARINES SUR, FEBRUARY 1974)

Feature	*PAKIKIIBA*	*PAKIKIDAMAY*
1. *Initiator*	*Formal leader*	*Ordinary person*
2. *Call to participate*	(a) Always needed (b) May be personal or impersonal (c) In the form of invitation to join (d) May be an order, even coercive (e) Sent to all members of a group	(a) May not be needed (b) Personal (c) In form of request for help (d) Always a request (e) Generally limited to selected members
3. *Values/mechanisms assuring compliance*	(a) Supog (shame) (b) Utang na buot (debt of gratitude) (c) Hirak (pity) not operative (d) Fine may be charged	(a) Supog (shame) (b) Utang na buot (debt of gratitude) (c) Hirak (pity) may be operative (d) No fines
4. *Duration and pacing of work*	(a) Relatively long duration (b) Work done in stages	(a) Short duration (b) Work done in one continuous time period
5. *Organization of work*	(a) Decision-making centralized in initiator (b) Task assigned by initiator	(a) Decision-making not necessarily centralized in initiator (b) Task assignment by competent specialists
6. *Source of satisfaction*	(a) Benefits especially to participants (b) Involvement in the activity not mentioned as source of satisfaction	(a) Benefits especially to be person who has been helped (b) Involvement itself is a source of satisfaction
7. *Usual compensation*	(a) Snacks seldom provided (b) No personal thanks expected or given to participants	(a) Snacks usually provided (b) Personal thanks always given to participants

Source: Jose V. Barrameda, Jr., ***Pakikiiba and Pakikidamay: Two Modes of Group Cooperation in Camarines Sur,*** SSRU Research Report Series No. 5, Social Survey Research Unit, Bicol River Basin Development Program, February 25, 1975.

empirically. They are not to be appointed, but found . . . Cooperation between and among alliance groupings is to be fostered and encouraged, in the hope that it may lead to *genuine community-wide cooperation.* The *existence of the latter phenomenon is not to be assumed,* however, *but proved or disproved empirically."*

Barrameda likewise calls attention to *bayanihan* as a "working bee in favor of one person, family or household. Community-mindedness and civic spirit have little or nothing to do with it."[6] Bayanihan, therefore, is not synonymous with community spirit.

B. *Erosion of Traditional Exchange Labor in Farming*

One of the problems we face in objectively assessing the viability of traditional institutions is the dearth of studies examining what has happened with the onslaught of development programs, population pressure, and modernizing forces which impinge on them. In the absence of empirical evidences, it is easy to "romanticize" their continuing existence as the "soul", the "in-born trait", or even the "way of life" of the Filipino.

Sometimes, accounts describing the workings of these different practices fail to indicate how much of what is being described still operates and how much of it is simply historical – a story of how it was a long time ago.

1. *Bicol and Aklan case studies*

Cosico, in a 1979 study of two barangays, one in Bicol (Barangay San Isidro, Libon, Albay) and one in West Visayas (Barangay Dongon West, Numancia, Aklan), chronicles the "erosion" of traditional practices in cooperation. These two barangays were chosen precisely because they represented communities where these traditions were most extensively practiced in the past. Briefly, the following has taken place.

- ☐ In San Isidro (Bicol), *Loyohan* was the exchange labor practiced in plowing, harrowing, and making of farm ridges. *At present, loyohan is rarely practiced for these three farming operations.* Plowing and harrowing have become more mechanized and done either by family members or hired labor. Making of farm ridges is a fading skill. Only the older farmers are skillful in it so the younger farmers are hiring them at ₱20.00 a day to do the job with free meals. Such skills are not likely to stay on much longer because the younger farmers are not being trained for it.

- *Hilohan or hilo* is the Aklanon counterpart of the *loyohan* or *loyo* in Bicol. In Dongon West, *hilo* was applied in *farm clearing, plowing, harrowing, transplanting, farm-ridges preparation* and *harvesting.* Farmers recalled that *hilo* was practiced in Dongon West as far back as when the first wave of migrants settled in the area.
- *Hilo in farm clearing* – When farming was first explored in Dongon West, the abundance of Dongon trees as well as tall grasses made farm clearing an arduous task for individual farmers. Trees had to be cut, rolling terrain had to be levelled and tall grasses and bushes totally removed prior to the initial digging of the soil. At that time, farming was done kaingin-style and to facilitate the speedy completion of preparing the land, farmers worked together in clearing each farm until all farms had been cleared. Eventually, however, the yearly cultivation of the soil made easier the task of farm clearing before the planting season came. Individual farmers managed to do farm clearing themselves. Only in very few occasions in the recent past had a farm been cleared through cooperative efforts. This happened, for example, when a farmer abandoned his farm because of a more promising job elsewhere. When he returned, a failure and a little more impoverished than before, he had to ask other farmers to help him clear his farm.
- *Hilo in plowing* – When kaingin farms became more intensively cultivated, farmers began to plow their fields. However, the fields remain rainfed for sometime. This dependence on rain water meant that farmers had to start plowing after the initial rains came in order to prepare for immediate planting with the coming of more rains later. Otherwise, the fields became dry and had to be plowed once more and farmers had to wait again for the rain before any planting was made. This need to catch up with the rain had brought about the *hilo* in farm plowing among neighbors, friends and relatives in order to ensure that every farmer was able to plant when farms had sufficient water. Hilo was a prevalent practice before the war in 1940 until about 1970 when an irrigation system was constructed in the barangay. The availability of two tractors for rent in the barangay, as well as

the emergence of hired labor and the declining number of work animals had made *hilohan* in plowing less and less popular.

- *Hilo in rice planting/transplanting* – The planting of rice was mostly a communal activity of farmers when kaingin-making was the practice. The fields were planted by the same group of farmers who cleared them, this time using either a pointed wood stick or a piece of bamboo with a metal blade attached at one end for digging the ground.

  Later on, when farms were plowed, rice planting became a family activity using the broadcast method.

  The construction of an irrigation system in Dongon West had somehow revolutionalized farming operations in the area. Not only were farmers able to plant twice a year, but they also adopted new farming methods. Farmers started to use new seeds, applied more fertilizer and sprayed their crops with farm chemicals. Rice seedlings had to be transplanted after growing them in seedbeds. Transplanting rice in a systematic manner, observing specified distances between rows and hills required the cooperative efforts of farmers that went beyond the immediate family circle. Nonetheless, only close kins were oftentimes invited to help. Eventually, transplanting was done by hired laborers from the adjacent seashore barangays who were paid one ganta of rice daily. They were provided a free meal while transplanting and were given the first preference to harvest the crop later.

- *Hilo in making farm ridges* – Rainfed farms had to retain as much rainwater as the fields could sufficiently hold at certain farming periods. For instance, to make plowing easy, the soil had to be soft and if at all possible the farms had to be submerged in water for sometime before plowing was done. Thus, the farmers of Dongon West had to construct their farm ridges higher than what may be ordinarily required if the farms were serviced by an irrigation system. Since higher farm ridges retained more rainwater, they were constructed about two feet in height. The making of farm ridges became essentially laborious and demanded more hands to do the job. The farmer, therefore, turned to other farmers whose lands were contiguously located for the needed help. As

farms became irrigated, the height of the ridges was lowered to one foot, which only required minor repairs at the start of each cropping season. The *hilo in making farm ridges became virtually non-existent.*

- *Hilo in harvesting* – Farmers during the early settlement days helped each other out in harvesting their crops until the activity was completed for all the resident-farmers. Harvest time was the start of a long period of merriment with the host farmers being generous in offering a sumptuous lunch on the day of harvest in his farm.

  – As more people migrated into the area and more farm labor became available, harvesting was carried out by others on a sharing basis. The sharing arrangement varied depending upon the relationship between the farmer and the harvester and whether or not the one who harvested was hired earlier to do the transplanting.

  – *The new harvesting arrangement – Ilay* is a verbally contracted arrangement which starts from weeding wherein the person who weeded a farm does not have to be paid in money but is only provided two meals while weeding in that farm. Moreover, during the harvest season, if he harvests the crop, he would get one can share for every 10 cans of palay harvested. In barangay San Isidro, about 80 percent of the farms were being weeded and harvested under the *Ilay* system which was started in 1975 by migrant workers from another town. Those who engaged in these new harvesting arrangements are mostly landless farm laborers. When not weeding or harvesting, they are hired in plowing or harrowing. For plowing, a laborer was paid ₱6.00 a day plus a free meal. If no meal was provided, the wage was ₱8.00 per day. The laborers may even settle for lower wages for plowing provided they are given the privilege of harvesting later.

In order to probe deeper into traditional exchange labor practices, a total of 137 farmers from San Isidro and Dongon West were interviewed. Two-thirds of them had practiced *hilo/loyohan* in the past. The other one-third had never been involved in it. More than half of those who participated belonged to a permanent group while 45 percent were grouped on an *ad hoc* basis. Majority of the *hilo/loyohan* members

were close kins. Relatives were actually preferred to work with. The most commonly observed norms were reciprocity in labor exchange and provision of food (meals and drink). Less than half indicated definite schedule of working time. It was noted that farmers seldom took action against those who failed to comply with the norms. Among those who did the usual recourse was a repayment scheme – in the form of cash, reciprocation of labor in the next cropping season or sending a substitute to take his place. Almost 60 percent of the respondents said that there was no leader in the *hilo/loyo*. Those who mentioned the existence of a leader, indicated that whoever sponsored the *loyo/hilo* was the leader.

Two most frequently mentioned reasons for engaging in exchange labor are: (1) farm activities were easily completed within a shorter period of time especially when tractors were not yet available; (2) farmers did not have money to pay laborers, thus they saved on farm expenses. Other reasons included companionship and fun of workin together; kinship; tradition; and assurance of help when needed. All of these, however, seem to be in the past. For most of them the last *loyo/hilo* they ever joined was several years ago.

Ninety-three percent of the respondents affirmed that changes in cooperative farm activities have occurred as indicated by the following: *Hilo/loyo* is rarely done nowadays. Farm activities have become more of individual or family undertakings. The hand tractor is used insteed *of the plow and carabao*. Reasons cited for the decline of *hilo/loyo* were: ownership of mechanized farm equipment; fewer carabaos due to death or sale of the animal; availability of hired farm labor, tractors for rent, and irrigation water most of the time. The use of hand tractors instead of carabao and plow is attributed to: desire to facilitate earlier completion of land preparation; farm work becomes easier; death of carabaos due to use of farm chemicals; hiring tractors is an easier arrangement; and no more pasture for carabaos is available because pasture lands had been converted to rice fields. Furthermore, the use of farm machinery enables farmers to work individually in their fields and avoids obligations to assist others. About a third likewise mentioned that with the pre-

sent high prices of commodities, they cannot afford to sponsor *loyo/hilo.*

The objection to *loyo/hilo* as an expensive practice was explored by Cosico. He compared the possible expenditures in sponsoring such practices to the cost of hiring labor. The amount spent for *hilo/loyo* in terms of food, drinks, cigarettes etc. was estimated. This was estimated to be only a *third* of what it would cost to pay hired laborers. The latter were not only paid for their services, they were also, as a matter of practice, provided a free meal during lunch (usually rice, vegetables and dried fish). If lunch was not provided, then the farm wage was higher. However, in estimating the cost of *hilo/loyo,* Cosico failed to take into account the time and energy invested by the farmer in performing the exchange labor required, in working in other farmers' fields. This could add quite a bit to the cost of exchange labor. At any rate, Cosico looked into the preference of farmers as far as working arrangements are concerned.

Table 5.2 shows that plowing and making ridges individually by the farmer himself is most preferred. Using hired farm labor is a far second choice; with work by family members coming next. Working cooperatively with other farmers is least preferred. Reasons for preferring to work individually are: better quality work if done alone and by himself; save cost of hiring labor; tractor/carabao is available; have the time and ability to do the job. They have no obligation to help other farmers later. This reason was also cited for wanting to hire labor for plowing. Hired labor is also preferred by those who are unable to do plowing by themselves or have no access to carabao or hand tractor. Hiring labor is also regarded as an easier arrangement. The few who opt for cooperative plowing mentioned early completion of work; more work accomplished and enjoyment of work with others as advantages of plowing field cooperatively.

Farmers prefer making farm ridges by themselves and/or with family members because they have the ability and time to do it in addition to saving expenses on hiring labor. Furthermore, they believe work is of better quality. Those who use hired labor do so because they are unable to do the work

TABLE 5.2
PREFERRED WORKING ARRANGEMENTS IN PLOWING AND MAKING FARM RIDGES.

	Plowing	*Making Farm Ridges*
	N = 137	
	– Percent –	
Working individually by farmer only	44	67
Working cooperatively with other farmers	9	4
Using hired farm labor	28	23
Work by family members	19	6
	100	100

Source: Arsenio Cosico, "Changes in Traditional Forms of Cooperation in Two Barangays" (Unpublished Ph.D. Dissertation), UPLB, 1981.

Study was done in San Isidro, Libon Albay and Dongon West, Numancia Aklan in 1979.

themselves or they are too busy with other farm and non-farm activities. Hiring labor also avoids the obligation to help other farmers later which is required under the *hilo/loyo* system.[7]

All these trends add up to a verdict that traditional exchange labor is on its way out even in communities where they have been observed to be prevalent before. It is interesting to note, however, that in these places, a third of the farmers said they have never been engaged in exchange labor even in the past.

2. *Laguna Case Study*

Another account of declining exchange labor in farming is provided by del Rosario. Her study reported that before 1965, almost all the farmers interviewed in Pinagbayanan, Pila, Laguna were involved in land preparation and accompanying activities which were carried

out in the *bayanihan, palusong* or *lusungan* way. Farmers with contiguous rice farms usually belonged to a *lusungan* group. When the rains started, these farmers talked among themselves and anyone in their group could start the rotation of work. Other farmers who were not permanent members of a particular *lusungan* group were ordinarily invited to join so that when a "rotation" was due, word was passed around about the coming activity. There were cases when the field was small in which cases the group was divided to be able to help another farmer. This happened when there were simultaneous work periods. There were no permanent leaders but the farmer whose field was being worked on became the leader for that day. Job assignments were not given because each participant already knows what to do. The few farmers who owned no carabaos either repaired dikes, hauled seedlings or passed *lambanog* (alcoholic liquor from coconuts) around. There were times when farmers got drunk before finishing their task. Since invitation was open to everybody, some who did not have anything to do with the project stayed around to partake of food and *lambanog.* Resources were not limited then.

The operations involved were plowing, harrowing, leveling, and transplanting. The first field plowed would also be the first field harrowed, leveled and planted. Simultaneous with the first steps in land preparation was growing the rice seedlings.

It was common practice to slaughter pigs for these occasions. Food was abundant. This was not strictly men's activity for the housewives were busy preparing their food. Relatives, neighbors, and friends joined in cooking, delivering, serving food and washing dishes. Breakfast, lunch, two snacks and of course, *lambanog* were served. Cigarettes were passed around too. To complete the day, some even had fireworks. The afternoon's snack was heavier because after the day's work, farmers still grazed the carabaos. Work usually stopped at about four in the afternoon but farmers retired by around eight in the evening because they had to tend to the work animals.

The number of people involved in a *lusungan* ranged from less than 10 to about 30 and rotation work took about three months. Farmers mentioned cases when a farmer was slack in working so when his turn in the rotation came, few were available to help. He was not given priority. Only when the other farmers were free was he joined in the work. On the other hand, hard-working farmers were enthusiastically joined by their contemporaries when their turn came.

Pulling and bundling seedlings and transplanting were done by hired laborers who were paid daily wages. Harvesting and threshing were commonly done by landless hired laborers. Only a few reported joining these activities on a *bayanihan* basis. Harvesting was done by cutting rice stalks near the base. These were then piled in a haystack for drying. A date was set for threshing and this was a merry occasion. On the threshing day, the tenant, his *lusungan* group, the harvesters and the caretaker representing the landlord were all there. Food was served as was the practice during land preparation and planting days. Division of harvest followed. After giving the one-sixth *hunusan*, (the share of the harvesters), the remaining palay was divided between the tenant and the landlord. Weeding was not commonly practiced for the varieties planted were tall and not threatened by weeds. However, by 1965, a landlord-operator, the richest of all, started hiring laborers to weed his farm.

Farmers usually helped in hauling palay especially for members of his *lusungan* group. This included delivery of the landlord's share to his house or to a ricemill for storage. Other persons who helped in hauling were not farmers but were laborers hired for weeding or harvesting.

In 1979, only one-sixth of those who reported participating in *bayanihan* in 1965 continued to be involved in exchange labor for land preparation. The frequency with which this was done cooperatively decreased markedly and fewer people were involved in 1979. Preparing the seedlings for transplanting, repair and making of dikes and planting were no longer done cooperatively. Instead, hired labor was used. Cooking for workers during planting, harvesting and threshing, clearing and cleaning of ricefields before planting; and weeding and hauling of palay were no longer done on an exchange labor basis.

Although all the respondents indicated that other non-farm activities were still done cooperatively even if less frequently and fewer people taking part, what was commonly perceived to have diminished or disappeared in the village was the exchange labor in farming. Sixty-seven percent observed that there was no more *bayanihan* in the farming; 29 percent said it was practiced but rarely and only four percent perceived that it was still present

The decline or demise of *bayanihan* in farming operations is attributed mainly to mechanization and practice of hiring laborers to do

farm jobs. Other reasons given are: disappearance of the carabao either by theft, poisoning or simply sale of the animal in order to buy hand tractors; and availability of government credit to buy light farm machinery. Still others regard the high cost of living as the reason for people wanting to be paid for labor expended. *Bayanihan* was considered costly because of food expenses. Furthermore, farmers are ashamed to ask help from others because they realize the need to earn for themselves.

When asked what working arrangement they preferred, 67 percent chose the *bayanihan* before 1965 because it was fun. They perceived the past as happier times for life was not as difficult as the present when they have to work so hard.

Several respondents pointed out that it was less expensive to feed people, get the land prepared, planted and harvested the *bayanihan* way than to hire laborers, machines and buy expensive farm inputs. It costs less to accomplish jobs by calling on friends and sharing food with them than to hire. It was possible to farm with little capital in the past.

Others mentioned that in the pre-1965 *bayanihan,* they were able to help one another. It was also easier to request help from them. People were more united; relationships were closer in the past than at present. Since everyone had become so busy earning, hiring help was the next possible thing to do. The richest farmer in the village preferred the old *bayanihan* because farmers were hard-working then. Now, he regretted that farmers, notably tenants, had taken it easy and hired laborers to do the farming for them.

Those (24 percent) who preferred the 1979 *non-bayanihan* working arrangement felt that this present system enabled them to concentrate and accomplish more in their own farm jobs if they refrained from joining *bayanihan* groups. They felt it harder to earn now than before 1965. Some noted that it was less expensive to farm by hiring machine and laborers than to feed around 15 to 30 persons to do the equivalent work. Others preferred to get paid for their labor now rather than getting the reciprocal help in times of need. Furthermore, repaying a debt of gratitude was considered difficult.

When asked whether it was possible to return to the old *bayanihan* system, considering their expressed preference for it, 80 percent of respondents said it is not possible, saying that: At present all farm operations are hired; mechanization has taken over; there are few or

no animals left; it is the current trend; farmers want convenience; high farm expenses and high cost of living. All these, they felt militate against the return to the old practice.

The 17 percent who thought that it is possible for *bayanihan* to make a comeback gave very interesting bases for their opinion such as: the high price of gasoline; the high rate for hiring machines and laborers; if *animal power* will return and machines would disappear.

Respondents perceived more disadvantages than advantages in the demise of *bayanihan.* For example, the hiring of labor to perform farm operations was the most frequently cited effect on the community. Payment of wages has escalated production costs and has undesirable consequences on farmers who do not have capital. High interest charges on credit from money lenders and even the bank have become burdensome. Hired laborers likewise lament the expensive farming because farmers also cut down on "hunusan" (share of crop) payments to them for performing farm jobs.[8]

3. *Pangasinan case study*

Anderson traces for us the context of use and rapid decline of exchange labor in Sisya, Central Pangasinan. He regards *ammoyo* (exchange of labor) as one of "a set of labor arrangements to fit their specific production requirements." For the peasant, "labor arrangements represent the principal factor in which they can exercise some degree of flexibility and choice, since land and capital are less accessible or less within their control to manipulate. Even share-tenants have usually enjoyed the right to select and employ whatever arrangement suited them without fear of landlord interference."

Anderson summarizes for us the *structure of conditions* and preference for *the use of exchange labor* which enable us to comprehend the dynamics of a labor arrangement like *ammoyo* which is an equivalent and rotating exchange of labor in land preparation and occasionally for transplanting and harvesting. These conditions are the following:

- ☐ A limited pool of available agricultural labor during the highly peaked periods of labor demands set by the cropping system;
- ☐ Cultivation of a single rainfed crop of rice intended principally for consumption or sequential cropping (e.g. tobacco)

which implies no severe restrictions on recycling time to replant;

- ☐ Absence of strict time constraints in accomplishing the particular agricultural task in question;
- ☐ Shortage of cash in a particularly subsistence-oriented production system which requires the use of "cash-saving" or "cash substitution" tactics;
- ☐ A land tenure system based on a high proportion of owner-cultivators and owner-tenants and upon traditional landlord-tenant relations thus placing control for specific farm management in the hands of cultivators themselves;
- ☐ The existence of relatively small, scattered parcels and moderate sized farms;
- ☐ The availability of work animals or hand tractors and the unavailability of large tractors capable of doing contract plowing at a reasonable price in land preparation;
- ☐ The tendency to regard farming as an exclusive occupation, thus engaging few other supplemental (and necessarily distracting) sidelines.

Besides these above-mentioned conditions which appear to be associated with the viability of *ammoyo,* Anderson summarizes characteristics of *ammoyo* partners as follows:

- ☐ Kin, neighbors, friends — that is, intimates, who have existing relationships based on trust and who enjoy working together;
- ☐ Proximity of farms;
- ☐ Roughly equivalent farm size;
- ☐ Roughly equivalent age;
- ☐ Roughly equivalent socio-economic status;
- ☐ Bias toward males as against females;
- ☐ Low cash availability;
- ☐ Shortage of available household or wage labor at times of greatest need;
- ☐ Relative geographic isolation; and
- ☐ Relatively simple technology shared by all partners.

There are additional constraints underlying the practice of *ammoyo* which Anderson further specifies:

- ☐ *Ammoyo* usually involves activities in which male cultivators

normally participate (except transplanting of rice);

- ☐ Since the contract rests on equivalence of input, the tentency exists for the selection of work partners who are of about the same age (that is of equal vigor) who have about the same commitment to knowledge of and agreement on sound agricultural practices; in general, they occupy the same socio-economic status.
- ☐ The assumption of equivalence also requires that partners have farms or fields of about the same size, devoted to the same crops, sharing about the same conditions (that is about the same difficulty factor in completion of the task in each partner's case) and about the same needs.
- ☐ There is an understandable preference for house neighbors or field neighbors who are kinsmen, friends or trusted neighbors who thus can be expected to uphold the contract fully and with whom one enjoys the companionship of work and afterward drinking, gossiping and story-telling.
- ☐ The *ammoyo* contract quarantees that each partner is assured the labor assistance that he requires at the approximate time that he requires it on his farm. The reciprocal of this is that each partner places himself on call at any time set by his partners.

This latter requirement of the *ammoyo* is perhaps the most onerous of all. It requires a *"serious commitment and a major expenditure of time and energy."* Because *ammoyo* is a cash-saving contract, "it denies to the partners the use of part of their time during which they might be earning needed cash. It requires members to work together and to maintain close personal relations with actual or potential work partners."

In recent years, a number of circumstances have combined to drastically reduce the advantages and attractiveness of *ammoyo* and appeared to have all but contributed to the demise of the practice. These factors are as follows:

- ☐ Although the number of householders engaged in farming has remained the same over the past 2 decades due to out-migration of young men and women in the area, the average age of farmers has risen from 41 to over 48 years. With the difficulty of feeding and caring for work animals, the rigors of

hard field labor and the availability of "reasonably" priced contract plowing these older farmers began seriously to reconsider their time, energy and resource allocation. Moreover many farmers can gain more by using their time in income-producing activities.

- ☐ Increasing differentiation of cultivators and the reduction in number of potential *ammoyo* users confounds the preference for partners of similar age who have neighboring farms and/or homes, who are kinsmen, and who are willing to undertake the obligations imposed by *ammoyo* contracts.
- ☐ The present situation is vastly different from the period in which *ammoyo* was the most prominent labor arrangement. At that time, labor was still scarce. Cash to pay wages to available laborers was short. Differences among cultivators were minimal and farms were four or five times the size of the average Sisya small farm of today.
- ☐ Considerations of time appear to be the main factor responsible for the rapid demise of *ammoyo* in Sisya. The increase in the number of large tractors available to do contract plowing at reasonable cost has made this method of land preparation attractive. The destruction of the local irrigation system after a typhoon and the resulting siltation made immediate transplanting after land preparation a must. This placed an even greater premium on timing which strongly reinforced the desirability of contract plowing which can be followed immediately by hired transplanters.
- ☐ The expansion of sugar production in the area which has had a long practice of harvesting by wage laborers became another contributory factor to the decline of exchange labor.
- ☐ A small swing back to *ammoyo* has been observed in the wake of rising fuel costs associated with tractors and other equipment.

Anderson concludes that the combination of factors associated with the use of *ammoyo* tend to locate this practice in "the more traditional, marginal and labor short (perhaps due to out-migration) settings with low monetization, low time constraints, that represent a compromise between maximization and "community" orientations."

Survival of Exchange Labor in Farming

Despite the preceding case studies which signal the demise of *bayanihan* in farming, there are some places where the practice has either established firm roots or managed to survive in some manner. Keeping in mind the previous discussions on conditions and circumstances which have jointly contributed to the erosion of traditional exchange labor, this section highlights the forces which enable the practice to continue. Case studies from Laguna, Bukidnon, Palawan and Isabela are presented to illustrate the phenomenon of institutional adaptation and survival.

1. The Laguna Case

Although Laguna is very much within the orbit of Metropolitan Manila and has been affected by all the attendant consequences of increasing urbanization, new technology, development programs, infrastructure etc., Duhaylungsod reports the persistence of *tornohan* in San Buenaventura, Luisiana. Unlike Pinagbayanan, Pila, Laguna which del Rosario described earlier as a place where exchange labor appears to be going out of style. Luisiana is the last town of Laguna located at the foot of Mt. Banahaw, while Pinagbayanan is, very accessible from the highway and agriculture is mainly lowland, and irrigated ricelands. San Buenaventura is categorized as upland. Only jeepneys service the Luisiana-San Buenaventura route and on a relatively less regular basis.

Basic to the apparent endurance of *tornohan* is this physical setting. The total land area of Luisiana is about 7,500 hectares (about 1400 feet sea level) which are planted mainly with coconuts and pandan (fiber plant whose leaves are used for weaving hats, mats, baskets etc.) as intercrop. The major cropping pattern is rice-rice for the rainfed and vegetable-root crop for the kaingin area. Landfarms are mainly rolling and undulating hills. Soils are regarded as problematic with low acidity; texture is clayey becoming very sticky when wet and hard when dry. The nearby hinterlands on the Quezon Province boundary offer possible expansion areas for residents who are now seasonally utilizing them as kaingin. Location of houses in San Buenaventura generally follows the lineated form with farm lands outlaying their cluster of dwellings. Electricity reached the village only in mid-1980. Farming is the mainstay of economic life supplemented by *pandan* weaving.

Tornohan is described by Duhaylungsod as a practice which involves a group of persons (about 10) who collectively undertake an activity. The members of the group take turns in being recipient of the collective labor. For example, if a member needs labor for clearing a forest, his *tornohan* group of 10 will work together in one day to clear it. The basic principle is to facilitate what otherwise would have been difficult if one were alone. However, under the *tornohan* arrangement, participation becomes obligatory, i.e., one is obliged to render labor to each of the members of the group when his turn comes. The schedule of "turns" is usually arrived at by mutual agreement or in some cases, by lottery. One's turn to receive the pooled labor is locally termed as *kabig*. A leader, referred to as the *Kabisilya* is chosen or elected to oversee the arrangement.

San Buenaventura seems to be "culturally" characterized by mutual help systems as *tornohan* applies not only to exchange labor but also to pooling together or collective savings of money, rice, or *pandan*.

- *Tornohan sa pera* involves weekly or monthly deposits of similar amounts of money by a group of persons. These deposits are kept by the *Kabisilya* until it is time for each member to get the *kabig* (the pooled amount for the week or month). Members take turns in using the pooled money for some big needs. It is viewed as a way of saving even if no interest is earned for the deposit. Succession of turns is determined by lottery. At least the members can have access to a larger amount of money when they need it without resorting to borrowing.
- *Girimyo* involves pooling together rice-harvest which is usually deposited in one cavan by each member. The pooled cavans of rice are turned over to the member who gets the *kabig* and sells it. Since there are only 2 harvests in one year in this village, only 2 members can draw their *kabig* in one year hence the *girimyo* takes a longer rotation especially if the membership is large. One problem with the *girimyo in rice* is the absence of a fixed price for rice so that a member can be lucky or unlucky about the rice price when his *kabig* comes.
- *Tornohan sa pandan.* The weaving industry in the area uses *pandan* for making bags, hats, and mats. In this kind of *tor-*

nohan, members agree to pool together the same number of pandan strips. Included in the arrangement is to have all the members collectively weave the *pandan* and the one who gets the *kabig* takes care of marketing the products, proceeds of which go to him. Every member gets his turn to receive the *kabig* but sales of the product vary because of the fluctuating price.

Although *girimyo* and *tornohan sa pandan* come close to the concept of *group marketing* which is very advantageous when rice and finished woven products come in small quantities if sold individually, these two practices are minimally practiced at present. *Tornohan sa pera,* however, is still widely practiced.

- *Tornohan sa katawanan* is an exchange labor arrangement applied to any activity which any member wants. Usually, the activities are in farming, *kaingin* or house-building.

Duhaylungsod focused her study on *tornohan sa katawanan* because it is the most prevalent, the most intensively participated in by members of the community and the most enduring of the *tornohan* practices. The major features of this type of exchange labor as practiced in San Buenaventura are as follows:

- The arrangement involves 10-15 farmer members who undertake any farm activity indicated by the sponsor (may paturno) whose farm or house will be worked on. Traditionally Mondays and Tuesdays have been designated as *torno* days or days set aside for collective labor. The rest of the week are devoted to individual work in member's respective farms.
- Schedule of turns; number of days of collective labor for each turn membership size; and other relevant features are decided upon as soon as a group is formed. What is fixed, aside from the specific *torno* days is the explicit obligation of a farmer-member to render labor to each of the other group members during the agreed upon period. Failure to comply with this obligation means an "indebtedness" which he has to pay, not to mention, the "shame" which automatically accompanies this.

Normally it takes about 15 months to complete a rotation. It may take longer or shorter depending on the size of the group. As soon as the group finishes its rotation, a *pasi-*

naya (some kind of festivity) is held during which decisions to renew membership and when to start again are made. In the *pasinaya,* members as well as their families are included.

- *Tornohan* started a long time ago with work focusing mainly on *pagbubulta* (transforming an area with water source into rice paddies) and slash and burn farming. Both of these activities are associated with the upland nature of the area. However there is no exclusive farm activities to which *tornohan* is applied. Rice farming, for example, could involve land preparation, planting, and weeding. For coconut farms, activities engaged in are weeding and planting coconut seedlings. Since *pandan* is intercropped with coconuts, exchange labor can be used also for harvesting *pandan* leaves. However, copra-making and rice harvesting are excluded from *tornohan* because these jobs are regarded by farmers as sources of income for those who have smaller farm lots to till or have nothing at all. This allocation of certain productive functions for the smaller farmers and the landless is an illustration of the community's welfare concern for those who have less access to resources.
- The norms which govern *tornohan* arrangements have been largely maintained through the years. Work starts strictly at 7:00 A.M. and ends at 4:00 P.M. This means members are expected to begin the *torno* on time regardless of the distance from residence to site of work. If the farm is far from the village, *torno* members have to leave earlier to reach the work area at 7:00 A.M. However, in case of heavy rains, working time is adjusted on equivalent terms. If such rains occur during working hours, work is temporarily stopped without repayment, unless the job on hand is running against time, as in rice planting. A day's turn is over at 4:00 P.M. even with the task unfinished or earlier than that if the job is done before that time. Hence, sometimes the effective working time is less than 8 hours a day.
- Each member is entitled to a one-month *kabig* which is equivalent to 8 working days. The rotation is flexible as long as arrangements with the group are made earlier. This means that a member may opt to have his *kabig* on a staggered basis, e.g. 4 days at the first turn and the remaining 4 days

later. The minimum, however, is set at 2 days, i.e. no 2 *kabigs* occur in one week.

- ☐ If a member fails to attend a day's work, he is required to send a substitute. A ₱5 a day fine is imposed for being absent but the fine does not wipe out his accountability to the member who missed his labor contribution. Reasonable absences are excused but the obligation to render work remains. Fines collected accrue to the expenses for the *pasinaya.* In actual practice, however, absenteeism and poor work performance seldom happen because members are thoroughly screened. Anyone who is consistently absent or inefficient either drops out from the group voluntarily or the group "drops" him in the next rotation. The latter is done simply by withholding information about the next rotation from the "unwanted" member. If he tries for membership in another group his "credentials" are circulated and often he is given a second chance on a provisional basis. Meanwhile he goes through a "reeducation" process.
- ☐ One of the approaches to maintaining group discipline and satisfactory work performance is to provide an opportunity for the group to discuss problems and "evaluate" work done through regular meetings held every Tuesday after the day's work. For example, the *Kabisilya* opens up by asking: "Did you notice anything in our work today which may have affected our operations?" The replies could be as critical as these statements: "Brod Isko was so slow," or "Brod Andres took so many breaks!" Such comments call for explanations or apologies from the accused if the charges are valid. While negative behavior deserves censure, exceptional contributions by members are duly recognized. Schedules of "turn" are likewise announced in these meetings and regular assessment of *tornohan* activities is made.
- ☐ Another feature which contributes to the viability of the *tornohan* are the differential skills which members bring into the group. There is specialization and division of labor and each type of activity engaged in by the group calls for a different leader. For example, if the day's work is house building, the most experienced carpenter becomes the lead member although the owner of the house still "directs" the operations.

Under this arrangement, a member may also learn new, and/or additional skills from other members. In other words, there is an *"apprenticeship" benefit* to be derived from participating in the *tornohan.*

- ☐ Duhaylungsod characterizes the leadership style of the *Kabisilya* in the *tornohan* as democratic centralism, i.e., leadership is collective, not centralized in one or two persons – as manifested in group decision-making and action. During meetings, the *Kabisilya* merely acts as the group's facilitator whose views are taken as suggestions not impositions. Every member has a chance to be chosen as a *Kabisilya.* Old age and long tenure in the group are not necessarily required for election to the position. A nominated member may decline provided there is an acceptable reason such as inability to write because one important function of the *Kabisilya* is to keep records of members' names, their schedule of turns, and dues. He hosts regular meetings and the *pasinaya* and acts as the communication center of the group.
- ☐ The seven *tornohan* groups studied by Duhaylungsod showed a pattern in membership. The *high income* (relatively speaking) farmers, mostly *pioneer families* tended to group together. There are 4 more such older groups. The *low income farmers* such as *tenants and hired farm laborers* belong to *another younger group. Two groups* are composed of *high school students* who are children of *tornohan* members. Socio-economic status, length of experience in *tornohan,* age, kin relations besides physical distance from each other influence the composition of *tornohan* groups. One group, e.g. has the largest concentration of cousins regardless of residential locations.

Because *tornohan* has been in existence for a long, long time, changes in its norms and operations have taken place apparently in response to changing conditions. The following are some of the modifications and adaptations which have occurred:

- ☐ Provisions of free lunch and two snacks for each working day has been scrapped. Members bring their own lunch to work or they go home to eat. The drinking spree and *pasinaya* which used to be held at every turn hosted by the member

who receives the *kabig* has been reduced to only one festivity at the end of the rotation. The whole group, instead of the individual member, spends for this *pasinaya* through contributions. This change means a lot of savings in the food and drink expenses.

- ☐ Although majority of the *tornohan* participants are farm owner-operators, a few *tenants* and hired farm laborers have been accommodated in the system. In the case of the hired worker, he sells his turn (*Kabig*) to receive the pooled labor to a person who needs and prefers a readily organized group of laborers, e.g. for house construction. The buyer of this collective labor obtains these services at a lower rate than the regular laborer but such reduced rates apply only on Mondays and Tuesdays which are the *tornohan* days. For the hired *tornohan* member, the advantage is the opportunity to receive at one time the total wages for 12 or 15 persons for two days. For the rest of the week, he can work as a regular laborer.
- ☐ For the tenant, *tornohan* has become an additional source of cash income. As his *kabig, he may employ the tornohan group to weed a coconut farm where he is a tenant.* The owner pays him the equivalent of 12 man-days (depending on the size of the group). It has been observed, however, that the group of tenants and hired workers has exhibited changing membership which suggest some instability.
- ☐ Reduction in group size makes it possible to shorten the rotation period and makes it more appropriate for existing farm size.

Duhaylungsod's analysis of *tornohan* in San Buenaventura shows us the following conditions which apparently "conspire" to breathe continuing life into the practice:

- ☐ Unlike other exchange labor arrangements, *tornohan sa katawanan* in San Buenaventura *is not tied to narrowly-defined specified farm activities.* There is more flexibility in the sense that labor activities engaged in depends on the needs of the members. The group has differential skills hence division of labor and specialization is possible and there is potential "apprenticeship" benefit for new or additional skills for members.

- ☐ Work arrangements are characterized by well-established disciplinary rules. There is strict adherence to attendance requirements, days and hours of work and quality of performance. To enforce the requirements and assess performance and work progress, regular meetings are held.
- ☐ Leadership is collective, and rotating rather than concentrated in one person for a long time.
- ☐ Majority of *tornohan* participants are farm owner-operators. Except for *pandan* weaving, alternative non-farm job opportunities are limited and agricultural landlessness is not as yet a major problem as *kaingin* fields are still available.
- ☐ There are no tractors in the area. The upland conditions and nature of the terrain have not been favorable to farm mechanization.
- ☐ In response to prevailing conditions, modifications in *tornohan* operations have been made such as elimination of lunches and snacks, reduction of frequency of *pasinaya* and change from individual to group sponsorship of the festivity in order to minimize food expenses.
- ☐ There are marginal efforts to build in welfare considerations for the less privileged, thus, copra-making and rice harvesting are not activities for *tornohan.* These jobs are left for the landless and smaller farmers. A member who has a carabao does not earn separate work credit for his animal. This is one way of sharing resources with the "have-nots" or "have-less."
- ☐ *Tornohan* is a *dominant cultural* feature of community life in San Buenaventura. Because of the pervasiveness of the practice, non-participants in the system become the *oddities.* Who are they? The "maykaya" well-off farmers who can afford to hire labor, the retirees and the physically able but "unwanted" by any of the groups are the outsiders to the system. On Mondays and Tuesdays, there are few men they could talk to since most every able-bodied male is out on a *tornohan* assignment.
- ☐ The significance of *tornohan* becomes more evident in the farmers' total endorsement of the practice as beneficial. No one cited, any disadvantage. On the other hand, most, if not all of them, enumerated the following benefits from *tornohan:* more work is accomplished faster, easier, and becomes

more enjoyable. Different skills are contributed from the members and enable them to learn new skills from others. Pressure from the group compels members to work and saves them the expense of hired labor. Furthermore, they would rather spend cash on most other things foremost of which is children's education. The more *personal terms* in *tornohan are also preferred over hired labor* although this enables them to choose the most skilled worker. When asked how they would react to the abolition of the practice, the unanimous response is: "there is no reason to abolish *tornohan.*"

- ☐ Samahang Nayon in the village was short-lived because farmers found the organization so different in terms of too many obligations, too many activities, and fees. One comment sums up the difference in this statement: "SN is political. *Tornohan* is mere cooperation in work."[10]

2. *The Isabela Case*

Four villages in the muncipality of Luna, Central Isabela were selected by Anderson, Cordova, Dozina, James and Roumasset to study exchange labor arrangements in Cagayan Valley. Purok and Lalog I are the "far" or less accessible villages while Harana and Mambabanga are the "near" or accessible ones. Household heads in the far barrios are all farm-owner-operators. Crops are tobacco, corn and peanuts which are all grown under upland conditions without irrigation facilities. Land preparation is done mostly with the use of animal power. There is no available off-farm employment and residents are almost purely agriculturalists. Landless laborers are largely absent in these areas although farm sizes have decreased because of land fragmentation arising from parents' giving pieces of land to their children.

The near villages, *Harana and Mambabanga,* have irrigated farms planted to rice twice a year. There are tractor owners who rent out tractors for land preparation and landless workers who render their services as hired laborers in transplanting and harvesting. Carabaos are very few in these areas because of the outbreak of foot and mouth disease in 1975. The irrigated areas were the most affected by this animal disease. Unlike the far villages, Harana and Mambabanga, the near areas have a large pool of labor supply especially during the latter years. The two sources of landless labor are: mi-

grants and dispossessed tenants whose lands were taken back by their landowners when land reform came.

Exchange labor arrangements in these four villages are described as follows:

☐ Lalog I and Puroc (the far villages)

Lalog I had a tobacco-based economy since the establishment of the village in early 1930's. Since then Lalog I residents have employed exchange labor in land preparation, pulling and transplanting of tobacco. The pool for *ammoyo* (exchange labor) was large during the early period of the settlement. Through time the pool for exchange labor declined for two reasons: (a) Some of the farmers' children want to study rather than stay in the farm. (b) Newly formed households are usually given a piece of land to cultivate for their own livelihood. This highly fragmented small farms could be managed and operated by the operator himself during land preparation, hence some farmers no longer rely on reciprocal labor. However, there are still those who exchange labor for land preparation to lighten the work and shorten the time.

Puroc had experienced rainfed rice farming where exchange labor began. In 1936 a communal irrigation dam was constructed but a strong flood in 1968 destroyed it. So from 1936 to 1968, farmers produced rice. From 1968 onward, Puroc became an upland area planted to tobacco and other upland crops.

Only one kind of exchange labor is found in the tobacco-based communities — the land preparation and transplanting labor group. In tobacco production, a large mass of labor is needed at one point in time, i.e. during the pulling and transplanting of seedlings which wilt easily if not planted on time. During this most critical period of transplanting, 48 transplantees are needed to finish the work within 2 hours for a one-hectare farm. And it is in this operation where exchange labor is being employed. As a matter of fact, use of hired labor in transplanting tobacco has not yet been resorted to by farmers in these tobacco areas. The land preparation and transplanting groups in these tobacco-based communities are loosely organized. Membership in these groups is not exclusive but overlapping. In other words, a person can belong to both land preparation and transplanting groups: Grouping is based on a per operation basis and has no rigid rules and regulations in repaying labor. If a farmer owes his

neighbor one day labor of only 4 hours in plowing, he has to repay his helper also a day's labor but not necessarily of the same number of hours worked in the same field. It can be longer or shorter depending on the number of co-farmers who arrived to help the host farmer. The names of those who came to help him is listed in a notebook by the host farmer to ensure labor repayment to them when these other farmers call for his services.

☐ Mambabanga and Harana (near villages)

These two villages have a long history of rice production and now they have even better irrigation facilities and more sufficient water supply than before. In the past, local irrigation infrastructures were operated and maintained by the communal irrigation organizations in which case, exchange labor was employed in cleaning the canals. Nowadays, irrigation control is done mostly by employees of the National Irrigation Administration.

Originally, there were four tasks in rice production which employed exchange labor: land preparation (plowing and harrowing); pulling and transplanting seedlings, irrigation and water control and harvesting. In general, labor grouping in these 2 villages is based on farm operations with due consideration to the farmers' resources on hand. Membership tends to be exclusive to each group if they agree that everyone is required to perform the same task in all farms owned by the members. Generally, farmers operate on an hour-for-hour exchange labor. Imbalances are paid in cash or kind based on the principle of hiring on a commercial contractual arrangement.

In Harana, three types of exchange labor groups were identified: the land preparation, the transplanting group, and the transplanting and harvesting group. A unique transplanting group was identified in Mambabanga called the *ammoyo-pakyaw* group.

☐ *Land preparation group.* A group of three farmers who are in their early 30s agreed in 1974 to exchange their labor only in land preparation. Luckily, their carabaos were not affected by the foot and mouth disease in 1975 which killed many working animals in the irrigated areas of Isabela. Land preparation includes plowing and the first, second and third harrowings. Additional work done by the group is the pulling of seedlings which they can easily do. Besides being compadres these three farmers have adjacent farms. However, their main consideration in forming an exclusive group among them-

selves is old age. It is hard to match the work of the younger group. Acquiring a hand tractor which means borrowing money from the Rural Bank was not resorted to because of the additional financial burden which it would entail.

☐ *Transplanting group.* After exchanging labor for transplanting in their respective farms for quite sometime, in 1972 a group of 10 housewives formally organized themselves into a group. They have no specified guidelines and no designated leader but they worked harmoniously. Defaulting is not a problem among themselves because the average labor reserve is 2-3 persons per family (of each group member) composed mostly of women. Their farms are almost of the same size. Most of them are relatives and neighbors with their farms within one kilometer reach and mostly adjacent to each other. The first one who needs the transplanting service initiates the activation of the group. So far, no one has left the group yet since it was organized.

☐ *Transplanting and harvesting group.* This group which was organized in 1968 involves 17 regular members, mostly females, from 5 households. Absenteeism is not a problem. A member must hire a substitute for her if she cannot make it on a particular day. At the start, the group had no designated leader. The first one who needs the group's services becomes the leader for that particular season. However in 1975, the group appointed a permanent leader and in 1977 they began entering into contractual hire arrangement for transplanting services to non-members of the group.

☐ *The ammoyo-pakyaw group*

As the term implies, the group members exchange labor among themselves and at the same time the group engages in commercial contract services. This group was organized in 1972 by someone who was previously a member of another transplanting group for hire in the village. He formed his own group by selecting 10 boys aged 10-18 years. They are sons of farmers in the area with an average farm size of 1.5 hectares. The size of the group is sufficient manpower to plant a hectare of rice in one day. Selection of members was based on farm distances from each other. The group is strictly governed by rules and regulations the members promulgated. Absenteeism and tardiness are not tolerated. If one wants to be absent, he has to find a replacement who is also as skillful as himself in transplanting. A member who is late in going to the field is fined. The money col-

lected is used to buy liquor for the group's consumption in the evening.

The group operates on the basis of some farm size to work on. The members agreed that each one is privileged to receive the group's transplanting service only for one hectare, which is the minimum farm size of the group members. Any area in excess of the one hectare which is serviced by the group has to be paid in cash. Contractual services for transplanting are accepted by the group only for farms which are within the 1.5 km. radius of the village. Beyond that, the group does not operate, unless the farmer who needs the group's services provides free transportation.

The Current Status of Exchange Labor Arrangement

The enumeration and description of the above-mentioned exchange labor groups does not mean that the practice is pervasive. These groups actually represent the total number of exchange labor groups in the two-rice-based areas which is about a third of all farm households. On the other hand, in the tobacco-based villages, there are many exchange labor groups with overlapping rather than exclusive membership for land preparation and transplanting. Despite the obvious advantage of exchange labor in terms of easing the pressure for cash to pay hired labor and the socializing aspect of working together, exchange labor is diminishing especially in the rice-growing areas. In land preparation, the diminishing of exchange labor was triggered by the foot and mouth disease of carabaos in 1975. Some farmers obtained loans from the Rural Bank to acquire hand tractors and mechanization tended to push out exchange labor. A high percent of landless workers brought by in-migration into these rice-areas has resulted in a situation of more hired-labor than exchange labor groups. As the authors said: "The tendency is for exchange labor to go out when landless laborers come in."[11] However it must be noted that the exchange labor groups identified in the rice areas have taken on contractual hired labor functions on top of their exchange labor activities. This looks like an adaptation to the existing circumstances.

3. *The Bukidnon Case*

Malinao, municipality of Kalilangan, is the last village of Bukidnon toward Lanao del Sur. Malinao was opened in 1958 through a government resettlement program which brought settlers mainly from the Batanes Islands, Visayas and Misamis Oriental. Paller-

Santiago's study of this land settlement community reports that the Ivatans (people from Batanes) stand out as the group that had come into Malinao in batches composed of several families (20 persons at first in 1956; 78 families, 1958; 46 families in 1958; 26 families in 1960; and 1962, 16 families). On the other hand, settlers from Visayas, Misamis Oriental and Lanao came as individual families or small groups of families.

Practically all of the Ivatans came to the settlement in the company of immediate family members, relatives and friends. Majority of the household heads and housewives interviewed said that they were acquainted with members of their group and that they came from the same place. Although residential areas and farm lots were assigned to settlers by drawing lots, this method was applied within pre-organized groups of identical, if not similar, ethnic origin. There was a resulting pattern, therefore, of kins and acquaintances from the place of origin to be located in the same neighborhood. This "zoning" arrangement resulted in 3 groups: The Muslims, Ivatans, and Visayans. The size of the farm lots ranged from 6 to 8 hectares depending on the topography of the land; six hectares if the area is plain; eight hectares if hilly or rolling. At present there are settlers who have as much as 16 to 24 hectares, all of which are fully cultivated. This suggests that some land transactions have taken place despite the prohibition against sale. Those who have farms smaller than 6 hectares could mean that a portion has been sold or that the lot is a share from parents who were the original allocatees. All the farmers studied own plow, harrow, and carabaos. Only two reported owning a tractor.

This background is necessary for a better appreciation of the role which *bayanihan* plays in Malinao which was chosen as a SEATO model village in 1974. As Paller-Santiago describes it:

> Sticking it out as settlers under pioneering conditions and holding on till the present . . . was made possible largely by some cultural practices and unwritten rules that operated to great advantage in their specific setting. For the settlers, the *bayanihan* became a way of life; as a major mechanism, the demand for cooperative farm and non-farm labor. The Ivatan term for bayanihan is *Cayyayyanan* (for bigger groups) and *pagijuan* (for groups smaller than twelve). However, these terms are seldom used. *Bayanihan* is more commonly understood by all.
>
> *Bayanihan* is a farmer's labor investment by working cooperatively in

another's farm with the expectation of collecting 'dividends' for it by getting a larger number of people to work for his farm. Depending on the kind of activity or size of land to be worked on a farm owner contacts at least a day before the number of people needed to get the job done. They may be relatives or non-relatives, male or female. One who joins a *bayanihan* activity is called a *bayani.* Work may range from farm jobs such as land preparation, planting, weeding, and harvesting to non-farm activities such as building a house, sawing lumber from logs and even extending into celebrations of special occasions such as birthdays, weddings and the like, more common among the Ivatans.

Bayanihan in *farm activities* is of *2 kinds: one with free labor and the other with pay. Bayanihan* with free labor is opted by farmers who may not have the ready cash to pay for the work, or who just practice it as a matter of preference. The *bayanis* are provided with lunch and morning and afternoon snacks. Work starts at 6:00 o'clock in the morning and ends at 5:30 or earlier, if the area is far from the barrio, to provide workers enough time to walk back to their homes before dark. Work may be a day to a week.

All the *bayanis* in a particular *bayanihan* group are expected to be present (or any of their representatives) when a member of the said group needs the labor. The return of the "loaned" labor is not immediate. It may be in a week's or even a month's time depending on when it is needed by other members. The farm owner in one group may become the *bayani* in another *bayanihan* activity.

One who participates in a *bayanihan* in land preparation, weeding and planting activities receive "dividends" in labor, whereas those who participate in *bayanihan* in harvesting receives not only "labor dividends" but also share of the harvest. For those who have helped in farm activities prior to harvesting the sharing ratio is one-fourth while for those who joined only during harvest time, it is one-fifth.

If a *bayani* will not be available during the scheduled harvest day, an area will be reserved for him as long as he had participated in the pre-harvest farm activities. For households or families who had provided more members in the pre-harvest *bayanihan,* an area for harvest corresponding to the number of members will be reserved for them.

A very uncommon arrangement is the one where wages are paid for labor rendered. This *bayanihan* practice does not obligate the farm owner to work in the bayanihan of those whose wages he paid for. This is opted by farm owners who have the money to pay for the wages and by those who prefer to be more contractual in their farm operations.

Although the wage per day is arbitrarily fixed by the farm owner, some arrangements are observed to be common. If the farm owner provides food for the *bayanis* the rate is ₱6.00 per day. Farm jobs other than weeding,

planting or harvesting pay ₱8.00. Plowing pays ₱12 for one with a working animal and ₱10 for those without. If the work animal is cattle, the rate is ₱2 higher, the reason given is that cattle can work for long hours without interruptions, while carabaos have to be put in the shade and allowed to wallow at few hour intervals.

Harvesting is ₱100 per hectare on contract basis. As claimed by a farm owner, who uses the practice, the arrangement is convenient because he is saved from the cumbersome job of having to divide the harvest of each *bayani* individually and giving them their shares.

The bayanihan practice in Malinao makes the farmer a full time farmer, not only because he fully cultivates his farm but because he has to spend several days working in other farms. The returns, however, are compensating. What he and his family or his household have to do in a month can be accomplished in a few days or a week, thus, he is always in time for the seasons.

The Malinao out-of-school youth especially among the Ivatans are not necessarily school drop-outs due to financial difficulties but due to the ever-pressing need for farm help. These youths ranging from ages 12 to 21 are the mainstays in the family's farm while the other members take their turn in school. They also conduct bayanihan among their out-of-school peer groups, using the same arrangements as that of their farmer parents. Most often these youths are sent as representatives of their parents who cannot make it to a scheduled bayanihan activity fo some unavoidable reason. These youths look forward to the time when it will be their turn in school, which may take a year or two or more. Sometimes, the waiting gets too long and eventually the youth give up school in favor of farming or in some instances of an early marriage. . . .

Among the Ivatans, birthdays are celebrated by farm or non-farm bayanihan activities capped with a party. An invitation to a birthday party denotes not only merry-making but work to be done . . . According to the nature of work scheduled to be done, the guests attend the party with the necessary tools: farm tools and work animals or carpentry tools as the case may be. . . In addition to the luncheon, guests are given take-home packages of cooked food or raw meat. . .

If one intends to build a house, all he needs to do is buy the materials during each harvest season and at the same time raise a pigling or two for fattening. When the materials are ready, he schedules the putting up of the skeletal portion of the house to coincide with the birthday of a household member. Most, if not all, of the houses in Malinao were built in this manner.

Other socio-cultural features of this community and its residents, particularly the Ivatans are worth mentioning here as valuable supplementary information:

- ☐ More than 90 percent of respondents said they always exchange farm favors such as planting, weeding and harvesting with their neighbors.
- ☐ More than three-fourth also indicated that they always go to the farm together with neighbors. Community life revolves around the farm. . . Except for children who go to school, the other pre-school children are bundled in the family cart and brought along to the farm. At day break, a caravan of farmers on their carabaos with carts behind loaded with food and water for the day including small children and wives line the different road exits to their respective farm lots. They come home only in the late afternoon or at dusk.
- ☐ More than 60 percent of household heads said they *never* take advantage of credit facilities to finance farm activities. What is even more intriguing is that 92 percent said they *never borrow* money from relatives and 78 percent *never lend* money to them either. However, 92 percent aknowledge that they always exchange farm or home favors with relatives. The youths are *never* paid for work rendered in their farm and 40 percent never engage in paid labor activities outside their own farm. A third are *always* absent from class during the "peak" time in the farm. The rest are absent sometimes.
- ☐ Almost 70 percent of the respondents described themselves as one who "works best in a group."
- ☐ More than three-fourth regard their community as a place where "people can get together easily for cooperative action;" people are so concerned with their civic duties; and 90 percent think their community leaders are capable and concerned about community welfare. All these are indeed very positive attitudes toward their community.

Being a frontier-land settlemnt community, Malinao is "land-rich" compared to other places and farmers have a unique but common land use practice called *borrow lot.* Among Malinao farmers, *borrow lot* is a *"mutually agreed upon arrangement for the temporary use of a vacant parcel of land* . . . The practice as currently done preserves the concept of the land as being 'borrowed' and although the system resembles tenancy, the difference lies in the fact that the arrangement can be terminated anytime the owner needs the

land and is in a position to cultivate it himself. The borrower is allowed to harvest standing crops or is given earlier notice before the arrangement is terminated.

"Borrow lot" operates between friends, relatives and members of the nuclear family. A farmer who does not have land or whose land is not enough may arrange with another farmer to borrow and cultivate the unused portion of his farm. Or a farmer who cannot cope with the cultivation of his land and who may not have the necessary farm inputs to fully cultivate it may offer the parcel for *borrow lot.*

Sharing agreement may vary from 30:70 to 25:75 in favor of the borrower who shoulders all farm expenses. Some sharing arrangements between kinsmen are quite generous in favor of the less privileged kin.

In early settlement days, *"borrow lot"* was also practiced to make land clearing less tedious for the settler allocatee. A settler whose area needed clearing would offer it as a *borrow lot.* The borrower would clear the area and use it for a stipulated time between 3 to 5 years without giving any share to the owner.

The arrangement is peculiar since the owner of the lot does not think of himself as a landlord nor does the borrower think of himself as a tenant. *Borrow lot* areas are adjacent or parts of the land the owner is actually cutlivating. Residents claimed that there had not been any incidence of exploitation or cheating between lender and borrower as is common in the landlord-tenant relationship.

A farmer can borrow as wide an area as he could tackle from as many farmers as would allow him, without jeopardizing the interests of any of the owners. He can also plant any crop he wishes to raise without the owner's interference. The sustaining factor to this relationship is that the borrower uses an idle land the owner prevents a parcel of his land from laying idle with both parties benefiting from the arrangement.

'Borrow lot' has also been used to increase hectarage. Farmers with 8 hectares (regulated allocation for each settler family) may still add several hectares for cultivation through *borrow lot.* The practice serves the Malinao farmer in three ways, namely: (1) it provides the use of land to one who does not have; (2) it increases hectarage for those who can provide the necessary farm inputs and (3) it prevents parcels of land from staying idle.[12]

4. *The Palawan Case*

As part of a broader study of the economics of migration and settlement of public lands in the Philippines, James examined the role of exchange labor in the frontier province of Palawan.[13] Fifty self-financial settlers and 50 who were moved to Palawan and established as settlers by the government resettlement bureau were interviewed. For comparison, a survey of 30 households was also carried out in Tayug, Pangasinan, which is an out-migration area with conditions drastically different from Palawan in terms of population pressure, rice farming technology, and relative factor prices. Land rents are substantially higher in Pangasinan than in Palawan if cash is converted to its rice equivalent.

Empirical findings from James' analysis revealed these trends:

- Exchange labor was more prevalent in Palawan than in Pangasinan both in terms of the proportion of users among the farmers interviewed (52 percent in Palawan, 36 percent in Pangasinan) and the degree of use relative to total farm labor requirements in rice production (almost 15 percent in Palawan, under 4 percent in Pangasinan).
- Exchange labor in Palawan is most common in very recently cleared areas. Most settlers' first crop on their newly cleared lots is under the *kaingin* or slash-and-burn system of agriculture. In clearing the land for a first crop, 47 percent of the settlers used exchange labor groups. In most cases, the *kaingin* system is only a temporary expedience until the recently cleared areas can be converted into lowland rice paddies, which can then be transplanted or direct seeded (broadcast).
- Table 5.3 shows that the exchange labor component in *kaingin* agriculture is substantially higher than for transplanting and broadcasting. Farmers who adopted the direct seeding method in Palawan made little use of exchange labor. It is only for transplanting that 20 percent of the man-days per hectare was contributed by exchange labor. There was a larger component of hired labor than family or exchange labor even in transplanting and direct-seeding.
- Table 5.4 shows that even after *kaingin* fields have been converted to lowland transplanted rice fields, exchange labor has remained more prevalent in Palawan than in Pangasinan where the practice has virtually disappeared except minimally

TABLE 5.3
LABOR INPUT FOR HECTARE BY TECHNIQUES AND SOURCE OF LABOR IN PALAWAN STUDY AREA (1977-78 CROP YEAR)

Planting Techniques and Labor Source	*Man-days per Hectare*
1. Transplanted rice	75.0
a. Family labor	25.6
b. Exchange labor	15.4
c. Hired labor	34.0
2. Direct seeded rice	60.8
a. Family labor	19.4
b. Exchange labor	0.7
c. Hired labor	40.8
3. Kaingin rice	58.4
a. Family labor	19.7
b. Exchange labor	23.9
c. Hired labor	14.8

TABLE 5.4
PERCENTAGE OF EXCHANGE LABOR USED ON AVERAGE FOR VARIOUS TASKS FOR TRANSPLANTED RICE IN PALAWAN AND PANGASINAN STUDY AREAS (1977-78 CROP YEAR)

Tasks	*Percentage Use of Exchange Labor*	
	Palawan	*Pangasinan*
1. Land preparation	22	2
2. Planting	25	8
3. Care of plants	2	0
4. Harvest and post harvest	13	5

Source: James Anderson, Violeta Cordova, Geronimo Dozina, Jr., Ted James and James Roumasset, "Exchange Labor and Its Demise in the Philippines." (Paper presented at the A/D/C Seminar on Social Organization of Agricutural Production, held at the Club Solviento, Los Baños, Laguna, Jan. 25-27, 1979).

for planting and harvesting. In Palawan, exchange labor has remained in use for planting, land preparation and harvesting although more for the first two than the latter task.

- The study concludes that exchange labor seems popular in frontier areas where there is a scarcity of labor, where farmers lack great cash assets, and where farming is extensive in that farm size is fairly large and modern inputs are not widely used. In particular, exchange labor is associated with slash-and-burn rice farming and declines as fields are converted into lowland rice paddies. In the Palawan sample, most of the farms were rainfed and covered single contiguous parcels. Less than 40 percent of the farm area of the sampled settlers was planted to high yielding rice varieties. The use of exchange farm labor has advantages in isolated villages where seasonally peak demands for labor (e.g., planting and harvesting) are difficult to meet. By using exchange labor groups the sequential accomplishment of land preparation and planting naturally leads to a staggered pattern of harvesting which reduces the strain on available labor, provided similar seed varieties are used. James likewise points out that "in Palawan, government resettlement projects which draw individuals from many regions of the country are not conducive to exchange labor arrangements. Exchange labor is popular, however, in voluntary settlement areas where settlers tend to come from the same towns or at least speak the same dialect."[14]

  In Pangasinan, small farm size (1.5 hectares on average) fragmentation of landholdings; the ready availability of a landless labor force, and the adoption of modern inputs and irrigation have led to the reduction of exchange labor.[15]

What ought to be emphasized here is that even in Palawan, the frontier settlement, exchange labor has ceased to be the dominant, not even the major, labor source even for *kaingin* rice production. Hired labor appears to be taking over as the "frontier" becomes a more established settlement and increasing population leads to the usual consequences.

C. *Changes in Labor Arrangement for Agricultural Production*

1. *Patterns of Rice Harvesting Arrangements*

More than any other aspect of agricultural production particularly rice production, harvesting arrangements tend to embody the connections between land tenure, labor relations, and technology. As Kikuchi *et al* describe it:

> Harvesting and threshing are the tasks that normally require the largest share of labor for rice production in the Philippines as well as other rice producing countries in Asia. Typically, labor required for harvesting and threshing is nearly 30 percent of total labor and 50 percent of hired labor employed in rice production. The share in hired labor for harvesting and threshing is especially large because the time interval adequate for harvesting is sharply limited. As a result, the harvesting and threshing represent a major employment opportunity for landless agricultural workers and small farmers whose incomes from own farming are insufficient to meet their subsistence need. Therefore the choice of technology and contractual arrangements with respect to the use of labor and capital for rice harvesting and threshing is a critical determinant of the income and well-being of the rural poor.
>
> In the Philippines, both the technology and the contractual arrangements for rice harvesting have been experiencing a dramatic change. . . in response to growing population pressure, land-reform operations, improvements in irrigation system, and the introduction of modern rice varieties.[16]

Using historical data from previous studies and loop surveys conducted repeatedly from 1966 to 1978, Kikuchi *et al* captured significant trends in these changes occurring in 6 provinces roughly classified as two sub-regions called, "Central Region" (Laguna southern parts of Bulacan and Pampanga and the northern part of Pangasinan) and *"Inner Central Luzon"* (Nueva Ecija, Tarlac, the rest of Pampanga, Bulacan and Pangasinan which are landlocked):

(a) Land Tenure and Harvesting Arrangements

Although these two regions are characterized by pervasive landlordism, land ownership patterns are different. In the Coastal Region, landholdings are relatively small and scattered typically in a range from 10 to 20 hectares. Land tenure arrangement was a form of share tenancy called *Kasamahan* meaning partnership. In general, output and production costs were shared equally between the landlord and the tenant. The relation between landlord and tenant was paternalistic with the former advancing credit and utilizing his con-

nection and social influence in exchange for the loyalty of the tenant. In Inner Central Luzon, there were large haciendas with several hundreds and thousands of hectares and tenants. Typically, the hacienda owners lived in Manila and the management was carried out by *encargado* (farm manager) and a number of *Katiwala* (overseers). The tenure contract was geared more strictly to economic considerations, and it was enforced more strongly by legal means than by the sense of obligation based on patron-client relationship.

Differences in landlord-tenant relations between the Coastal Region and the Inner Central Luzon had profound effects on the choice of harvesting arrangements. Simultaneously, technological developments in harvesting and threshing had influenced the choice of land tenure system. Historically, two different types of harvesting and threshing arrangements evolved:

(1) the *hunusan system* in the Coastal Region where a farmer specifies a day of harvesting when anyone can participate in harvesting and threshing (by hand beating on wooden or bamboo plates) and the harvesters receive a certain share of output (share ranges from one-fourth to one-eighth but most commonly one-sixth). In cases where *hunusan* harvesters used mechanical threshers, they paid for the machine rental from their share of output. The typical land tenure arrangement was to divide output into half and half between landlords and tenants after the share of harvesters was deducted. In effect, the cost of harvesting as well as other costs such as seeds, fertilizers, and transplanting are commonly shared half and half by tenants and landlords.

(2) the *tilyadora system* employed harvesters at a fixed-wage rate, or *pakyaw,* fixed payment per certain area harvested) with the use of *tilyadora* (McCormick-Deering design big thresher). The threshing is done in one central location in a farm where unthreshed crops are hauled and stored in large stacks called *mandala* (haystack) until the *tilyadora* arrives. The cost of harvesting was shouldered by tenants and the threshing fee by *tilyadora* at a rate from 4 to 6 percent of output was deducted before the output was shared between landlords and tenants. Transplanting cost is paid by landlords while the other costs are shared half and half.

The *hunusan* system is regarded as based on the principle

of mutual help and income sharing within the village community. Where paternalistic relations were developed between landlord and tenants, the landlords could largely trust the honesty of tenants in their report on the crop harvested. This condition of *"trust"*, however, did not exist in the large haciendas in the Inner Central Luzon. In order to manage the sharecropping system in the haciendas, it was important, to develop a method of ascertaining outputs in a large number of tenant farms. The *tilyadora* was the answer. In the haciendas, the tenants were requested to store their harvested crops in certain locations. *Tilyadoras* owned or contracted by the haciendas went around these locations for threshing operations under the supervision of overseers. *No chance of cheating was left for the tenants.* In fact, Kikuchi *et al* pointed out that the *tilyadora* can be identified as the factor underlying the emergence of the share cropping system in the haciendas. Without the *tilyadora,* the share cropping system could not be adopted in the haciendas.

(b) Changing Patterns in Harvesting Arrangements

(1) *From tilyadora to hand threshing*

Over the past 10 years, major changes in harvesting arrangements occurred in Central Luzon and Laguna. From 1968 to 1978 the most dramatic change was a shift from the fixed-wage labor for harvesting to the output-sharing contract *(hunusan)* for both harvesting and threshing. Together with this shift, the mechanical threshing by use of *tilyadora* was replaced by the hand beating method. In 1968, 96 percent of sample farmers in Inner Central Luzon used the *tilyadora* system; the percentage declined sharply to 33 percent in 1978. Majority of the farmers shifted *completely* to the *hunusan* system with hand threshing for both wet and dry seasons or adopted the new system *partially* for wet season while using the traditional *(tilyadora)* system for the dry season.

The shift from the *tilyadora* system to the *hunusan* was not uniform within Inner Central Luzon. The most basic condition underlying the shift in harvesting arrangements was the land reform operations based on the Agricultural Land Reform Code of 1963 and enforced by Presidential Decree No. 27 after the declaration of Martial Law. The land reform program resulted in the demise of rice ha-

ciendas and share tenants became leaseholders or amortizing owners. With the land tenure reform, the critical role of the *tilyadora* for hacienda management as a device to ascertain tenants' outputs and to collect right amounts of crop shares as rents was lost. The tenants became free to choose and decide on the harvesting method. The emancipated farmers, especially those in northern Bulacan and south-central Nueva Ecija where the large rice haciendas were most widely developed, were quick to abandon the use of the *tilyadora* and to adopt the *hunusan.* This shift occurred as soon as their tenure changed. Interviews of those who adopted the *hunusan* system indicated that the concept that diffused in Inner Central Luzon during the past decade came from Laguna and Southern Bulacan. The diffusion of the concept came primarily through seasonal migrant workers. Most farmers said that workers from the south who migrated to their farms at harvesting seasons or workers in their villages who returned from harvesting work in the south asked the farmers to adopt the *hunusan* system. The speed with which farmers in Bulacan and Nueva Ecija shifted from the *tilyadora* to the *hunusan* system after the land tenure change may partly be explained by their repulsion against the *tilyadora* as a symbol of the exploitation system of the hacienda.

It must be recognized however that two technological developments in rice production had made the use of the *tilyadora* less efficient even before the land tenure reform — the *expansion* of irrigated areas especially in Nueva Ecija and the rapid diffusion of the *new rice varieties* with short-maturing and non-photosensitive characteristics. These two developments made the double cropping of rice a common practice and in combination with tenure change, contributed to the shift from *tilyadora* to *hunusan* in the following manner described by Kikuchi *et al:*

"In the traditional single-cropping system with traditional photosensitive varieties, the rice crops become matured after November when the day length becomes shorter and the rainy season is over. Because the weather is dry, harvested crops can be stored in the fields without the danger of spoilage until *tilyadoras* arrive. However, in the double-cropping system, the new varieties become matured before the rainy season is finished. Since heavy *tilyadoras* cannot enter into wet fields, the harvested crops must be hauled to long distance or to dry spots. The risk of crop damage is also large due to

a possible delay in the arrival of the *tilyadora.* Despite such conditions, the farmers were not able to abandon the *tilyadora* system because of the regulations of the haciendas." Kikuchi *et al* hypothesize that the accumulated frustration of farmers resulted in an overnight switch to hand threshing when they were emancipated by the land reform program. The results of the test of hypothesis showed that the longer the time interval between the tenure change and the introduction of double cropping, the more clearly farmers can recognize the inefficiency of the *tilyadora* system and thereby the shorter the time lag between the tenure change and the shift in the harvesting arrangement.

(2) *From hunusan to gama*

Another major change in harvesting arrangements was the rapid diffusion of a new contractual arrangement called *gama* in the Coastal Region. *Gama* comes from a Tagalog word *gamas* meaning "weeds" and the system originated from Laguna. *Gama* is an output-sharing arrangement similar to *hunusan* except that the employment for harvesting and threshing is limited to the workers who did the weeding of the field without receiving wages; in other words, in the *gama* system, the weeding labor is a free service of workers to establish a right to participate in harvesting and threshing and to receive a certain share, usually one-sixth of the harvest. While the *hunusan* system has been newly adopted in Inner Central Luzon, it has been replaced rapidly by the *gama* system in the Coastal Region.

Economists explain the *gama* as an institutional innovation to reduce a wage rate (one-sixth of output) under the traditional system when yield per hectare was low and labor was scarce. As yield per hectare increased and labor supply became more abundant, the one-sixth share would have become substantially higher than the marginal productivity of labor. Although farmers could increase their incomes by replacing the *hunusan* by daily wage labor *(upahan)* changing from a long-established practice of one-sixth share would mean substantial frictions in the community. Furthermore, even if labor is normally abundant, there is a risk that an individual farmer who violates the established practice may not find the sufficient number of daily wage workers at the right time.

In reality, the *gama system* reduces the wage rate without altering the one-sixth share because this covers the cost of both weeding

and harvesting. Also, by contract, the availability of labor is guaranteed at harvest time. For the harvester, the *gama* assures him of the right to harvest. In Laguna, the shift to the *gama* system has already been completed by 1978. In southern Bulacan and Pampanga, *gama* is still in an early stage of diffusion.[17]

(c) Rural Income Distribution Implications of Harvesting Arrangements

Kikuchi *et al* argues that since harvesting and threshing represent the major source of employment in rice growing areas, the choice of technology and contract for these tasks has critical effects on income distribution in the rural sector. They likewise observe that a certain system was chosen not simply because it was economically profitable for individual farmers but also because it was acceptable in terms of the social and institutional environments of the village communities. Their hypothesis is that changes in harvesting arrangements for the past decade have been based, to a large extent, on the sense of obligation of the new, small elites (lessees and amortizing owners) in the rural communities to increase labor employment in order to maintain the income of the poor. This is based partly on altrusim but perhaps more on a strong motivation for village elites to promote and protect their own status in a patron-client relation with the poor (landless). Comparing the costs of the three systems for harvesting and threshing, the Kikuchi *et al* study found the following:

- In the *tilyadora* system, about 30 percent of total harvesting and threshing cost is paid to capital (machine) and about 70 percent to labor. With the choice of the *hunusan system* for dry season alone, *the share of labor increases* to *more than 80 percent;* with the complete adoption for two seasons, the *share* goes up to 100 percent.
- An equally important effect is the *change in* the *composition of labor's share.* In the *tilyadora* system, family labor is commonly used for bundling and haystack making and machine operator's labor is also required; only 40 percent of the total cost becomes the earning of hired workers. In contrast, the whole cost becomes the earning of hired harvesters in the *hunusan* system. Since most harvesters belong to the landless class, the lowest-income class in the village, the shift from the *tilyadora* to *hunusan* system would have an income redistri-

bution effect. A case was reported about a meeting of village heads in a municipality in Nueva Ecija which made a resolution to abandon the use of the *tilyadora* in order to increase the employment and income of landless workers.

- ☐ The adoption of the *gama* had lowered hired wage rates for farmer-employers without involving social frictions and at the same time promoting patron-client relations with landless workers.
- ☐ Despite all the criticisms on the shortcomings of the land reform program, the *dissolution of haciendas* and the conversion of *Kasama* sharecroppers into lessees and amortizing owners have also indirectly benefited landless workers through the shift in harvesting arrangements. Irrigation improvements and the diffusion of new rice varieties provided the technical conditions for the change.[18]

The "welfare" considerations in the choice of harvesting arrangements are likewise reported by de Vries in his study of a Central Luzon barrio:

> Among the farmers, there is a consciousness that the landless are mainly dependent on wages paid to them by farmers. In particular, the village heads see the danger that if the number of the landless increase, farmers may decide to reduce harvest shares. Although a feeling of responsibility toward the poor of the village exists, several farmers are urging for a reduction of *hunos* share from one-seventh to one-eight. This is particularly true among farmers who have no landless relatives and among small farmers who have low income. Their reason is high input costs and other expenses. Despite the desire for reduction of *hunos,* it does not happen because of the village leaders' influence. During the main crop harvest in 1975, one farmer tried to pay his laborers, one-eight. The village head called this farmer and told him not to do so, otherwise repercussions will follow. The farmer heeded and paid one-seventh. Before the start of every harvest season, a meeting of farmers is held to discuss the *hunos* rate. In these meetings the village head pleads for the maintenance of the *hunos* rate. Few farmers dare or want to object so each year the same decision is taken. One of the reasons why village heads object to further reduction of *hunos* is that they are all rather wealthier farmers and some of them have landless relatives. However many of the small farmers with low yields find the *hunos* too heavy a burden for them.[19]

2. *Changes in Patterns of Labor Utilization*

One problem which concerns both land reform and employment

is the question of the relationship between tenure status and the farmer's utilization of his own and his family's labor in the farm. It has been argued that because of disincentives in the sharing system, the tenant will not be very inclined to invest much of his own labor in the farm. Based on the model of tenancy, Mangahas *et al* said that "share tenants would tend to apply less of their available labor to their farms than would lessees, hence spending more time at other work."[20] If this were so, a change in tenure status from share tenancy to leasehold or amortizing ownership or being an owner would increase the application of the farmer's labor in his own farm and a decline in time engaged in off-farm work. As Sacay *stated* in his justification for land reform, "Share tenancy does not lend itself to providing the incentives so necessary for increased production. If the farmer has to share the increment in production with the landowner, he has little incentive to work harder. . . In a leasehold system, rental for the use of land is fixed and, therefore, increased production through better, management, hardwork, and larger capital investment entirely accrues to the farmer."[21]

The land-to-the-tiller philosophy of the land reform program is based on this assumption that farmers will work harder if they own the land or will benefit more from it than under the share tenancy arrangement. In a review of several studies conducted in different parts of the country by different researchers, Castillo made the following observations:

(a) The use of hired rather than operator or family labor has increased considerably and exchange labor is only minimally practiced. In other words, rice farmers are in the process of becoming farm managers/supervisors rather than actual tillers of the soil. As one researcher observed: "If the farmer can afford it; he will limit his farming activities to supervising, watching his carabao and water control."

(b) Farmers from different tenure groups do not differ much in proportion engaged in off-farm work. They also do not differ much in amount of hired labor input used. As a matter of fact there are some evidences that share tenants use a bit more of family than hired labor. But regardless of tenure status and farm size, all the evidences show there is more hired than family labor used and the proportion of hired to total labor has increased. Owner-operators and leaseholders used as much as 80 percent hired labor. Amortizing owners

used more hired labor after land reform and credit has had a positive effect on hired labor.

(c) There are evidences that regardless of cropping pattern (single, double, multiple-cropping) the percent of production cost spent on hired labor is greater than for unpaid labor. For every cropping pattern and every tenure status except for owner-administered farms, the percent of production cost spent on hired labor is higher than the total percentage paid out to material inputs such as seeds, fertilizer and chemicals.[22]

Smith and Gascon in their study of the new rice technology's effect on family labor utilization in Laguna attribute the increasing replacement of family labor by hired labor to the following:

- ☐ "with the new technology, operations that required hired labor contribute more toward increasing rice production than operations handled by the family alone.
- ☐ The productivity of management time has gone up.
- ☐ The cropping pattern has been diversified to include watermelon – a highly labor-intensive but profitable crop.
- ☐ The greater availability of factory work has increased earnings foregone by using family labor on the farm.
- ☐ Increasing family income has increased the farmer's capacity to pay for hired labor."[23]

Because the area which Smith and Gascon studied is very close to Manila, it is typical and therefore their explanations for the shifting trend from family to hired labor need to be tested in other settings.

Castillo, on the other hand, offers four possible explanations for the observed lack of relationship between tenure status and use of hired labor:

(a) To hire labor, access to capital to pay labor services is essential. Tenure status is related to hiring capacity only to the extent that it contributes to ability to pay labor. In the case of owner-operator, their output is wholly theirs hence they have more capital. For lessees, because of land reform, they have reduced lease rentals and greater access to credit hence they can afford to hire labor. In general, access to credit enables farmers to hire labor regardless of tenure status. Because there are evidences that farmers used institutional credit (Masagana 99 loans) regardless of capacity to repay,

then one suspects that perhaps they also use hired labor regardless of actual capacity to pay for it.

(b) The demands of rice production are such that the available labor from the farmer and his family are unable to cope with peaks of labor activity when certain tasks have to be accomplished within a short period. However the previous observation that even farmers engaged in single cropping also applied more hired-than family labor does not support this particular explanation.

In general, however, the situation of the farm family vis-à-vis the labor situation is worth looking into because we have a dilemma of large family size but limited labor potential at the individual farm household level. As the 1973 National Demographic Survey indicates: If the mean number of children at the end of the reproductive period is 5.89, the mean family size should at least be 8.0 persons but the data yielded a mean household size of only 6.08 because 1.94 members have already left the household permanently. Of the 6 remaining members, 1.04 are 4 years or youngers; 1.92 are 5-14 years and are mostly likely in school. Only 3.14 are 15 years and older. This means roughly father, mother, and one child of working age. In Hayami *et al's* village level study of labor utilization, the average household size was 6.3 persons of which 3.5 are 15-65 years of age but only 2.1 persons are actually working on the farm.[24] The mother is most likely unable to participate in farm labor in a major way because of younger children and pressure of household chores.

(c) It is possible that rice farming is such a physically demanding process that a farmer would only be too glad to be relieved of the hard manual work as soon as the opportunity arises for him to use an alternative to applying his own labor or even that of his family. It is not necessarily a low regard for manual work but a welcome relief from it especially because our farmers are not really in possession of excellent health, adequate nutrition and lots of energy. To all these, we might add the problem of work ethic. How much does this factor contribute to the change from family to hired labor?

(d) Social pressures from the community make it unacceptable for a farmer and his family to perform all the labor in rice production because other members of the community, particularly the landless, would be denied their chance to share in the resources and therefore their chance to survive.[25]

All of these explanations would be merely hypothetical because the reviews of available studies have not really dealt with these issues directly. They were mostly offered as post-factum interpretations of observed trends. This represents a fertile, barely explored research area.

D. *Different Interpretations of the Emerging Relationships Between Farmer and Landless*

1. *Village institutions change in response to changes in resource endowments, technology and government policies.*

Kikuchi and Hayami said that "the village institutions with respect to the use of labor, land, and other inputs, are the critical media through which population pressure and technological change influence production and income distribution in the rural sector. They are also the media through which government policies, such as the land reform and the irrigation development programs, affect the welfare of rural people."

In an intensive analysis of a Laguna rice-growing village using data from 1966-76, it was found that the village has been able to "escape from the Ricardian trap through the improvement in irrigation systems and the introduction of new rice technology. (The classical economist David Ricardo postulated that population pressure on limited land area would result in the higher share of income accruing to laborers). The land reform program was successful in retaining major gains from yield increases in the hands of tenants in this Laguna village. The increased income of tenant farmers spilled over to landless workers in the form of increased employment opportunities through the income effect to substitute hired labor for family labor." However, the authors pointed out an institutional innovation which has emerged in response to changes in relative factor endowments and technology. In the traditional system in Laguna called *hunusan,* everybody in the village was allowed to participate in rice harvesting and the harvesters were entitled to

receive one-sixth of the output. The system has been rapidly replaced by the practice of *gama* in which only those who weeded the rice fields for free were employed in harvesting for the same share of output. But 1976, more than 80 percent of the farmers have adopted the system. Kikuchi and Hayami regard the *gama* system as an institutional innovation for the employer farmers to reduce the wage rates for harvesting to a level equal to the market wage rates. In earlier days, when labor was scarcer and the rice yield was lower, the one-sixth share of output under the traditional *hunusan* system might have been equivalent to the market wage rate close to the marginal product of harvesters' labor. However, as the labor supply became more abundant and the rice yield increased, one-sixth of the output would have become substantially larger than the market wage rate.

Actually, farmers could increase their income under such circumstances by replacing the *hunusan* system with payment of daily wage or by reducing the harvesters' share. Either of these two ways would encounter resistance from the community which operates on patron-client relations characterized by multi-stranded ties. It would involve less social frictions to add some additional obligations while maintaining the same share rate. *Gama* system therefore entails the least cost to reducing harvesters' share of output in line with the market wage rates. In absolute amounts, the one-sixth output share of harvesters now can be larger than the one-sixth share in 1960 because yields are higher now. Kikuchi and Hayami therefore reject the hypothesis on the trade-off between growth and equity. They argue that unless the source of income has been enlarged by modern technology and irrigation, the income distribution in this Laguna village would have worsened. Even though the land reform program was effective in fixing rent, no major gain would have been produced for tenants and laborers unless significant yield gains were realized. To overcome the decreasing return to labor due to growing population pressure on land, efforts to improve land infrastructure and to develop land-saving and labor-using technology must be made.[26]

2. *Shared poverty or increasing stratification*

Ledesma presents two possible interpretations of the emerging and current relationships between farmer and landless workers: shared poverty or stratification. With continuing population pressure

on declining size of farm holdings, the labor absorptive capacity of the small farm becomes very crucial. This labor absorption means "a sharing of work and income opportunities not only among members of the small farmers' household but also with landless workers." In this sense, labor absorption can also be an indication of *"agricultural involution."* (A concept proposed by Geertz which describes the involutionary process in Java is as follows: "Wet-rice cultivation, with its extraordinary ability to maintain levels of marginal labor productivity by always managing to work one more man in without a serious fall in per capita income, soaked up almost the whole of the additional population that Western intrusion created at least indirectly").

Agricultural involution implies an ethic of sharing and reciprocity which expresses that all members of a community have a "presumptive right to a living so far as local resources will allow." This means a willingness to share limited resources and work opportunities among all households in the community. To the extent that village resources become more limited in relation to the growing population, the continuing interaction among rural households regardless of tenure manifests a form of *"shared poverty."*

This shared poverty manifests itself in a number of ways some of which according to Ledesma have long been practiced even prior to agrarian reform and the new rice technology. Examples of such practices are: entry of an unlimited number of reapers into a field at harvest time; the sharing of "cost-free" exchange labor; credit practices involving interest-free loans; gleaners' rights to what is left in the fields or on the threshing floor; the progressive fragmentation of tenanted ricelands among heirs; and even the further fragmentation of *sagod* plots and sub-plots among landless workers and other marginal small farmers. Further evidences of shared poverty practices include such things as: share to weeder-harvesters under the *sagod* system is usually heaped over rather than levelled in the measuring container (some farmers, however, are more generous than others); the web of credit relationships provide a measure of security and interdependence among landless and rice farmers as illustrated in short-term borrowing even in terms of liters of rice particularly during the loan period when planting is over and harvesting has not begun; for those who have a *sagod* arrangement, it can function as a form of "collateral" which enables them to borrow for consumption needs since

creditors know that there is some rice forthcoming around harvest time; some landless workers are able to borrow from institutional sources via relatives (usually farmers) who have access to such loans. Even the allocation of plots for *sagod* arrangements is a sharing process although it is at the same time, another patron-client relationship which was the usual characteristic of the share tenancy system which land reform sought to do away with.

Although these practices may be viewed as an involutionary process, Ledesma considers the possible beginning of *"a counter-movement of stratification and the breaking up of a homogeneous village community."* In other words, even "shared poverty" may no longer be continuously shared. For example, under the *sagod* system, "with the prior claims on particular plots by *sagod* weeders, the harvest is no longer left open to an unlimited number of harvesters. The further effect of preventing outside villagers from coming in as harvesters could also be a form of isolating and differentiating one village from another."

According to Ledesma, "under these circumstances, stratification begins to take place with identifiable subclasses among the peasantry being formed based on several factors: (1) land or labor tenure; (2) more distinct roles in the rice production process; and (3) different income expectations. Ultimately, stratification connotes the formation of divergent interests among peasant subclasses . . . e.g. landless workers vying for higher wages or a bigger share in the harvest; tenants trying to reduce production costs like hired labor; and permanent lessees comparing their fixed rentals with the amortization payments of CLT (Certificate of Land Transfer) recipients. Stratification thus implies a hierarchy of roles and interests among households within a heterogeneous village setting.

Paradoxically, instead of blotting out once and for all the traditional lines of stratification between landlords and share tenants, agrarian reform has brought about more levels of stratification that now include small landlords, owner-cultivators, amortizing owners, permanent lessees, share tenants and landless workers."[27]

Perhaps we cannot expect "shared poverty" in a "homogeneous" community to continue indefinitely – especially under conditions of increasing population pressure on land. Agrarian reform by the very nature of its intent is bound to lead to greater division of labor and institutional specialization because the traditional functions perform-

ed by the landlord are taken over by a variety of government institutions and government-sponsored organizations. Furthermore, as agriculture modernized many new tasks emerge which have to be assigned to different functionaries. Perhaps this increasing specialization and division of labor inevitably results in greater stratification, or at least finer gradations or levels in the stratification system. While before, the major hierarchies are landlord and tenant, now there are many others which come above the *landlord,* in between and below the tenant. For example, the Land Bank, the Ministry of Agrarian Reform, the land reform technicians, the farm management technician, the rural bank, National Food Authority (official purchaser of rice), Samahang Nayon organizers and officers, the people who work for the farmers, etc. Furthermore, "homogeneity" of the community is bound to break down with the influx of in-migrants particularly in areas regarded as good farming areas.

Furthermore, to concentrate analysis on the increasing stratification among peasant sub-classes within the same locality is to emphasize the inequality between poor and less poor and to leave untouched the issue of super-rich, rich, poor and very poor which is the bane of our society. Peasant sub-classes focus on the increasing differentiation at the bottom of the pyramid which can be characterized as the *"falling-bottom",* the *downward escalator* which really means the *process of impoverization intofiner gradations.* The opposite and more insidious process of *escalating enrichment* or the *elongating tip of the pyramid* escapes scrutiny because the "villain" in peasant subclasses tends to be the farmer whether tenant, lessee, or amortizing owner. Perhaps we should look for the villains somewhere higher in the rung of the stratification system. This is not to diminish Ledesma's valuable documentations of the underlying processes at the lower rungs. These comments are intended to remind us that there is a less permeable aspect of the stratification system at the top. As a matter of fact, part of the reason why we do not deal with the *"rich peasant villages"* is because they are not susceptible to research in the same manner as the poor peasants.

3. *The Agricultural Ladder/Escalator*

Unlike other authors who describe the transition from reliance on family labor to increasing importance of hired labor and the growth of a class of workers who hired out their labor as the emer-

gence of the rural proletariat. Roumasset and Smith reintroduces the concept of agricultural ladder. The interpretation of the phenomenon is as follows:

"As population expands more rapidly than shrinking from size and the dwindling frontier can accommodate new farm families, a class of landless workers begins to emerge. The agricultural ladder is described as the process by which workers advance into higher income occupations as they acquire physical and human capital. In the American South, 'rungs' on the ladder were wage laborer, share tenant, lessee, and owner-operator. As the worker moves up the ladder, he uses more and more human capital in management and more capital for investment in farm improvements, implements, machines and production inputs.

Population pressure tends to cause intensification of agricultural production and land-saving technological change via the mechanism of induced innovation. The combination of intensification and economies of scale further leads to specialization in agricultural production. Landless or near landless become hired workers, while those with cultivation rights climb the agricultural ladder.

Implicit in the notion of the agricultural ladder as usually presented is that the worker climbs the ladder by saving and investing in physical capital and in his family's human capital. In this view, it is the thrifty and the industrious who manage to struggle up the ladder. The more complacent are left on the bottom rung. What we wish to add to this story is that workers are sometimes pushed up the ladder by external factor."

Roumasset and Smith illustrate how this works by citing the developments in 3 places in Laguna where "land-saving technological change via the IRRI rice varieties had taken place between 1965 and 1975 to 1978, total labor declined following an increase in real wages, primary labor force while total labor increased by 60 percent. From 1975 to 1978, total labor declined following an increase in ral wages, a decline in the relative price of herbicide, and a continuing trend towards mechanization.

From households, enjoying rising value of equity in land, both from rising land values and land reform (not only the sales value of land but also the cost of tenancy or cultivation right has been considerably and continues to do so) were pushed up the agricultural ladder (suggesting *escalator* as a more appropriate metaphor). The

higher wealth and income of sample families studied induced them to invest more in human capital, physical capital and consumer durables. Correspondingly, rapid gains in income were earned from skilled labor, especially by the operators' family members working off the farm." (From 1965 to 1978, there was an increase in average years of education and percent of household members attending school).

"As rents rise relative to wages", those with equity in land enjoy an increase in wealth (or at least in one component of their wealth). Owner-operators of previously marginal land find themselves with land capable of producing a surplus value. Even tenants with security of tenure have some equity in the land they till. As the value of equity in land increases, rental income from that equity increases. In addition, the higher equity enhances the ability to borrow larger amounts at lower interest rates. The higher income and the improved ability to borrow enhance an individual's capacity to invest.

Thus, it is not only through thrift and industry that a worker may advance. To the extent that he owns land or has some claim to work the land, his wealth position may improve as factor prices change. Individuals with substantial equity in land will find themselves in a position to finance investments even without changing their consumption habits. Since some workers are therefore partially pushed up to better positions, the *metaphor of an agricultural ladder is not totally adequate.* The process is better described as an *escalator.* That is, while the worker is partially pushed to the higher levels, he retains some mobility, via industry and thrift, to move up at a faster rate."[28]

A number of comments may be made on Roumasset and Smith's agricultural ladder/escalator:

(a) If there is a tendency to be pushed up the ladder in an escalator-like fashion, without necessarily being industrious and thrifty but due to the population pressure and changing factor prices, there is also a tendency to be pushed down not because one is lazy and complacent but because land has become very scarce and access to it has become prohibitive. Escalators have separate downward and upward-moving transmissions. Some farmers are pushed upward while others are pushed downward. For example, Kikuchi *et al* reports that from 1976 to 1980, 20 percent (10) of farmers they studied lost their tenancy rights while only 3 landless workers climb-

ed up the social ladder by acquiring land through inheritance or sub-renting . . . Farmer households decreased by 6 and landless worker households increased by 18, with the result of a net increase in the number of all households in the barrio by 12.[29]

(b) From the data analyzed by the authors, it appears that the way to climb the social ladder is to *get off* the agricultural or farm ladder and to get into the non-agricultural ladder via formal education of household members or as the economists say, by investing in the human capital which enables them to find non-farm employment. So there is a shift of ladders.

(c) In many instances, households try to use both channels, agricultural and non-agricultural, in climbing the social ladder. The family continues to operate the farm using hired labor while the children get educated and engage in non-farm occupations. In this way, households can utilize two channels to move up the social ladder. Several studies have shown that farmers do not want their children to become farmers and their children are not interested in becoming farmers.

(d) Although the authors acknowledge that the "agricultural ladder is not merely an independent result of industry and thrift," it is difficult to assess how much of the upward movement can be explained by industry and thrift and how much by population pressure and changing factor prices.

(e) Another question which arises is whether tenants actually moved up the ladder or they happen to be higher up the ladder only because lower rungs in the ladder (the landless) surfaced due to increasing population pressure on land.

E. *Identifiable Tenure Patterns Post Land Reform*

1. *General changes in tenure status*

Tenure status is not static and land reform, despite all the criticisms labelled against it as a program has made tenure status even more mobile. Table 5.5 from Pua-Baskiñas[30] study shows the following changes in tenure status over a ten-year period 1963-1973.

(a) Share tenancy has been considerably reduced but not abolished. All other recent studies have indicated that share tenancy might be "officially dead" but it is still "functionally alive."

TABLE 5.5
CHANGES IN TENURE STATUS 1963, 1968, 1968, 1973 OF 418 FARMERS PLANTING LOWLAND RICE IN 27 VILLAGES AND 7 MUNICIPALITIES IN LAGUNA

1. Changes in Tenure Status of *Total Sample of 418 Farmers*

	1963	1968	1973
		– Percent –	
Owner-operator	4	4	5
Part-owner	11	13	7
Lessee	9	22	49
Share-lessee	7	6	7
Share tenant	69	55	27
Landless	–	–	5
Total	100	100	100

2. Changes in Tenure Status of 287 *Share-tenants*

	1963	1968	1973
		– Percent –	
Share tenant	100	74	37
Part-owner		7	5
Owner-operator		2	1
Lessee		13	46
Lessee share		4	7
Landless		–	4
Total	100	100	100

3. Changes in Tenure Status of *38 Lessees*

	1963	1968	1973
		– Percent –	
Lessee	100	68	89
Owner-operator		3	–
Part-owner		6	–
Lessee-share		13	5
Share tenant		10	3
Landless		–	3
Total	100	100	100

Table 5.5 (con't.) . . .

TABLE 5.5
CHANGES IN TENURE STATUS 1963, 1968, 1968, 1973 OF 418 FARMERS PLANTING LOWLAND RICE IN 27 VILLAGES AND 7 MUNICIPALITIES IN LAGUNA

4. Changes in Tenure Status of *28 Lessee-share tenants*

	1963	1968	1973
		— Percent —	
Lessee-share	100	25	11
Part-owner		14	7
Owner-operator		—	7
Lessee		54	64
Share tenant		7	7
Landless		—	4
Total	100	100	100

5. Changes in Tenure Status of *46 Part-Owners*

	1963	1968	1973
		— Percent —	
Part-owner	100	50	33
Owner-operator		4	13
Lessee share		2	4
Lessee		24	35
Share tenant		20	9
Landless		—	6
Total	100	100	100

6. Changes in Tenure Status of *19 owner-operators*

	1963	1968	1973
		— Percent —	
Owner-operator	100	47	58
Part-owner		38	26
Lessee		—	—
Share-Lessee		5	—
Share tenant		10	16
Landless		—	—
Total	100	100	100

Source: Juanita P. Baskiñas, "Motivations Behind Land Tenure Changes: A Philippine Case", Unpublished M.S. Thesis, UPLB, November, 1976.

(b) Reasons for not shifting from share tenancy include such things as: good landlord-tenant relations; sharing system is better than leaseholding; landlord does not agree, etc.
(c) Share-tenants, lessees, lessee-share tenants, and even part-owners can become landless but none of the owner-operators had lost their land over a ten-year period.
(d) Loss of land has been due to: successive crop failures; incurring heavy debts; family members getting sick; landlords getting another person to work on the farm; deteriorating peace and order; landlord's offer of a good paying job; too old to farm; unable to get mortgaged farm; farm was taken by relatives. Only one mentioned that he gave up the farm because he has been able to find a good-paying job. In other words, a farmer — whether owner-operator, part-owner, lessee, or share tenant-parts with the land he owns or he cultivates, only because he has to and rarely because he wants to.

2. *Mixed tenure farmers and "revertees".*

The category *part-owner* among different tenure statuses has often been ignored or lumped together as "others" because the cases reported are too few to be statistically significant to bother about. Recent studies however, suggest that mixed-tenure categories such as lessee/owner-operator; lessee-share; amortizing owner-lessee-share tenant-owner-operator; amortizing owner/lessee-owner-operator; etc. deserve closer scrutiny because they tend to have larger farms; they are more prone to use modern farm inputs; have higher income and expenditures. These trends are discernible in data from studies done by Ocampo and Villamejor and Kikuchi *et al*[31] although the researchers themselves did not make this observation. From now on, mixed-tenure farmers should not be regarded as a residual category but as a district group which should be examined in depth because they may have the "best" of all worlds in their combination tenures. It is also possible that such mixed tenures are a by-product of greater entrepreneurship. At any rate, we need to find out more about them.

Just as there are shiftees, there are also *revertees,* i.e., farmers who went from share tenant to lessee or amortizing owner and then *back to share tenant.* Needless to say, revertees should be more intriguing subject than shiftees.

3. *A variety of co-existing tenure arrangements*

Filomena Javier's 1980 study of a rice-farming village attempted to identify existing production arrangements. It is important to document such practices even if only a few individuals are currently engaged in a particular arrangement because these represent people's responses to the changing environmental circumstances including land reform. These new responses are portents of things to come.

Although in-depth village level studies provide us a great deal of insight on what is happening or not happening in a place, the observations are mainly indicative of trends and emerging patterns but they are not *definitive* with respect to magnitude and generalizability of the trend. This remains a tremendous research task for the future. Javier's initial efforts to look for different production arrangements have yielded the following:

(1) *Tenacity not only of share tenancy but of the hacienda system*

In the village of Amihan (a pseudonym), the first farmer-tiller shifted to leasehold as early as 1962 but as of 1980, 35 of the 61 farmer-tiller respondents or 58 percent of them were yet to become lessees. Part of the village is a hacienda of about 142 hectares of rice and 48 hectares of coconut land which is run pretty much like the hacienda of the olden days with a resident overseer and an absentee landowner. Except for a few, the houses of the hacienda farmer-tillers were located in the coconut land of the hacienda. This "house-lot privilege" is an important hold of the hacienda over the farmers who otherwise have no land to build their house on.

Typical of the old hacienda system, farmers must procure farm inputs from the stock of the Hacienda, even if they might have the money to buy from agricultural dealers of farm chemicals in town. Although the prices of farm inputs was higher than in other stores, farmers had to procure them from the Hacienda's stock; otherwise their share of the expenses would not be reimbursed at harvest time.

A contract planting group which was created by the overseer is prohibited from contracting jobs in other farms until all the planting inside the Hacienda was done.

(2) *Seasonal tenurial arrangements*

Farmer-tillers agreed to pay rental during the wet cropping season when chances of harvest were good, but share the expenses and the produce with the landowner during the dry season when water for irrigation became scarce.

(3) *Water as a determinant of work arrangements*

Water availability, rather than tenure, became a determinant of whether seeds would be broadcast or seedlings would be planted in straight rows, whether mongo, tomatoes or other substitute crops would be planted instead of rice or whether the field would be followed for the season. Any one decision had repercussions on the work arrangements between farmer-tillers and their permanent weeder-harvesters. For example, of the seeds broadcast, the weeder-harvesters were required to perform the task of driving the birds away when the seeds begin to ripen weeks before harvest time.

(4) *Kapatan (sub-tenancy) arrangements*

Kapatan was an agreement between the farmer-tiller and another person (farm-laborer) to divide between them the expenses and the harvest share accruing to the farmer-tiller. There are 2 types of *Kapatan* arrangements: (1) the farmer-tiller relegates the actual tilling of the farm to the farm laborer without surrendering in any way his tenurial right to the land. To "secure" his tenure, the farmer-tiller usually chooses a trusted relative as *Kapatan* farm laborer. (2) the farmer-tiller surrenders wholly or partially his tenurial right to the land by sale or mortgage to another person but continues to cultivate the land and share a fourth of the farm expenses and harvests, but now as a *sub-tenant.*

(5) *Farm laborers hired by farmer-tillers.*

Farmer-tillers might decide to hire farm-laborers to work on his farm either on contract or daily wage basis.

(6) *Weeder-harvesting by farm-laborers*

If the rice seedlings were planted in straight rows, weeding is required 12 days after planting. After 2 more weeks, a second weeding

is done. First weeding is done using a mechanical rotary weeder while the second weeding is done manually. The performance of these tasks has customarily devolved on landless-laborers who want rice fields to harvest. Other farm operations harvesters are required to perform are reaping, gathering the harvest in stacks, threshing, winnowing and hauling the sacks of rice to the landowner's storehouse or to the edge of the ricefield. The harvesters are compensated by a share of the gross harvest which ranges from *one-sixth,* levelled on the measuring container to *one-fifth packed and heaping* on the container.

The assignment of harvest areas to farm laborers becomes permanent as long as they perform their tasks satisfactorily. The job may even be passed on to members of the farm-laborer's family. Weeder-harvesters of lessee farmers have agitated for an increase in their share of the harvest hence the existence of varying rates.

(7) *Weeder-harvesters hiring other laborers*

Not only farmer-tillers but even weeder-harvesters hired others to help them accomplish the job. Harvesters hired others to weed for them on a daily wage basis. During harvest time, thresher and blower operators are hired. They are paid a fixed share of the harvest which ranges from one ganta of palay per cavan to one-sixth or one-fifth per cavan of harvester's share for threshing and blowing. In cases when the machine operator is not the same as the owner of the equipment, the operator earned one-half of what was due the owner of the thresher and the blower.

(8) *Exchange labor arrangement is avoided.*

The farmer-tiller, should he need extra hands, would gladly hire farm laborers rather than call on relatives, friends and neighbors in an exchange labor arrangement. The compounding of obligations involved in the latter arrangement makes it an unpreferred alternative.

(9) *The gleaners*

There are farmer-tillers who still allowed gleaners to pick the left-over grains in their field after everyone has taken their share of the harvest.

(10) *Officially registered owner-cultivators*

Included in this category are women non-tillers and absentee owners whose farms are administered by relatives who in turn hire farm laborers. To prevent tenancy from getting a foothold on the farm, work is done alternately by a cousin and the original farmer-tiller from whom the tenancy right was bought. Another owner-cultivator is simultaneously a lessee on another parcel. He cultivates the latter farm while allowing his brother to work the farm parcel he owns on a *Kapatan* arrangement.[32]

4. *Homelot Tenure*

The 1968 National Demographic Survey showed that only half of Filipino families owned their homelots (Table 5.6). In Manila, only one-fourth did. The highest proportion of homelot owners are in Ilocos and Cagayan with 80 and 75 percent, respectively. Occupancy of rent-free lots is highest in Western Visayas followed by Northern Mindanao, Bicol and Central Luzon. This means that the phenomenon of *squatting* on land that is not theirs is not a peculiarity of city residents. Even in "land-rich" areas like Mindanao, the proportion who do not own their homelots is quite high. Again, we have to understand the plight of many poor rural families living in small temporary houses built on "borrowed" land. Perhaps there is nothing more aggravating to a family than to face the prospect of being asked sometime to "remove" their home from its moorings. Security of tenure therefore, pertains not only to jobs and farm land but also to "where one sleeps". Again, it must be remembered that this problem concerns the rural as much as the urban family although the urban squatter problem always looks more urgent and more depressing than the makeshift huts which dot the countryside. Considering population growth, and rising land prices, we can only predict a worsening rather than an improvement in the future.

Ledesma's 1980 study of two villages, one in Nueva Ecija and one in Iloilo already confirms this prediction (Table 5.7) and describes the situation as follows:

> One reason for the preponderance of temporary dwellings is the lack of ownership of homelots. Only about a tenth of all households own their homelots in Abangay, while practically no household in Rajal Sur holds title

TABLE 5.6
PERCENTAGE OF HOMELOT OWNERSHIP AMONG FAMILIES BY URBAN, RURAL AND REGION, 1968

Homelot Ownership	Phil.	Manila	REEGIONS Ilocos	Cagayan	Central Luzon	Southern Tagalog	Bicol	Western Visayas	Eastern Visayas	Northern Mindanao	Southern Mindanao
					—Percent—						
Owned	50.0	24.3	81.5	74.4	44.0	56.9	45.8	41.2	49.3	50.1	60.3
Rented	15.2	47.4	6.0	2.9	21.6	12.6	10.1	7.9	11.0	9.5	13.7
Rent-free	28.1	20.4	9.8	11.9	30.0	25.1	33.3	45.7	29.0	35.5	22.8
No Response	6.7	7.9	5.7	10.8	4.4	5.4	10.8	5.2	10.7	4.9	3.1
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source of data: National Demographic Survey 1968, Population Institute, University of the Philippines.

TABLE 5.7
TENURE OF HOMELOT BY TENURE STATUS ABANGAY, ILOILO AND RAJAL SUR, NUEVA ECIJA 1977

	Abangay			Rajal Sur		
	Amortizing owner	Permanent Lessee	Landless Workers	Amortizing owner	Permanent Lessee	Landless Worker
	Percent					
(a) Owned	10	11	7	–	3	–
(b) Rented	5	7	17	21	13	18
(c) Occupied without rental	85	82	76	79	84	82
	100	100	100	100	100	100
Type of house by tenure status						
(a) Permanent	8	14	2	41	15	7
(b) Semi-permanent	39	25	11	31	41	7
(c) Temporary	53	61	87	28	44	86
	100	100	100	100	100	100

Source: Antonio J. Ledesma, "Landless Workers and Rice Farmers: Peasant Subclasses Under Agrarian Refom in Two Philippine Villages," (Unpublished Ph.D. Dissertation) University of Wisconsin-Madison, 1980.

to a homelot – an indication of the more widespread hacienda type of settlement in the Nueva Ecija locality. The vast majority of rural households either rent their homelots or occupy them without paying any rental but with at least the tacit permission of the landlord. Most tenants consider their homelots as part of the traditional share tenancy arrangements with their landlords. With the fixing of rentals based on farm productivity, however, the issue of homelots has become a separate and thorny question. Some landlords have started to charge nominal rents for the use of homelots, if only to stress their continued claim to these residential areas despite land reform on farm lands. Since 1978 homelots have been included within the scope of Operation Land Transfer and Operation Leasehold. Landless workers however, have no similar security of tenure. As the Table indicates, almost a fifth of landless workers are already paying rentals for their homelots; and the rest who may still be occupying their homelots "for free" may soon be asked to pay rentals – either to present landlords or to the new amortizing owners.[33]

Another situation regarding the relation between land reform and home lot tenure is described by Javier in her study in Quezon province:

> Except for 3 farmers and one hired laborer who own their house lots and the tenants of the coconut land where their houses are located, everyone else of the farmers and laborers were permitted to locate their houses on the coconut land because of some kinship or acquaintance with either the landowner or their tenant.
>
> Agrarian reform on the riceland rendered insecure the farmers whose houses are on the coconut land of the owner of the riceland they cultivated even if they happen to be also their coconut tenants. An even greater insecurity is felt by farmers and laborers whose houses are located on the coconut land simply because of some kin relation or acquaintance with the landowner or the tenant.[34]

5. *"Tenured labor"*

Unlike Kikuchi and Hayami, who regard the *gama system* as an institutional innovation which "entail the least cost to reducing harvesters' share of output in line with the market wage rates", Ledesma regards the *sagod system* (the Ilongo version of the gama) as a form of *"tenured labor"*. Under this labor arrangement, landless workers or other small farmers contract to do the weeding on designated plots without immediate remuneration provided they are given the exclusive right to harvest the crop on their weeded portions for a percentage share of the harvest. Although theoretically a landless family might want to contract as many plots as possible, there are constraining factors such as: (a) working capacity of the landless worker and his household. The size and number of the contracted plots must not go beyond this working capacity. As workers say: "Only what our bodies can endure." (b) the plot should not be too far from the landless worker's home so that his household can keep an effective watch against weeds and pests that may affect the standing rice crop; (c) the various plots should have different schedules for weeding and harvesting operations; otherwise, the landless worker and his family may not be able to finish the work on time.

The *"sagod* contractors" must maintain some acceptable level of quality in their weeding and harvesting operations. Otherwise, the farmer employer could rescind the contract. Ledesma regards *sagod* as a form of land fragmentation which may be viewed in terms of either "physical subdivision of a farm area or the allocation of parti-

cular farming operations on specified plots among various workers." To illustrate the phenomenon, he cites the case of a tenant-farmer's two-hectare farm which has 12 plots. Twenty-four subdivisions have been made to accommodate 18 persons with various kinds of relationships to the tenant farmer under the *sagod* system. Ledesma explains that "although tecnically, under agrarian reform, the entire farm area has been designated to one tenant-farmer, many other parties have been involved in farming operations and have laid claim to a share in the harvest under the sagod system – a form of further land fragmentation for specific farming operations."

Because of the contractual and exclusive essence of the right to harvest over specified plots involved in *sagod,* it is actually a form of *"tenured labor"*. Landless workers have mixed feelings about the practice, because while they value the security or assurance of harvesting right in the presence of competing landless workers, at the same time, they have to render free weeding services in exchange for this right. Furthermore, some of them face reducing shares of the harvest.

Considering the nature of the "tenure" and sharing arrangements in *sagod* plus the patron-client relationship which inevitably accompanies the system, *sagod* could be a *"reincarnation"* of *share tenancy,* only it occurs between tenant-lessee-farmer and landless worker rather than between landlord and tenant.

One feature Ledesma noted in his study is the "inverse association between share tenants and landless workers. Where land tenure reform has considerably reduced share tenancy as has happened in five of six villages in Laguna, Iloilo, Nueva Ecija and Zambales, there is also a sizeable percentage of landless workers ranging from 13 to 51 percent of the village population. And where share tenancy is still pronounced as in the village in Zambales, the presence of landless workers is negligible (3 percent). On the other hand, several subtenancy arrangements have been recorded in the Laguna Village with the highest percentage of landless workers".[35]

We wonder at this point whether this observed inverse association between share tenants and landless workers after land tenure reform is due to the *"hardening of the claims"* to land ownership or to cultivation rights as a consequence of the legal pressures accompanying the agrarian reform program. No one wants to be left with a "soft" hold on either ownership or cultivation rights less one loses control.

Before the official land reform declaration, tenure and ownership arrangements were "softer" and more casual and informal.

6. *Emerging Land-Labor Tenure Configurations*

A long time ago, the land tenure situation was simply described as landlord-tenant relations. With land reform, population pressure on land and lack of non-farm employment in the rural areas, land and labor relations have become much more complex and stratified, some of which are beyond the law, above the law, or even unlawful. But nevertheless, they are facts of life which can neither be denied nor decreed away. The following land-labor tenure configurations can be identified from various studies:

(a) *Landlord-tenant.* In the light of land reform, we can refer to the durable landlord and the persistent share tenant.
(b) *Lessees* can be pre-emancipation lessees (before agrarian reform). Agrarian reform lessees or permanent lessees (those who were working as share tenants on land less than 7 hectares and therefore not subject to Operation Land Transfer.
(c) *Amortizing owners* on the road to ownership of their land.
(d) *Owner-operator* who actually tills the farm he owns.
(e) *Revertees* are returnees to share tenancy after leasehold or amortizing ownership.
(f) *Registered owner-operator* but *non-cultivator* in practice; hires farm labor.
(g) *Absentee owner-cultivator non-tiller* farms via remote control through an overseer who in turn uses hired labor.
(h) *Mixed tenure* farmers may be share tenants in one parcel, owner-operators in another, and lessees in still another parcel.
(i) *Weeder-harvester* as "tenured" labor.
(j) *Landless and "untenured"* workers are hired by weeder-harvesters on a share or cash wage.
(k) *Landless farm workers* are employed on a regular, more or less permanent basis paid in cash or kind. His "tenancy" status is carefully avoided in order to prevent him from claiming tenancy rights.
(l) *Sub-tenants* are workers for a lessee, a share tenant or an owner-operator but who cannot claim to be a tenant.
(m) Occasionally, *hired landless farm workers* have no tenure whatsoever, not even "tenured" labor.

There are probably many more configurations which have not been included in this list which would eventually emerge as social realities to deal with despite the law.

SUMMARY AND CONCLUSIONS

Population pressure on land, migration, new technology, government policies and development programs have had their inevitable impact on the nature of land and labor relations. Meantime, the traditional spirit of *bayanihan* (mutual help and exchange labor) continued to be invoked as the foundation of cooperatives development and farmer organization. In this Chapter, the following were presented: Inventory of traditional forms of cooperation in agricultural production as practiced in different parts of the country; the survival and erosion of such traditional institutions; changes in labor arrangements for agricultural production such as harvesting, threshing and use of hired labor; different interpretations of the emerging relations between farmer and landless; and some identifiable tenure patterns post land reform.

Traditional Forms of Cooperation in Agricultural Production

The different forms of cooperation traditionally practiced in farming include *Kil'lo'ong* among the Kalingas; *hilo-hilo* among the Aklanons; *loyohan* for the Bicolanos; *ammuyo* among Ilocanos; and *tornohan* in Laguna; and *bayanihan* among Tagalogs. These traditional forms of cooperation were found to have the following characteristics: Norms of reciprocity were of two types: those which required equivalence in reciprocation and definite membership and those which did not demand immediate and specified reciprocation; participation was usually among close kins, friends or neighbors; the sponsor for the exchange labor activity usually provided food and drinks as the "socializing" part; most of the actual labor rendered was carried out in one day; the tasks involved in the exchange were very specific; exchange labor took place mainly among equals, i.e. among farmers. Given these features of *bayanihan,* it is difficult to

understand how the concept could be the underlying basis for cooperatives development.

One of the studies reviewed looked at group cooperation in terms of two different modes: *pakikiiba* and *pakikidamay*. The former was official, formally organized while the latter was characterized by social allies assisting an individual in meeting family need or crises. This same study called attention to *bayanihan* as a working bee in favor of one family or person and pointed out that community-mindedness had little or nothing to do with it. *Bayanihan* is not synonymous with community spirit.

Erosion of Traditional Exchange Labor in Farming

Case studies done in Bicol, Aklan, Pila, Laguna, and Pangasinan exhibited trends which led to a verdict of traditional exchange labor which is rarely practiced at present even in communities where they had been observed to be prevalent before. This erosion was attributed to the advent of mechanization; use of hired labor; declining number of work animals; more farm labor available; presence of irrigation, and desire to avoid the obligation to help other farmers later. Others cited the high cost of living which made people want to be paid for labor expended. The greater premium on timing in land preparation and the emergence of alternative employment opportunities had likewise contributed to the decline in the practice of exchange labor.

Survival of Exchange Labor in Farming

Despite the case studies which signalled the demise of *bayanihan* in farming there were places where the practice had managed to survive. In Luisiana, Laguna, for example, *tornohan* remains the dominant cultural feature of community life in the village of San Buenaventura. The continuing life of *tornohan* was attributed by the researcher to such conditions as: the exchange labor was not tied to narrowly-defined specified farm activities; no tractors existed in the area due to upland farm conditions; majority of participants were farm owner-operators; agricultural landlessness was not yet a problem; there were well-established disciplinary rules; some marginal efforts to include welfare considerations for less privileged were present; modifications in the provision of food to minimize expenses were made; and there was limited non-farm employment. Because

of the pervasiveness of the practice, non-participants in *tornohan* were regarded as the oddities. All farmers totally endorsed the practice as beneficial. No one cited any disadvantage. On the contrary, they enumerated the benefits from *tornohan* as: more work accomplished faster, and more enjoyable; different skills contributed by different members thus enabling them to learn new skills from others; pressure from the group compelled members to work and saved them the expense of hired labor.

In Isabela, the 2 less accessible of 4 villages studied had one kind of exchange labor which had endured – the land preparation and transplanting group. In tobacco production, a large mass of labor was always needed during the pulling and transplanting of seedlings because they wilt easily if not planted on time. It is also significant to note that in these villages, all household heads were farmer owner-operators. Landless laborers were largely absent; crops were tobacco, corn and peanuts which were grown under upland conditions without irrigation. Land preparation was done mostly with animal power and there was no available off-farm employment.

In the two more accessible rice-growing villages, exchange labor was diminishing. In land preparation, tractors had taken the place of carabaos due to the foot and mouth disease. A high percent of landless workers had come as in-migrants and hired labor had tended to replace exchange labor.

The community of Malinao in Kalilangan, Bukidnon was identified as a special frontier-land settlement where settlers came mainly from the Batanes Islands in batches of several families. For these settlers, *bayanihan* was a way of life which enabled them to stick it out under pioneering conditions, whether for farm or non-farm work. The *bayanihan* practice made the Malinao farmer a full-time farmer not only because of his farm but because he had to spend several days working in other farms. Community life revolved around the farm and most farmers went to their farms at daybreak together with neighbors coming home only in the late afternoon. Besides *bayanihan,* Malinao also had a unique practice called *borrow lot* which is an agreement for the temporary use of a vacant parcel of land.

In Palawan, the study concluded that exchange labor seemed popular in frontier areas where there was scarcity of labor, where farmers lacked great cash assets; and where farms were fairly large and modern inputs were not widely used. In particular, exchange la-

bor was associated with slash-and-burn rice farming. As fields were converted to lowland rice paddies, exchange labor declined and hired labor tended to take over.

Changes in Labor Arrangement for Agricultural Production

Land Tenure and Harvesting Arrangements

Studies using historical data and loop surveys revealed two different trends in two sub-regions with respect to rice harvesting arrangements. Where landholdings were relatively small, the land tenure arrangement was *kasamahan* wherein output and production costs were shared equally by landlord and tenant. In the large haciendas with thousands of hectares and tenants, management was carried out by a farm manager and several overseers. In the *kasama* system, harvesters received a share of the output in an arrangement called *hunusan* where threshing was done manually. Because of paternalistic relations and smaller farms, landlords could largely trust the honesty of tenants to report on crop harvested.

In the haciendas, the *tilyadora* (large thresher) owned or contracted by the hacienda was the device used to ascertain outputs in large numbers of tenant farms because all the harvested rice were brought in a central place for threshing under the supervision of overseers. No chance of cheating was left for the tenants. The *tilyadora* therefore was the factor which enabled the practice of a sharecropping arrangement under the hacienda system. It was a means for controlling in one central location the determination of the output which was the basis of sharing. Harvesters were paid a fixed wage rate or a fixed payment for area harvested while in the *hunusan* system, harvesters were paid in kind through a share of the harvest.

Changing Patterns in Harvesting Arrangements

From *tilyadora* to *hunusan* was the first identifiable shift in harvesting arrangements. Three factors contributed to this change: *land reform* which gave the farmers freedom to choose harvesting arrangements; expansion of irrigated areas and new rice varieties which made double cropping predominant. Short-maturing varieties matured before rainy season was over but *tilyadoras* could not enter wet fields to do the threshing hence the delay led to crop damage. With libera-

tion from the landlord, farmers were no longer obliged to use the *tilyadora.* They shifted to *hunusan* system.

The second major change in harvesting arrangement was the rapid diffusion of the new contractual arrangement called *gama* which is similar to *hunusan* except that harvesters were required to do weeding for free in order to gain the right to do the harvesting and threshing for a share of the harvest, usually one-sixth. *Gama* assured the worker the right to harvest and assured the farmer also of harvesters during harvest time. It meant, however, a reduction in wage rate because weeding was free. The welfare and income redistribution implications of these different harvesting arrangements were also explored by the researchers.

Changes in Patterns of Labor Utilization

One of the arguments for land reform was the expectation of increased incentive for a farmer to invest more of his time and energy if he owned the land. Contrary to this expectation, use of hired labor had increased considerably regardless of tenure status. Family labor had declined and exchange labor had practically faded out. The explanation for this shift in labor utilization patterns remains elusive although several hypotheses had been offered.

Different Interpretations of the Emerging Relationships Between Farmer and Landless

Emerging relationships between farmer and landless had been variously interpreted by different authors in the followng manner: (1) Village institutions change in response to changes in resource endowments, technology and government policies; (2) With continuing population pressure on declining size of farm holdings, the labor absorptive capacity of the small farm becomes very crucial. This means *shared* poverty manifested in many ways. At the same time, a counter-movement of stratification with identifiable subclasses among the peasantry is beginning; (3) The concept of agricultural ladder/escalator is reintroduced with owner-operators, at a higher rung of the ladder followed by farmers with cultivation rights, and landless emerging as hired labor.

Identifiable Tenure Patterns Post Land Reform

The following tenure categories were identified despite land reform: share tenancy; hacienda system; mixed-tenure farmers; "revertees" to share tenancy; seasonal tenurial arrangements; subtenancy; hired farm labor; weeder harvester as "tenured labor"; laborers hired by weeder-harvesters; gleaners; officially registered owner-cultivators who were actually absentee landlords employing hired labor; and *"homelot tenure".*

CHAPTER V NOTES

1. Bureau of Cooperatives Development, *Annual Report 1978*, Ministry of Local Government and Community Development, February 4, 1979.

2. O.J. Sacay, *Samahang Nayon: A New Concept in Cooperative Development*, National Publishing Cooperative, 1974, pp. 47-48.

3. Arsenio Cosico, *Changes in Traditional Farms of Cooperation in Two Barangays* (Unpublished Ph.D. Dissertation, UPLB, 1981).

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PART II

Participatory Development Concept And Practice

CHAPTER VI

INTEGRATED RURAL DEVELOPMENT AND PHILIPPINE VERSIONS OF INTEGRATION

In our search for the magic formula which would put an end to, or at least reduce poverty, hunger, unemployment, and inequality, we have experimented with a whole range of strategies and models (if you will) exhibiting varying styles of operation, harvesting both anticipated and unanticipated consequences regarded as success or failure depending upon who is looking. For example, the community development era of 2 decades ago was characterized as rich in organizational prescriptions and institutional innovations but wanting in productive technologies. As Ruttan puts it, ". . . rural development can be described, perhaps not too inaccurately as an ideology in search of a methodology or a technology." In the early 1950s, we thought community development should take a holistic approach and so we had fourfold or manifold programs and multi-purpose workers. But then at some point, there was disillusionment with all these, hence, we went to the other extreme of embarking on single commodity production programs such as rice, corn, wheat, etc. Now we have rediscovered the interrelatedness of factors. So we are all wrapped up in integrated rural development. We have gone full circle. As Ruttan explains: "This concern with integrated rural development in the developing world represents, in part, a reaction against the distortions produced by the production-oriented (Green Revolution) rural development efforts of the 1960s, which were in turn, a reaction

against the economic failures of rural development efforts of an earlier vintage. They had been based on the assumption that the mobilization and development of community resources – human and physical – motivated by the multi-purpose village worker and supplemented by credit and limited grants of materials would lead to the modernization of rural society. The community development programs of the 1950s were least successful in efforts designed to expand the economic base needed to support rural development – efforts to introduce changes in farming practices that were capable of increasing agricultural productivity, or to generate employment and income through expansion of village industries."[1]

Ruttan further generalizes that "rural development program activities must be organized around activities and services that have relatively well-defined technologies or methodologies and objec tives." Perhaps it is fair to say that commodity-oriented programs have been more successful (and not uniformly so) in increasing production but rather ineffective or even retrogressive in achieving equity goals and "spotty" with respect to employment. With all our technologies including modern irrigation, roads, new seeds, fertilizer, farm machinery, insecticides, credit, price support, etc. packaged with extension methodologies, we should have been a great deal more successful even on the production side. Village industries have certainly not expanded even in places where they were supposed to. On the other hand, from all accounts, the Chinese experience in rural mobilization which is regarded as a "success story" seemed to have been premised on a very strong ideological thrust and not much of a technological base. In this case, Ruttan's critique of rural development in the 1950s as "an ideology in search of a methodology or a technology" does not seem to apply. Perhaps the strength of the Chinese ideology as a pervasive institutional underpinning made it possible for them to "succeed" in the eyes of the outside world even with the application of low-level technology. A naive interpretation of the Chinese rural mobilization experience might be that *"ideology has partly substituted for the technology."* A counter situation we seem to suffer from at the moment is *"technology without an ideology"* thus the original objectives which brought about the institutional and technological innovations are subverted and then everyone wonders why we could not be like the Chinese. Perhaps the goals of equity and employment require more ideology than the task of in-

creasing production. Otherwise, technology can become an instrument for aggravating inequity and unemployment especially if both the traditional and newly-created institutional arrangements are supportive in this direction.

It is curious that when technology fails to "deliver", *institutions* take the blame but when technology produces, institutions purportedly do not matter. As a matter of fact, in the *Second Asian Agricultural Survey,* the proposed comprehensive strategy for agricultural growth and rural development placed emphasis on:

> . . . the need to realign institutions with the technologies available in rural areas, or to create new institutions where necessary, in order to facilitate rapid increases in productive employment opportunities and to reduce poverty. The misalignment of institutions has in the past led to pervasive market imperfections, constraints on the mobilization of resources, natural and investible (including labor) limitations on the creation of effective demand and obstacles in the way of providing more employment. [In their view,] a rural development program should have two essential objectives: to increase the productivity of the rural poor, and to ensure their full participation in planning and executing the program.[2]

Note that the burden of realignment is placed on the *institutions,* and *not on the technology.* In the meantime, every agricultural and rural development project tinkers with institutions and organizations. They either create new structures or restructure existing ones. With the growing interest in, or at least the growing rhetoric on the landless, the small farmer and the rural poor, in the international development community, integrated rural development or IRD has become the "sexy thing" to do. The Philippines is no exception to this.

This paper is a modest attempt to do three things:

1) To look briefly at the concept of integrated rural development.
2) To review the Philippine versions of integration in rural development.
3) To analyze the dynamics of integration and coordination.

A. *The Concept of Integrated Rural Development*

It has been said that the new international consensus on rural development that has evolved since the early 1970s is a *"more integrated and community-based approach".* "This appealing rhetoric has now been adopted and is being actively promoted by virtually all

United Nations and bilateral development agencies, by various voluntary organizations, and by top policymakers in a growing number of developing countries."[3] Even the World Bank, the Asian Development Bank, and International Fund for Agricultural Development for that matter have been touched by this new international concensus. Since FAO spent quite a bit of time reviving the concept, we have chosen to focus on significant excerpts from their series of consultations on the subject. Some elements of this concept are embodied in the following statements:[4]

1) The concept of IRD is comparatively of recent origin and is still in the process of evolution. Hence, it is advisable not to conceive IRD in a very rigid manner. At the same time, it is necessary that the concept is reasonably clear so that *IRD is properly distinguished from other programmes such as the community development programme.*
2) IRD is a pragmatic concept, in fact, in practical terms, an *ideology* which carries *implied criticism* of *existing institutions* and *policies,* so far followed for socio-economic changes in the developing countries in the last 2 decades. It is *multi-disciplinary in approach* and *multi-sectoral in operation.*
3) The concept of IRD provides a more socially sensitive framework for planning changes in the rural sector. Central in its orientation is the sharp *focus* on the *rural people,* who, while constituting the great majority of the people in developing countries, have so far been by-passed in the process of economic growth and left out from the share of its gains. It adopts a total *"systems approach"* to development, which is viewed as a single and unified process and of which economic growth is a part. Its *various aspects,* viz., political, social, economic, and technical *must be interrelated* and *mutually reinforcing.*
4) The twin major objectives of an IRD programme are: a) accelerated economic growth with b) wider participation and most equitable distribution of its gains. The stage of the economy and the factor endowments would determine which sector would be the *prime mover.* Thus, agriculture generally becomes the logical choice and base for IRD in most of the poor countries of Asia. Its modernization requires the improvement of a multitude of components — technological, institutional, economic and political.
5) Rural development requires not only *changes in the existing institutions and values held by* the target group population but also corresponding modifications on the part of the *"change system"* including policymakers, politicians, administrators and professional agents working at various levels of the government hierarchy.

6) Basic to an operational strategy of an IRD programme is the *increasing capacity and commitment of the people* to be *involved* in the development process. The rural mass needs to be encouraged to take part in the decision-making for rural development.
7) IRD has to be implemented to a large extent in a *defined geographical area* and implies a *package program* for increasing agricultural and non-agricultural output of the selected region. Due to several factors, namely, resources and trained manpower, an IRD program has to be *implemented* in a country *in phases*. A reconnaissance study of the country to find areas with potential for its implementation is necessary. In such a study, the following factors may be covered leading to the selection of the areas.
    a) *Farmers are organized* in a social system such as a cooperative, village council, farm corporation, etc.
    b) *Farmers' organizations* in the area *agree* with the *concept of IRD* and agree to collaborate.
    c) The *area* has some *growth potential.* However, farmers, because of lack of funds, knowledge of techniques, infrastructure, and supporting facilities are not able to exploit the potential.
    d) The *region,* where the selected area is located, is *able to provide supporting services* to some extent and has a minimum of the related infrastructure.
    e) There is *no great variation* in the *size of landholdings* and the land tenure system will permit development.
    f) *Heavy investment* and *a long gestation period* will *not* be *necessary* to *achieve* the first round of *results*. It is true that to attain the ultimate objectives of the program, long term investment will be necessary especially in water resources development, communication, power, storage and marketing. But the program has to have a potentiality to *show some tangible results within a few years* from the beginning of the operations.
    g) *The area,* besides having the potentiality to realize the objectives of IRD, may also have one or several other social, economic or political considerations such as reconstruction of a *region damaged* by *earthquake, floods,* etc.

The size and boundary of an area to form an operation unit has to be carefully determined. The *size* of such an area has to be *sufficiently large* to permit *economic viability* and justification for investment in agro-based industries employing adequate level of technical personnel, etc., but *not too extensive* so that it becomes *difficult* and bulky to administer the program.[5]

Calamity-ridden parts of Asia regions damaged by earthquakes, floods, etc., are not hard to find but all the other factors which have been enumerated as factors to consider in selecting an area for IRD are more intractable. If they did all exist in a particular area, chances are that the place probably would have no need for IRD. In other words, it is precisely because these ideal conditions are not present that we turned to IRD. Can IRD help create such conditions?

It is also rather ironic that IRD should strongly and actively be promoted by the United Nations and its bilateral development agencies whose own development assistance efforts are somewhat less than coordinated, let alone integrated. As a matter of fact, some of our lack of integration and coordination in our development activities is a reflection of the slightly muddled international development assistance scene.

In an accompanying document, the following sobering thoughts on this rural development ideology have been outlined to provide a less than positive compelling view of the IRD concept.

1) Integrated rural development, almost by definition, is a difficult programme to implement. It is essentially conceived as having multiple objectives such as more production, more employment, and more equitable distribution of income, and finally, a better quality of life particularly for the rural poor. A typical IRD programme seeks to synthesize economic growth and social justice. Such synthesis is not easy to achieve. Unlike a single-objective project which is relatively simple to execute, an IRD project is invariably a complex affair.
2) Another factor which tends to adversely affect implementation of IRD is that it is not easy to operationalize various objectives, in terms of concrete programmes and schemes. Those in charge of IRD are seldom aware of the manner in which their performance will be evaluated. There is no single norm for measuring the success or otherwise of IRD.
3) There has to be a firm and explicit commitment at the highest political level. Absence of a firm political commitment is often a reflection of an unfavourable agrarian situation. Inequitable land and income distribution can lead to a derailment when the rural elite capture local institutions and the strength of the rural elite is reinforced.
4) The normal process of public administration is oriented toward sectoral and departmental operations rather than area-oriented operations. The result is that an IRD project does not easily fit into a normal administrative system. For people trained to function in a departmental hierarchy, working on an interdisciplinary basis, which is a prerequisite for IRD, does not come naturally to such persons. Furthermore, in a coun-

> try with a mono-party system, the party cadres may provide the major instrument for implementation of IRD. In other countries, usually characterized by multi-party system, the main brunt has to be borne by the bureaucracy.[6]

Experiences around the world are probably enough to demonstrate that the usual bureaucracy is not exactly the ideal institutional arrangement to implement something as complex and as demanding as IRD but in most countries, the bureaucracy is the only available instrument for implementation.

Samonte, in his contribution, looks at IRD as an effort to

> reexamine and redefine rural development and part of the continuing, critical revision of the concept of development itself. Due to a "disappointment or dissatisfaction with action programs based on past orthodoxies, IRD has progressively evolved with a new rationale and method".
>
> In Samonte's view, the elements of IRD are as follows:
>
> 1) focus on the rural poor, 2) holistic or total systems approach complemented by area integration, 3) increased motivation to develop and mobilize themselves to cooperate or work together for common goals, 4) increased capacity to develop a greater will to work, greater development orientation, capacity to organize and be self-reliant, 5) commitment to community and nation, 6) responsive to basic needs. The operational objectives of IRD are increased economic productivity, greater employment opportunities; more equitable distribution of wealth; effective delivery system for social services; increased political and administrative capacity and wider popular participation. IRD must be based on a multi-functional and multi-sectoral set of objectives that are in a continuous interaction and evolution.[7]

At this point, let us ask ourselves the question -- Do we really need all these to improve the lives of rural people? Furthermore, is this paradise of perfection in rural development implementable or is IRD like a happy marriage which is said to be made in heaven? Samonte himself acknowledges the intractability of the approach. As he says:

> *The attainment of these objectives is easier said than done.* The realities of development include the fact that *available human and material resources* especially in developing countries *are very limited.* Thus, the simultaneous pursuit of all the objectives at the usually high levels of intensity and magnitude as proposed by various sectoral, professional, and disciplinary groups, cannot be realistically and effectively made. *Priorities have to be set.* Actually, the alternatives cannot be cast in terms of black and white; they are not

> usually susceptible, exclusive, sequential patterns. What is needed is to *carefully assess the specific situation – the conditions, resources, needs and problems of a given place* at a particular stage of development. Only thus can one determine the particular *'shade of gray'* or the blending of inputs and interactions that will most effectively propel development.[8]

Something as perfect and as all-embracing as IRD can never really fail. One of its multiple components is bound to work. But total success can never be achieved either, simply because the real world is so complex that the probability of everything working out is rather slim. Furthermore, the burden of proof that IRD can do more than the single sectors combined and that synergism actually occur, remains to be established as a fact. At the moment, the promise of IRD is mostly an article of faith awaiting empirical realization in its glorious "integratedness."

To produce the particular "shade of gray" in IRD which would suit a particular set of conditions designed to propel development is indeed a challenging arena. Identifying and operationalizing the critical elements under specific circumstances in a definite place is tough enough. Putting them together in a particular combination and orchestrating their actions in the planned and expected direction of felt needs with people participation, etc., is certainly even much more demanding. Making them work so that orchestration would redound to the benefit of the rural poor is the crucial test of all. At the moment, this remains largely anticipated.

Both the FAO and the Samonte concepts of IRD say that IRD is different from past concepts of CD but neither indicates how it is different. Holdcroft, in his review of the community development experience, indicates that although the sponsors of IRD themselves would rather emphasize the differences, some CD veterans believe that there are sufficient similarities to uphold the revivalist view that *the new IRD is in fact a revival of the old CD.* On its shortcomings, Holdcroft recalls that CD was a product of the Cold War era and its principles were derived consciously or unconsciously from theories directly opposed to revolutionary doctrines. In that period, CD was designed to remove the threat of subversion. However, the strategy of bringing people together, inviting them into harmonious communities, and mobilizing them for common endeavors failed to achieve permanent political peace nor quick economic growth. Politically, CD was not effective either because basic conflicts and structural

problems such as distribution of land ownership, urban domination, etc., were too serious to be resolved simply by the persuasive efforts of CD workers. The expected general consensus, reconciliation and common participation for the sake of development occurred more as an exception rather than as a rule. Economically, Holdcroft likewise regards CD as a double weakness for it enlarged social services more rapidly than the generation of rural incomes and failed to significantly improve the condition of the rural poor. In other words, both aspects of rural poverty, low production and unjust distribution were not significantly changed by CD.

As a reaction to the so-called bias of CD and the green revolution toward the better-off, the new IRD programs are concentrating on the rural poor. They likewise acknowledge the presence of conflict of interest and of class struggle, a point of view which was purportedly avoided by CD. Despite this acknowledgement, finding ways of uplifting the underprivileged remains the challenge. In this regard, Holdcroft is not terribly optimistic that IRD will perform better. He points out that:

> Perhaps for identical reasons, the new IRD, like the old CD, does not relish the prospect of highlighting politically sensitive obstacles, and so diplomatically shrouds the suggestions for removing them. Similarly, even though CD's fondness for social services and neglect of production are now well known, the new development programs of the late 1970s such as *basic needs* may fall into the same trip. To strike a balance between demands for social services and conditions for increased production is, in any case, a very difficult task.[9]

On the other hand, the South Korean Community-Based Integrated Rural Development (CBIRD) project did not dwell on CD-IRD differences. Instead, it was an attempt to combine the strengths of traditional community development theory and methodology with the advantages of a large-scale systems-oriented, carefully planned and integrated development strategy. The project has been described as:

> a mini-regional (small area) development management model with an ultimate goal, over a five-year period of institutionalizing a process that will improve income, health, education and community institutions and services for low-income rural people. The unit of development or impact area comprises several villages, roughly corresponding to the lowest level of local bureaucratic administration . . .

The CD approach has traditionally been people-oriented, with an emphasis on changing values and relationships within a small face-to-face community in order to get things moving. CD practitioners insist that development efforts should be directed at the "felt needs" of a community, and that this can only be achieved by maximizing local participation in decision-making in the planning and direction of projects. Self-help through cooperative effort and the investment of local resources is stressed. And finally, there is usually an emphasis on egalitarianism and improving the quality of community life, particularly with regard to the situation of the poor and other deprived groups . . .

The rate and extent of local improvements that can be brought about by an innovative rural intervention such as CBIRD also depends heavily on the development potential of the particular rural areas to which it is applied. This potential is determined by a combination of factors such as topography and natural resources, social cohesiveness or divisiveness, physical access to markets, the nature and strength of local institutions and traditions of cooperation, and the availability of dynamic local leadership.

The big problem everyone faces at this juncture, however, *is how to translate this popular rhetoric into effective actions. This is proving to be much more difficult than the rhetoric itself suggests* and than many people had supposed.

It would be unrealistic to expect an intervention of this sort in a few pilot areas to bring about all by itself, a fundamental transformation of the existing socio-economic structure, traditional values and pattern of human relationships in these areas. If properly adapted to locally felt needs, preferences and mores, as well as to prevailing government policies and programs, such an intervention as the Community-Based Integrated Rural Development (CBIRD), experience demonstrates, can result in impressive improvements. But a fundamental transformation of existing village structures and behavior patterns can only be brought about by the broader and deeper nationwide economic, political, and social changes . . .[10]

Because IRD is invariably a complex affair, its entry or reentry into the development scene has contributed to the emergence or resurgence of new fields in the development profession . . . that of development administration, rural development managment, community organization, social soundness analysis, etc.

If in the productivity-oriented approach, the agricultural scientist, the irrigation engineer, the economist and other technial experts are the technocratic "heroes", in IRD, development administration experts and behavioral scientists have successfully ensconced themselves into what they regard as "valid and necessary" two-fold or

more accurately three-fold approaches:

a) *Development administration* which is the study, design and management of organizations responsible for constructing, funding and implementing development plans. It focuses on larger structures and formal procedures to facilitate development. The target audience is the policymaker.

b) *Organization development* which aims primarily at interpersonal obstacles to implementation. It emphasizes the *processes* of change in organizational relationships and focuses on small units in a more informal way. In many ways, the *process consultant* functions like the "psycho-analyst" in diagnosing problems of organization development.

c) To cover any and every eventuality, development administration experts have provided for a fool-proof professional protection called the *contingency approach*. This assumes that "it all depends" and the most important task is to discover "what it depends on". The idea that there can be a single best organization design or leadership style is rejected. There is no *universal/optimal mechanism* to achieve certain results. At the same time, the idea that all situations are totally unique is also rejected. There are discernible patterns of environmental contingencies that influence the relative effectiveness of different interventions. These statements are probably the safest and most incontrovertible generalizations in development. With such pronouncements, the development administration expert can never go wrong.) *The contingency approach covers all contingencies*!!!

The summary presentation of their approach, as stated below, further speaks of its "indispensability."

> a two-fold development administration/organization development contingency strategy is posited as a necessary combination for improving the organization and implementation of IRD projects. Moreover, that strategy should be carried out in a way that provides rural villagers with a voice in project decisions. Such an approach will not eliminate all obstacles to rural development, but without it, there is great doubt that IRD will lead either to integration or to true development.[11]

In the meantime, their contribution to the literature and to the "development business" has multiplied as can be seen from the following titles:

David K. Leonard, *Reaching the Peasant Farmer: Organizational Theory and Practice in Kenya*, Chicago: University of Chicago Press, 1977.

George Honadle and Rudi Klauss (eds.), *Implementation Analysis for Development Projects: Fresh Views of Development Administration*, New York, Praeger, 1979.

Development Alternatives, Inc. *"The New Directions" Mandate: Studies in Project Design, Approval and Implementation* (Two volumes) a report submitted to AID's Office of Rural and Administrative Development, January 23, 1978.

Arlyn S. Melcher, *Organization Structure and Process: A Systems Approach*, New Jersey: Prentice-Hall, Englewood Cliffs, 1976.

George Honadle, *"Implementing Integrated Area Development in the Bicol Area,"* A report to the USAID and the BRBCC, Development Alternatives, Inc., October 25, 1977.

Gary Brewer, *Politicians, Bureaucrats, and Consultants*, New York: Basic Books, 1975.

Elliott Morse, John Hatch, Donald Mickelwait and Charles Sweet, *Strategies for Small Farmer Development: An Empirical Study of Rural Development Projects*, Boulder: Westview Press, 1976.

Wendell L. French and Cecil H. Bell, Jr., *Organization Development: Behavioral Science Interventions for Organization Improvement*, New Jersey: Prentice Hall, Inc., Englewood Cliffs, 1973.

Newton Margulies and Anthony Raia, *Organization Development: Values, Processes, and Technology*, New York: McGraw-Hill, 1972.

Naomi Caiden and Aaron Wildasvsky, *Planning and Budgeting in Poor Countries*, New York: Wiley-Interscience, 1974.

Robert Chambers, *Managing Rural Development*, The Scandinavian Institute of African Studies, Uppsala, 1974.

B. *Philippine Versions of Integration in Rural Development*

Our country may not be the greatest in the world and we can be criticized for many things but lack of creativity is not one of them. In the field of rural development, we can honestly say "You name it, we've done it; we're doing it or we plan to do it".

In this section, we present the legacy of the CD era and brief descriptions of different versions of *integration* in Philippine rural development. This is not meant to be exhaustive but rather illustrative of the"experimentations" which characterize our own efforts.

1. *The Legacy of the CD Era*

Unlike the proponents of the "new" IRD approach, we are not preoccupied with the problem of differentiating IRD from CD and

unlike Ruttan, we are not prepared to write off the CD movement of the 1950s particularly its ideological and institutional components. Any attempt to distinguish IRD from CD is rather academic and of marginal utility. It is impossible to erase the influence of CD in present-day rural development for the following reasons:

1) In the Philippines, the community development program was the first significant, systematic, and national effort to reach and deliver social services to the barrio while at the same time trying to enlist the barrio folks' participation. It was the first time the barrio had been the main focus of national development. It was the first major attempt to mobilize the barrio, to link it with the rest of the nation as a development strategy rather than as a purely vote-getting gimmick.

2) The organization and development of the barrio council (which was the heart of the CD program) as an institutionalized channel for vertical and horizontal communication has doubtless contributed to the growing political awareness, if not political *savoir faire* of village leaders. This is not without repercussions in terms of rural people's increasing ability to articulate and make demands on the system to a point where they can no longer be ignored.

3) The CD program was the first major exposure of our national leadership, our professionals and politicians to the problems of the rural sector outside of the periodic election campaigns. It was the first national program, besides the public elementary school system which recruited college graduates, to serve the rural areas. It has helped define service to the barrios as a respectable job for professionals. It has started a tradition for students and academic to be "involved" in rural development both personally and professionally.

4) At the time (1950s), there was little or no productive agricultural technology around which rural development programs could be organized. It is perhaps this lack which has led to the development of national and international research centers designed precisely to produce such technology. At the moment, the frequent complaint is the weakness or absence of the organizational and institutional framework needed to support the introduction and continuing productivity of these technologies particularly in the interest of the rural poor. Hence, we seem to be back to the old problem which stimulated the CD program earlier.

5) The large crew of personnel who had been trained and fielded

under the CD program are at present manning and leading many national development programs such as cooperatives, agrarian reform, nutrition, population, manpower and youth training, fisheries, forest development, regional, provincial, municipal and village-level development planning. Without their experience and previous exposure to rural problems, these programs would have had to start from zero.

In general, the CD program helped establish the primacy of the village and the villager as both beneficiary and active participant in national development. Policies and action have not always been consistent with this recognized primacy but nevertheless every development program attempts to devise a strategy for reaching the village although admittedly implemented with uneven degrees of commitment and success. Even with the most cynical, it has become fashionable to be positively identified with the goals of rural development. The CD movement laid the foundation for village-based or at least, village-oriented programs' Doubtless, this has also contributed to the emergence and institutionalization of a sizeable *development profession* which is not an inconsequential beneficiary of development.

2. *The Human Settlements Approach*

The most comprehensive of all integrations is the Human Settlements approach which is countrywide in scope, both urban and rural; cuts across Ministries and brings together 11 basic needs such as: power; water; food; shelter; clothing and cottage industry; economic base; education, culture and technology; sports and recreation; medical services; mobility; and ecological balance. At the village or district level for the cities, there are auxiliary brigades which roughly respond to the basic needs. National, provincial, and local governments provide support for their progams. To impart the ideology of the New Society, its compassion, humanism, nationalism and culture, a University of Life has been established. Reflective of its integrative ideology which embraces the physical, social, intellectual, and spiritual are such slogans as:

- "Man is the center of national development."
- "Achievement is love made visible."
- "Let the mind feel and the heart think."
- "Isang Bansa, Isang Diwa" (One nation, one soul).

To implement something as comprehensive as Human Settle-

ments requires extraordinary powers of persuasion in resource allocation and manpower commitment from the different Ministries and levels of government. The integrative force resides in a woman.

Their most well-known project is called BLISS (New Society Improvement of Sites and Services) which involves the creation of model communities (212 have been developed in different regions of the country since 1979 and 235 new sites will be developed this year). The emphasis of the first phase of the program was on site development, construction of new shelter units, and the development of local industries within the sites. The new thrust for 1980-81 will be on propagation and radiation of the development concept through an accelerated livelihood strategy.

> The new program includes the simple propagation of homelot gardening for home consumption, the establishment of a chair in which pilot families bring client families into the program over time, the setting up of production centers where communal farming is engaged in and where excess domestic produce is processed for inter-municipal and inter-regional trading and the setting up of alternative ventures for the communities aside from crop farming, vegetable, fish or livestock production.[12]

The BLISS Project, in many ways, short circuits both the integration and the development process by creating model communities which take care of basic needs including vertical and horizontal integration of the processing and production process. The fact that 212 such model communities have been established over a period of less than a year testifies to the quick action of integration when vested in central authority.

3. *The River Basin (Integrated Area Development Approach)*[13]

a. *The Overall Program*

The Bicol River Basin Development Program is described as a "test case in the Philippine government's overall rural development strategy. The innovative, sub-regional integrated area development (IAD) approach includes decentralized planning and implementation of multi-sectoral projects in a defined geographical area of critical need and high growth potential. Equally important to the success of the Program has been the development of the organizational structure and institutional capability to achieve an increasing degree of regional and local level coordination of development activities."

The Program has absorbed quite a bit of resources and will absorb even more. As of December 1978, USAID loan obligations totalled US$17.6 million for the Bicol Program. The Philippine government commitments against loan projects are estimated at $39.7 million. With two loan projects and planned grant obligations through 1981, the total AID grant and loan contribution to the Bicol Program would be $29.6 million. The total Philippine contribution is estimated at $58.6 million in local currency. The combined total is estimated at $882 million in existing and proposed inputs, one third by AID and two-thirds by the Philippines. Roughly, this means 661 million pesos.

As a national strategy of rural mobilization and development, the Bicol River Basin Development Program (BRBDP) is an innovative effort to priorities and reduce development constraints in a phased, coordinated, decentralized manner:

- ☐ The *BRBDP institution.* This is itself designed to improve the effectiveness of government entities to plan and implement development programs and projects. Its integrated area development approach focuses on a delineated area of recognized socio-economic need with high growth potential to maximize benefits. It directs an integrated, cross-sectoral, inter-agency planning process to ensure coordination. It decentralizes project planning and management to maximize local government and popular participation.
- ☐ *Basic infrastructure.* Its development demands high priority to reduce costs of other activities and to best utilize natural resources: drainage and flood control; irrigation facilities, watershed protection, roads, bridges, port facilities, the railroad, geothermal power and rural electrician, intra-regional telecommunications.
- ☐ Land reform is designed to reduce income inequality.
- ☐ *Agricultural development.* Integrated area development (IAD) component projects focus on full development of water resources and provide supporting programs to increase productivity of small-scale farmers; upland watershed development expands the focus to include conservation of natural resources.
- ☐ *Integrated health, nutrition and population.* This project will train and help rural residents to improve environmental sani-

tation, reduce morbidity, malnutrition and population growth.

- ☐ *Promotion of private sector investment.* This is designed to expand productive and employment-generating capital assets and to stimulate technological improvements.

The Bicol Region includes the 4 provinces of Camarines Norte, Camarines Sur, Albay, Sorsogon and the two islands provinces of Catanduanes and Masbate. It has been said that in this Region, "the classical development problems are all present." The area is characterized by: a high rate of population growth side by side with a high rate of out-migration; the lowest per capita production and income; serious maldistribution of income; physical and economic isolation from Manila and other markets due to bad roads, dilapidated railroad, and inadequate port and shipping facilities; lack of employment opportunities; inequitable land distribution; high level of malnutrition, disease, and infant-child mortality; low revenue collection to support development efforts; capital scarcity and hostile physical environment (periodic typhoons, flooding, poor drainage, salinity intrusion); and the cumulative effects of all these factors adversely affecting production.

The two provinces of Camarines Sur and Albay constitute the core of the economically depressed Bicol Region and make up the Bicol River Basin and its extended influence area. At present, the Program area has been expanded to include Sorsogon, and the estimated total land area is 706,000 with 1.6 million population.

The BRBDP was created on May 17, 1973 on the basis of findings and recommendations of the BRBDP Comprehensive Framework Plan. *The goal of the Program is to improve socio-economic conditions and the quality of life of the poor majority, which constitute over 80 percent of the population.* Overtime, this will be measured in terms of *increased real incomes which are distributed more equitably,* as well as *increased opportunities for people to participate* in the development process. Increase in equity is to be achieved in part through land reform, improved productivity of the small-scale farmer, enlarged opportunities for farm and off-farm employment and better accessibility to social services especially in the rural areas. The results of almost three years of initial studies and planning activity indicate that the Bicol River Basin Area has *immediate development potential,* particularly for (1) irrigated riceland and upland

areas that can be double-cropped, (2) private sector investment especially agri-business and rural manufacturing, and (3) basic infrastructure highly complementary to the above. Analysis of increased health and social services suggest that in addition to improving the quality of life, work productivity can also be increased significantly.

In the recent past, there have been attempts to address the development problems in Bicol, both on a sectoral basis and through coordinated efforts prior to the BRBDP. Earlier coordinating organizations lacked adequate authorities, scope of coverage, and resources to do the job. Accelerated growth has not occurred and in real terms, the downward transitional trend has continued. Clearly, a new development strategy was required in the Bicol area incorporating intensive investment in productive capital stock and human skills, appropriate technological transfer and adaptability, an effective institutional planning framework and an action program.

The BRBDP represents an integrated area development (IAD) approach to attack the above problems and constraints simultaneously and in a coordinated, decentralized manner. It is based on the following precepts:

- ☐ that development efforts targeted on the rural sector should focus on delimited geographic areas of high growth potential and recognized socio-economic need where incremental investments in infrastructure, agriculture and social services will yield maximum social and economic benefits.
- ☐ that development planning within the defined geographic areas of high growth potential should be integrated, cross-sectoral and inter-agency in nature.
- ☐ that project planning and management should be decentralized to the greatest extent possible in order to maximize participation from all sectors, especially beneficiaries, in the development of the area.

The BRBDP development strategy is to build up the physical infrastructure, improve essential services, land tenure arrangements, increase agricultural productivity and encourage private investment in agribusiness and rural-based industries. The strategy also takes into account urban-rural linkages, spatial integration and urban functions supportive of rural development. In operational terms, the strategy has been to undertake a comprehensive appraisal of Bicol River Basin resources and how these resources can be fully developed. Stu-

dies and planning to date have addressed the area's physiography, weather, land, water, human and institutional resources. To date, water resources and transportation have been the most rigorously analyzed areas. Private sector investment, social services and other sectors are in the process of being analyzed. From this analysis, projects are identified and subjected to feasibility tests to determine their technical, economic, financial, and social viability. The next step is to package the viable projects for external donors and government financing and move into physical implementation at an accelerated pace. The systems approach is utilized to interlink multi-sectoral efforts toward the concentrated delivery of investments into well-defined "critical areas" with high growth and development potential. Each program component is seen in terms of its interrelationships with other program components.

An important element in the development strategy is the utilization of space as a venue for integration. Moreover, the entire program area has been subdivided into 10 development areas, each characterized by distinct hydrology and physiography, the boundaries of which were delineated by the extent of major physical infrastructure undertakings critical to their transformation. These Integrated Development Areas (IDA) serve as a basis for identifying local institutions for harnessing local participation in the development process. Such institutional integration into the overall program is viewed as a critical link in making development plans meaningful to the people who are the ultimate beneficiaries of the BRBDP.

In terms of institutional arrangements, Presidential Decree 926 dated April 26, 1976 established the BRBDP as a national program; designated the Secretary of the Department of Public Works, Transportation and Communication (now the Minister of Public Works) as Cabinet coordinator and strengthened the decentralized BRBD Program Office. The BRBDP mandate under the Decree is: (a) to integrate national and local government programs and projects within its jurisdiction; and (b) to decentralize the planning and implementation of rural development projects.

The BRBDP is being implemented through:

a) *The BRB Coordinating Committee (BRBCC).* This is the sub-regional policy body. It is composed of 16 Regional Directors of national line agencies, the Governors, of Camarines Sur, Albay and Sorsogon and the Program Office Director. The

BRBCC provides planning and management policies and serves as forum to resolve problems of inter-agency coordination. It has Sub-Committees for specific projects and activities. The operational strategy is implemented through the use of inter-agency *Study/Planning Groups* for project planning and development and inter-agency *Project Management Office* for the implementation of multidisciplinary projects.

b) *Private Advisory Committee (PAC).* This provides guidance and feedback from the private sector.

c) *Area Development Teams (ADT).* These are made up of various line agency personnel operating at the level of the Integrated Development Areas which are multi-municipality. They are involved in the planning and implementation of coordinated line agency programs.

d) *Area Development Councils.* These are made up of the local political, civic, church and other leaders, businessmen and the supervisory level of line agencies. They are headed by elected local mayors. They formulate policies, determine priorities and articulate the development needs within their communities and larger development areas. They also provide critical feedback to the ADTs, provincial government and to the BRBDP Office.

The BRBDP office which has a budget of its own has three major operating departments: Program Planning, Program Management, Administration and Finance. This office serves as a coordinating center for inter-agency planning and management of Bicol River Basin Projects. It identifies rural development projects; prepares feasibility studies; monitors and evaluates progress and effects of projects; maintains a feedback system with concerned national agencies; encourages private enterprises and government agencies to develop projects for the Basin; receives grants and donations for the Program; and calls on other government instrumentalities for assistance.

b. *An Integrated Development Area of the Bicol River Basin*

The Libmanan-Cabusao Integrated Area Development (LCIAD) Project of the Bicol River Basin Development Program[14] is the first attempt of the BRBDP to extend its development "percepts" to a specific sub-Basin area. These percepts required a focus on geo-

graphic areas of high-growth potential and recognized socio-economic need; integrated, cross-sectoral and inter-agency planning and implementation; and decentralized planning and management in order to maximize the participation of all sectors in the project, including local leaders and residents. In addition to the existing and potential conditions in the areas, LCIAD planners had special reasons for emphasizing the integrated approach of the Project.

The Libmanan-Cabusao area, the planners recalled, had been adversely affected before by unplanned and uncoordinated public and private investments whose wider impact had not been analyzed. Among these were the construction of flood control channels along the Bicol River and the increased use of irrigation pumps upstream. These activities put an existing irrigation pump in the Project area out of operation and increased saline intrusion into the rice fields. Another was the construction of a road through the area without the provision of adequate cross-channel facilities.

The components of the project are are as follows:

(a) *Physical Component*

Construction of irrigation and drainage system to serve about 4,000 hectares of ricelands; flood control protection dikes and 48 kilometers of service roads which are also to serve as farm-to-market roads. There will be four big pumps to draw irrigation water from the Libmanan River. When completed, the irrigation system would consist of a 12.6 km. long main canal and a network of lateral canals, main and supplementary farm ditches, with the appropriate terminal structures.

(b) *Institutional Development*

1) Land reform to shift share tenants to leasehold and lessees to amortizing owners.
2) The irrigation network to serve as a basis for organizing farmers for water management purposes. They would be organized into the following:
   a) *Rotation Unit (RU).* Farmers at and within supplementary ditch level of the irrigation system, cultivating contiguous irrigated areas of about 10 ha. and normally also comprising the compact farm group of the Samahang Nayon.
   b) *Rotation Area (RA).* Those farmers within the main

farm ditch level of the irrigation system.

c) *Irrigation District (ID).* A legal corporate body made of 15-18 RAs.

d) *Irrigators Service Cooperative (ISC).* The apex (federated) Irrigators Association.

The irrigation association will gradually take over water management, maintenance, fee collection, and amortization of investments in irrigation facilities within a 3–5 year period. During the first year, the National Irrigation Administration (NIA) would directly administer the facilities except those at the Rotation Area level, but turn over the main and lateral facilities during the second, and then let the cooperative handle the pump facilities as well during the third.

3) Organization of an Area Development Team and Area Development Council which would represent six national line agencies (Irrigation, Agrarian Reform, Agricultural Extension, Plant Industry, Local Government and Community Development and Animal Industry), the municipal mayors and the BRBDP office itself for project planning and implementation, popular participation, and coordination of government efforts in the Project area. This inter-agency mechanism was to be "permanent, area specific, decentralized management structure which by virtue of its authority, present membership and mode of operation would bring line agencies, local governments, and residents of the area, working through this management system."

4) Lead implementing agency concept with the National Irrigation Administration (NIA) in direct charge of the Project Management Office at the site because irrigation is the largest component of the Project.

(c) *Agricultural Development*

Applied agricultural research and demonstration to raise farm productivity.

This LCIAD project was started in mid-1975 to raise rice production and productivity and thus improve the level and distribution of income, employment and the quality of life among the small farmers and other residents of the area.

April 1978 estimates placed the project area population at 11,808 (1,968 farm households). The Libmanan-Cabusao towns used to be a rice-surplus area, the so-called rice bowl of Bicol but they experienced economic decline due to the intrusion of salt water into the ricefields. Much of the project area was rainfed and subject to flooding; a small section had been irrigated with small private pumps. There were also land tenure problems then, that despite land reform efforts, may still be a determinant of significant differentials in farm sizes, production and income. In addition, internal and external access was limited by the lack of feeder roads within the project area and of a direct link to the new national highway. A bridge providing such a link was built over the Libmanan River only in 1978. Household incomes were low; underemployment and unemployment rates high; yields were low 1.5 metric tons or 30 cav. per hectare and only one crop a year could be grown. Furthermore, people in the Project Area had a less optimistic outlook on the quality of their lives than the Bicol River Basin population as a whole, which otherwise shared bleak perceptions about food, health, jobs, incomes, prices, informal group and organizational participation, access to social services, position in life.

In its review and assessment of the status of the organizational, institutional, managerial and agricultural development components of the project, the 1979 Evaluation Team has addressed what it sees as two related but somewhat distinct categories or levels of activities:

> The first, to oversimplify, is comprised of activities directed primarily to the establishment of an effective, *institutionalized project management capability;* the second, the establishment of an equally *effective operational capability.* The institutional mechanism of the first is the BRBCC/BRBDPO/NIA/PMO/ADT/ADC/ADCC* Complex; of the second, the Irrigators Association with Rotational Units and Rotational Areas, and the Samahang Nayon subdivided into compact farms.
>
> As the Project progressed, certain changes or mutations of the model took place. NIA as the lead and executing agency withdrew management and implementation authority from their regional director in favor of the NIA Office of Special Projects (NIA/OSP) at the national level. According to Honadle, this makes the LCIAD a "national" project within a local area. The ADCC is a mechanism used by NIA/OSP to

coordinate the efforts of other agencies. It was established as an adjunct to the PMO as a means of strengthening the access of the Project Manager, as ADCC chairman to the resources of ADT/ADC for utilization in this particular project. Senior line-agency personnel, most serving also on ADT/ADC, comprise the membership of ADCC, with the Head of PMO's Institutional and Agricultural Division as acting chairman. In this alignment, ADCC is designated the Composite Management Group for the institutional/extension component of the project . . . The evaluation team shared the concerns expressed in prior evaluations, i.e., that NIA through its PMO/ADCC structure was working in parallel but uncoordinated (and by implication, duplicative and inefficient) fashion with (and in a sense, against the ADT/ADC) on the institutional development aspects of the project. The ADCC exists; so, too, does the ADT/ADC. Here was apparent evidence of what these evaluators saw as a struggle between BRBDP forces, wtih their structural model, and the forces of NIA, seeking to install its institutionalized model and thereby gain greater control of project administration.

An encouraging development is the obvious awareness that successful operation of the irrigation system depends not only on the engineering/construction components but also upon the completion of the institutional component and this is now given a much higher priority than formerly on NIA's agenda. A policy decision has been taken by NIA/OSP to fully test in LCIAD the feasibility of farmer ownership and management.

Presumably as a further step in this direction, the NIA contracted with the Economic Development Foundation (EDF) in September 1977 to take responsibility for (a) the organization of farmers, through a series of subordinate groups into an irrigators association and (b) the design and preparation of training modules for training of and use by inter-agency extension personnel. The staff of the Asian Institute of Management are participating in this effort to develop case study materials. All these plus the establishment of the Irrigator's Assistance Department represent a relatively new commitment by NIA to prepare to deal adequately with the institutional elements of its major projects with Libmanan given high priority.

On the organization of farmers groups, the 1979 Evaluation report points to the "somewhat confusing organizational alignments" and wonders what significance they have to the degree of attainment of project purpose. For example, the Samahang Nayon system is organized on a barrio boundary basis whereas the irrigators groups are determined solely by irrigated areas — multiples or portions of barrios. Given the fragmentation of farmers' holdings, and the numerous and changing

tenurial and operating arrangements, a farmer can belong to more than one Rotation Area, compact farm group or Samahang Nayon. But even of greater significance is the observation on the existence of quite large landholdings maintained by a number of farmers in the project area. Certain names appear repeatedly: here as Rotation Area (RA) Leader; there as RA Secretary-Treasurer; again as both and as the only member of one 32 ha. and another 42 ha. Rotation Area. A three-member RA has an average holding of 13 ha. with its RA Leader also listed as leader of a 13-member, 41 ha. RA. Two adjacent RAs with a combined total of 106 ha. and 12 members (average holding 8.8 ha.) are headed by the same Leader and Secretary-Treasurer, with the latter holding the same post in two other RAs; these with a total of 67 ha. and five members.

c. *General Observations, Issues and Partial Assessments of BRBDP*

(1) The BRBDP is the development consultant's paradise. It has all the classicial problems of development and, correspondingly, all the modern, technocratic ideal-type response to such problems. Relevant studies started as early as 1970. These studies include everything from Comprehensive Water Resources Development, salinity intrusion, Computerized System for Feasible Agribusiness Development Population Projections, International and National Trends in Rice, computer simulation models, mathematical model in flood control, intermodel transport study, coastal engineering, health and nutrition, schistosomiasis, biological impact of projects, watershed development, ecological inventory, management information systems, project feasibility tests, socio-economic profiles, social soundness analysis, a Social Survey Research Unit which served as the "voice of the people," and even studies on what Bicolanos are happy or unhappy about. Perhaps it is no exaggeration to say that the BRBDP is the most studied, feasibility-tested and evaluated rural development program in the country. Needless to say, this meant substantial inputs of high-level short term expertise in the technical, managerial and social science fields, both international and domestic. Every consultant and every evaluation report calls for even more expertise and makes a case for more data. After a while, the absorption and

utilization of such reports becomes a bottleneck for it takes an expert to read, let alone evaluate, the expert's report and the wisdom of his expertise.

(2) There is a Comprehensive Framework Plan and each program component is seen in terms of its interrelationship with other program components. The 1979 Bicol Biennial Evaluation Team pointed to *the success of the project packaging system which includes: Project identification; project development through feasibility analysis; project promotion for funding, and project execution, including construction and implementation.* As their Report cited: *"the present system of articulating a set of related activities in an area, packaging them into a single proposal and coordinating implementation activities had been successful, in that projects have been funded and are underway and others are proceeding to the stage where donors can be engaged."*[15] This seems to be the most positive aspect of the entire exercise and could not be underestimated.

(3) The BRBDP is a combination of central authority by way of a Cabinet GODFATHER (The Minister of Public Works is the Cabinet Coordinator for the Program); regional coordination through the Bicol River Basin Coordinating Council, local participation and foreign assistance. When program participants were asked what advantages accrue to the BRBDP as an integrated area development (IAD) approach, their answers centered on the following:

a) Greater visibility and more pressure in favor of the Program at the national level. In other words, the BRBDP is perceived as a "lobby" for the River Basin.
b) Innovativeness of the IAD. In mod language, it is the "in" thing in rural development nowadays and therefore, attracts more attention from funding sources, both foreign and local than the traditional sectoral projects. For some reason, the "new" whether new or renewed is more bankable than the "old" until the new also becomes old and newer approaches are conceived.

c) Regional and local participation in the planning and project identification process. Whether this can be regarded as enough of "people participation" is another matter. Lynch *et al* points out that the principal vehicle for people's participation is the Area Development Council (ADC) which is designed as an inter-municipality institution that will "maximize and facilitate popular participation in development planning and in evaluation of project implementation". On this, the following comments have been made:

> . . . we discover that *"popular"* refers directly to the incumbent heads of local political units and current leaders of local organizations; through them, the development projects will be made meaningful to the people who are the ultimate beneficiaries of the BRBDP . . . the planning to be done by this elite group (the ADC) turns out to be policy-making and evaluation. Planning is placed in the hands of technicians, both local, provincial and Basinwide. The situation is further confounded by the assumption that the (predictable upper class) membership of the ADC will know the general public's needs and interests because they are drawn from various "callings". This assumption is exactly the opposite of the principle . . . that "It is prudent (if impolite) to start project planning with the *reversible* assumption that the *people's representatives* are unrepresentative."[16]

(4) A very crucial organizational issue is whether the BRBDP Office should be institutionalized into permanence. There are at least four views regarding this matter, viz.

a) That the Program Office should be a temporary structure which should gradually phase out after comprehensive planning, project identification and feasibility studies have been accomplished, that monitoring and evaluation procedures have been instituted and inter-agency collaboration has become a way of life, so to speak among the agencies concerned. Project implementation and eventual operation should be left with the respective line agencies and intended users such as irrigation associations. Staff-members who have acquired skills and expertise in all these taks could be

absorbed as a unit in the Regional Development Council (which exists anyway) or could be distributed to the pertinent line agencies. The functions have to continue but not necessarily as the BRBDP Office because these may be carried out in some other manner. In other words, the integrative process needs to be institutionalized, but not necessarily the "integrating office". It has been said that "the best type of interdisciplinary thinking is one that takes place in the same skull". The same thing might be said of inter-agency, inter-sectoral and multi-sectoral collaboration. The ultimate objective of the BRBDP should be to develop an inter-sectoral mentality among the line agencies so that "integration" becomes part of everyday behavior. If this succeeds, the IAD lead agency concept in project implementation would not differ very much from the project implementation of a line agency which practices inter-agency thinking.

b) That the BRBDP Office should be a permanent structure at the moment, it has its own solid concrete building). In fact, it should be expanded to incorporate into its ranks some of the current personnel who are on contractual hire for special projects. Since this restructuring is being initiated from the Office of the Cabinet Coordinator at the national level, it could be perceived as a *recentralization* rather than a *decentralization* process and this initiative could be interpreted as a takeover from the top rather than as coordinative or integrative at the regional or Basin level. The description mentioned earlier about being *"a national project at the local level"* might be a more accurate picture. One likely outcome of an expanded permanent structure is that BRBDP would be treated as another line agency, a *competing* not an integrating one, with vested interests and a rationale for continued existence for its own sake. Given a permanent structure, the temptation to move into actual project implementation (which is the function of line agen-

cies) "to get into the action" would be very great indeed. The pressure for this will increase particularly when projects become problematic and BRBDP is "placed on the hot seat". It is far easier to integrate comprehensive planning, feasibility testing, etc., but integration in project implementation and post operations where commitments of material and human resource inputs are required to get a job done and services and provided is something else. The demands from each agency, whether supplementary, complementary, collaborative or simultaneous are quite substantial. As a number of officials have remarked: "The staff of the line agencies are terribly stretched right now because of project demands elsewhere in the country." In the face of criticism for delayed or poor quality performance, the BRBDP could conceivably find it expedient to become directly involved in major project implementation using their own staff who will be directly under the control of the Program Office. If this happens, then it becomes another agency whose activities need to be integrated with those of other agencies. The problem arena for integration therefore expands because the "integrator" has to be "integrated".

c) That contractual services be hired for the specific functions being performed by the Program Office. In this case, no one is permanently hired but perhaps its greatest disadvantages lies in the fact that no one is continuously held responsible after the contract period expires and the specific task has been completed. Furthermore, someone needs to define the task or the job to be done and to evaluate its worth. This takes some expertise. Depending upon who the contractor is, learning about the project and its complexities could be an onerous burden each time. There is too much of the "flying in the flying out" type of technical assistance.

That technical and planning capabilities in the regional colleges, universities, and development agen-

cies be built. Because of their educational function, investment in academia offers the possibility of "reproducing", multiplying or spreading the capability. On the other hand, the staff of line agencies are engaged in training and service delivery functions and they could be brought into this scheme both as trainors and trainees. Their advantage is being on-site and could be residents or natives of the region. The BRBDP has just started to tap this potential for a more enduring resource within the region.

(5) The 1979 Evaluation of the Bicol Secondary and Feeder Roads Project has the following observations with respect to employment generation and benefits from the road system:

a) The Project was highly optimistic in their estimates of the local employment impact of the project. It obviously saw this as a labor-intensive project. However, all but 2 of the 25 contractors are Manila-based, most with ample heavy construction equipment. When interviewed by the Evaluation Team, they acknowledged that they did not consider these projects to be labor-intensive. And, though considered by the Government, labor intensive methods for this Project were rejected as impractical for reasons of cost, time and management.

It would be fair to say that the 1,550 employees noted for the month of June will be the "peak". Factoring in the rainy season, 1,000 employees per month average is a conservative statement of average employment through 1980. Employment was considerably less for 1978 and will be less for 1981. Thus, the 4-year average would run closer to 700 employees than the 2,500 projected – the Project Paper. This relates to a total of 2,800 vs. 7,500 (3 years) as estimated in the Project Paper. Again it would be fair to assume that the total average local hire will be close to 2/3 of the total. Thus the total man years of local employment would be 1867 or about 21% of the 9,000 man years estimated in the Project Paper.

b) Though the project is still far from complete, there are indications that the rural poor in the zones of influence of the roads will receive significant benefits from the project. In the small barrio of Baliwag Viejo at the end of the partly completed and already useable Pili-Mataoroc secondary road, the 3-hour

walk (no road connection existed before) has been reduced to 15-minute tricycle or jeepney ride at a cost of ₱1.50 per passenger. A very substantial traffic of about 50 tricycles and 50 jeepneys per day has been generated on this road. Transport costs for shipping a sack of rice to the market place have dropped from ₱3.00 per sack (by animal and boat) to ₱1.50 per sack by vehicle. Also, on the almost completed San Isidro-Libmanan secondary road, the generated traffic in jeepneys and mini-buses has exceeded the original estimates and suggests a substantial increase in mobility of the low-income category of the population. Confirmation of these favorable trends will, however, have to wait for completion of the post-project Panel and Traffic surveys.

c) Assuring adequate maintenance of the project roads, however, will be a most difficult goal to achieve. In general, none of the existing roads in the project area shows signs of preventive maintenance and very little of periodic maintenance. Current attitudes and practices are to rehabilitate road sections only after they have deteriorated to an almost impassable condition. Maintenance operations are small-scale and widely scattered and are inherently difficult to manage.

d) A more positive assessment of the employment aspect was observed in the irrigation system construct. . ı. The 1979 Evaluation of the Libmanan-Cabusao IAD project reports the following:

> The farm ditches and drains an some of the smaller laterals are being satisfactorily constructed by labor-intensive "pakyao" contracts for specific amount for work in specified time. . . One problem in the past was that of laborers quitting their jobs, probably stemmed from the practice of contracting for 'pakyao' labor with a labor contractor. In an unknown number of cases, the contractor reportedly kept a disproportionately large share of the contract payment for himself. . . It is understood that attempts are now being made to contract for labor with the local farmers cooperatives, and emerging irrigators association groups.

(6) In reading the volumes of documents of BRBDP, certain problems are repeatedly mentioned such as: difficulties of coordination and getting cooperation and commitment from other agencies; organizational redundancy; "projects may have been unnecessarily sophisticated"; "one

should not overload projects with excess institutional baggage". An Evaluation Report recommends that:

> new component projects should be designed and existing plans reviewed in accordance with the principle of providing projects with the least disturbance to the physical-social-economic environment in place. In construction, this means investigating projects with lower capital-intensity. In institutional design, this means building on the strength of existing organizations . . . rather than replacing them with fashionable, but unproven systems imported from Manila or other countries.

This recommendation underscores the relationship between the sophistication of the irrigation engineering design and the complexity of the institutional design needed to operate and manage the system. However, one cannot assume that existing organizations are effective or that people have the traditional experience from which they would know how to deal with the new infrastructures. For farmers who have never had irrigation, they have no institutional experience to call upon.

(7) The BRBDP was created as an institutional mechanism to facilitate improvement of socio-economic conditions in the Bicol Region. *It is not* and *should not be an end in itself!* Therefore, even with an excellent report on the organizational structure and its concepts, the question which remains is: To what extent have the target beneficiaries actually benefited? As the 1977 Evaluation Report emphasized, the benefits are yet to come in the future. The high growth potential is still a promise which remains to be fulfilled. Thus far, the activities of BRBDP have been largely technocratic and immediate benefits have come by way of technical experts, professionals and academics. There is nothing inherently wrong in this state of affairs *provided that the outputs eventually translate into projects which in turn affect the lives of River Basin Bicolanos, even if much later.* Right now, benefits to target beneficiaries are largely being awaited, except for some roads which are already in place as mentioned earlier.

The most immediate, visible and tangible outputs are

consultants' reports, feasibility studies, "people" surveys, maps, computer print-outs, social soundness analysis of strategies contemplated and projects planned, anticipations of project impact and spin-offs therefrom. In addition, the Bicol River Basin Program has been very much in the public eye. It does not suffer from obscurity. All of these have doubtless created expectations and anticipations among the Bicolanos. The time lag between the studies, the feasibilities and the actual launching of projects on the ground could be frustrating to the intended beneficiary to a point where the reaction to questions asked even in earnest is: "Is this another study?" This is not to say that all the preparatory work is without value but that projects purportedly designed for the benefit of people especially in depressed areas ought to yield some immediate benefits, even if small, to intended beneficiaries while the big and difficult projects are being carefully studied in terms of their feasibility as well as consequence. Nutrition and health projects can well qualify for more immediate impact. This is important not just for program credibility but as a matter of development philosophy. One hopes that projects will not run out of "steam" or of resources before any of the beneficiaries have actually benefited. Integrative activities are meant to facilitate, not *"capture"* the benefits meant for the rural poor.

(8) The gestation period or rather the prolonged waiting time for the realization of the promised land has given rise to such cynical expressions as: "The Bicol NEVER Basin" or the constant recall of an old Filipino saying: "Of what use is the grass if the horse is already dead?"

As one development management expert said:

> Improving the quality of life of rural Bicolanos is not an easy goal to assume, yet it has been taken on by the BRBDP. The difficulty lies in the gap between planning and performing, between aiming and achieving — this is the gap which has plagued human societies for centuries. One of the factors which causes this gap is the need to work together and organize human effort. Only when this is done can complex pro-

> blems be solved, but, even then, *solutions themselves* cause problems . . .[17]

Although this is an organizational expert's bias, it is particularly apropos to be reminded at this point that IRD came as a reaction or a "solution" to the weaknesses of so-called narrow specialized programs. The IRD *solution,* however, carried its own package of problems which also require its own "integrated" solutions. Ironing out these complexities takes time and a great deal of expertise and has been referred to by some Bicolanos as "propensity of bureaucrats to plan forever and never to act".[18]

An interesting question which has been raised in view of people's expectations is: "When do you let them know that some sort of project is in the works which would affect them and their area? In the planning, before financing has been secured or when the project is already a sure thing? Or later, when funding is solid, but planning is finished." As one observer remarked: "This has become an issue at the BASIN which wants to give the impression that it is doing something and therefore tends to overstate its accomplishments. At the same time, field personnel must deal with increasingly frustrated and disappointed farmers". At any rate, people seem to be either pathologically patient or unbelieving. The earlier question raised about when the Program should let people know, finds a ready answer from advocates of people-centered assistance programs:

> In the words of the AID Handbook 3, Part I Appendix 5A (1975), social soundness demands that participation of the poor in the development process should mean not only sharing the economic benefits and contribution of resources but also involvement in the process of problem identification and solution, sub-project selection and design implementation and evaluation.[19]
>
> The remaining $64 question, however, is: How do we bring about that kind of participation?

One concrete evidence of the Bicolano's patience and faith in the long delayed project which was supposed to

be completed in 1978 but was not in the following inscription on a monument in front of the Libmanan Municipal Hall which has enshrined a piece of irrigation pipe:

> I believe that soon from seemingly insignificant structures like this shall flow the water that will quench the thirst of our parched lands and make Libmanan once more the rice granary of the Bicol region.
>
> Jose M. Balaong, M.D.
> Municipal Mayor
> November 29, 1978

By August, 1980, the irrigation system was inaugurated by the Minister of Public Works and the Administration. Two days after the inauguration, part of the concrete lining of the main canal collapsed rendering the system non-functional until repairs have been made. After five years of waiting, people will have to wait even more before they benefit from an integrated project which has been studied, planned, funded, managed, decentralized, trained for, evaluated, talked about, written about and from the point of view of intended recipients – something which they will continue to only dream about.

In fairness to the Project implementors, we cite one evaluator's prognosis:

> The scale and nature of system facilities at Libmanan are sufficiently complex to challenge the managerial expertise even of an experienced operation and maintenance brigade... Whatever approach is adopted for carrying out O and M of the irrigation project, it can be predicted that the system as a whole has a delicate balance point between irrigation effects and drainage effects further compounded by potential flooding effects.[20]

(9) The most cavalier assessment of the BRBDP comes from an early architect of the Program who says that

> The concept of integrated area development has been talked and written about, and was put to trial in Bicol. The BRBDP is operational; it is getting attention all around; and it is drawing in resources for rural development.[21]

> No one can argue about this. There are volumes of reports; lots of press releases; activities literally on the ground and ample funds from foreign as well as domestic sources.

(10) As far as marginal farmers, kaingeros s and the rural poor are concerned, the most significant although not the most sophisticatedly designed, not the most heralded and certainly not the most dramatically visible projects are those which focus on agro-forestation, watershed protection, and upland development. Activities along these lines do not have a neat pre-designed blueprint but follow a general strategy of tailoring the specifics of each upland situation under consideration. Perhaps this is one of the most positive harvests from the integrated area development approach. For example, it was pointed out that:

> Land tenure problems would have to be addressed directly by the Philippine government in a manner that would forestall displacement of tenants as a result of project activities in the Bicol. The rationale behind this position was that if tenants are displaced, there would be a tendency for these displaced persons to move higher up the mountain side to slash and burn whatever remaining forests still exist. Watershed improvements on the lower slopes would be cancelled out by new destruction on the higher slopes.

Among the activities in Buhi and similar areas are the following:

a) Organizing a promotional committee, a local group composed of the Municipal Development Officer, the Parish Priest, the St. Bridget School representative, 2 Barangay Captains, one barangay school head teacher, and the Deputy Project Manager. The committee will address the issue of land tenure and other policy issues that may come up from time to time. Members were brought to the project site and briefed on objectives, the problems being encountered in implementation. Farmer leaders and farmer cooperators were among the resource persons. On the question of whether they would be advisory or implementing in their function, there was a con-

sensus that "the committee would most likely have to write its own terms of reference. It was further recognized that the formation and the activities of the committee represent a new and untried initiative and that it would be up to the committee tp decide how they could plan and contribute their inputs in order that project implementation would be promoted. The committee agreed that their first task will be to advise the community at large on what the project is all about, and secure community cooperation and involvement".

b) Demonstrating vegetative terracing, the planting of vegetative barriers on horizontal contours across mountain slopes in order to reduce erosion and help convert otherwise unproductive mountain sides into useful and productive land. The are selected for this purpose is a denuded hillside overgrown with cogon and talahib and having slopes ranging between 30 and 100 percent.

c) Assessing what types of vegetative controls could help reduce the risk of erosion on the high banks of the main Libmanan canal that carries water to the irrigated area; surveying indigenous plants in the area that could be introduced on the canal banks to help hold the soil in place.

d) Observing Augustinian sisters, upland resettlement scheme for the Agta tribal minorities and their orphanage for Agta children where raising cattle, goats, pigs, rabbits, chickens, geese, and ducks is done on a cut-and-carry method of feeding. The plan is to bring Buhi project staff and some farmer cooperators to the orphanage to observe the animal husbandry methods the Sisters are using.

e) Developing fallow kaingins in the catchment area by talahib and cogon control; preservation of fuel tree species; interplanting of ipil-ipil among existing trees; seedling nursery work;

food production in areas of vegetable terraces; reforestation for the dendrothermal plantation; preventing further siltation of river so there will be enough water for mini-hydros.

f) Planting of lumber species.

g) Encouraging the organized buying of ipil-ipil leaves.

h) Studying the possibility of building access road into proposed dendro-thermal plant by labor-intensive methods to employ a lot of people.

i) Developing mini-hydro power as a measure to create local funding source of finance upland development, an idea which was accepted by the Bicol River Basin Program. The Bureau of Forest Development's (BFD) forestry extension capabilities will be tapped to rehabilitate and preserve the watershed. Day-to-day project implementation decisions will be entrusted to a project management group hired by BFD from within the community.

j) Providing watershed occupants with training seminars which include such subjects as cooperation, organization to address community problems, upland agricultural technology and lectures designed to help each participant recognize his potentials, increase self-respect, and stimulate concern for his neighbors and the community. Participants organized themselves into Uplanders' Associations.

k) Developing a seed farm to produce local supplies of leguminous covercrop seeds so that thre will be a local seed source. Legumes are important for restoring fertility on degraded watershed lands and helping eliminate cogon. Covercrop seed production may be a profitable enterprise for watershed farmers, giving them income while simultaneously restoring fertility to degraded lands. Local farmers can also be paid to harvest covercrop seeds and keep the money in the community

rather than buy from an outside source. A project cooperator will lend free of charge a cogonal area for seed production.

l) Encouraging farmers to grow permanent crops. Seedling dispersal has taken place among farmers.

m) Concern for the larger population and environmental issues as these relate to activities of upland communities. The viability and sustainability of lowland agriculture, irrigation system, hydroelectric power dams and many other infrastructure investments are being threatened by rapid denudation caused by kaingin farming. All these conclusions are relevant in the context of ongoing activities in the Bicol River Basin.[22]

Several pages had been devoted to the upland development component of the BRBDP because it illustrates the meaning of *integration* in a problem-oriented functional, situational, operational manner rather than in a development management perspective. Among its many attractive elements are:

a) Thinking small and acting immediately if such were possible after years of environmental abuse;

b) Developing local capability to manage their own projects and organizing themselves;

c) Responding to marginal and problematic upland situations in an opportunistic manner with respect to bringing to bear on specific problems the experiences gained elsewhere regarding the treatment of comparable conditions of denudation, watershed erosion, etc., accompanied by the need for food production, livelihood, as well as fuel and energy.

d) Experimental in outlook because many of the lessons on how to do it are yet to be learned.

e) Using indigenous technology and local manpower whenever possible to generate local employment.

f) By the very nature of the problems dealt with, upland development activities are rehabilitative

rather than ground- breaking like irrigation, road-building etc.; preventive of further destruction and hopefully productive. Some activities are of immediate benefit to target groups; others of medium-term, and still some are of long range significance like the planting of timber species.

g) There are no complex, elaborate studies before anything gets done, hence, many little bits get on the ground, by the locals.

h) Finally, upland development activities do not suffer from overdesign and overplanning. They start from field on-site diagnosis rather than from a pre-determined blueprint. There are no big promises; only small experimental steps to test what would work in particular circumstances, both in terms of the physical environment and the human resource capability.

(11) In an integrated area development approach, the social component acquires (at least in the rhetoric) a prominence which is often lamented as absent or lacking in single sector projects. At the moment, however, all development projects, whether IAD or not, have a "required" social soundness analysis of some kind. Sometimes the pendulum swings too much to this side and a balancing act has to be provided with rigorous *technical* and *environmental soundness* analysis particularly for the major infrastructure projects. Social soundness must not assume technical soundness. What is needed is an iterative process between physical planning experts and social soundess analysts through the project development process. Considering the original concept of a physical river basin and all the ramifications in terms of irrigation, flood control, watershed management, salinity, soil erosion and production possibilities, if the technical assumptions are faulty and technical expectations fail to materialize, the most elaborate institutional arrangements can neither substitute nor make-up for the defects, and social benefits would not be forthcoming. As a matter of fact, the net effect could be regressive and destructive.

An illustration of the physical balancing act (literally speaking) in Libmanan-Cabusao is the June 1979 report on the cut and cover portion of the construction:

> Due to the start of the rainy season during the middle of this reporting period, schedule of work was shut down ranging from half day to two days and *construction activities along the cut and cover has taken the appearance of a race.* It's a *race between excavation precast laying and the side hills sliding down on the excavated area or on newly laid/or joined precast.*[23]

Sometimes IAD focuses too much on intersectoral and inter-agency collaboration and perhaps intrasectoral integration is taken for granted.

The 1981 Impact Evaluation of the Bicol River Basin Development Program makes a very candid observation regarding *integration:*

> *Coordination, rather than integration, is very marked in terms of the process of Bicol Program implementation.* Coordination is achieved especially at the regional and district level through the Bicol River Basin Coordinating Council and the Area Development Teams. Integration, to be sure, is a relative and elusive concept. For example, in the Bula area, where the largest number of sectoral concerns have been "integrated", the project faces the greatest difficulties. Instructions were issued recently to the Bula Project Office to focus primary attention on completion of the main irrigation infrastructure, postponing "integration" to the future.
>
> . . . This suggests that *integration is probably more useful as a planning device than as an implementing procedure.* In planning, one can phase various interventions in accordance with timeliness and administrative capacity to implement. We suspect that *"integrated implementation" is a larger bite than most systems can chew.* Its difficulties are illustrated by BRBDP's practice of paying special "incentive allowances" to all who are detailed to cooperate with other line agencies on an integrated basis. . . a rather discouraging phenomenon. . . .

Another very important feature of BRBDP as an integrated area development model is the BRBDP Office which in 1981 has a budget of ₱9 *million* with a *421-*

member staff (165 in the program staff and 256 in the project staff). This constitutes "a high overhead cost even for an integrated area development program, the size of the Bicol River Basin undertaking."[24] Perhaps this is BRBDP's most successful employment-generation project.

4. *Sub-Provincial Area Integrated Rural and Agricultural Development (AIRAD)*

After the Bicol River Basin Development Program got underway, the University of the Philippines at Los Baños initiated in 1977 a sub-provincial area integrated rural and agricultural development pilot project in cooperation with Quezon Province. The Tayabas Bay Coast which includes the municipalities of Pagbilao, Padre Burgos, Agdangan and Unisan with a population of 66,757 and a land area of 40,000 hectares was chosen for this exercise. Unlike the BRBDP, this project covers a much smaller area and appears to be much less complex. Its basic feature is the *Framework Plan* which offers:

> an approach to a comprehensive analysis of the area situation. It views the area as a unit of human settlement and examines it in terms of its spatial and resource characteristics, its production system and productivity, its physical infrastructure and transport system, its ecosystem, its social and economic resource management and its education and training status and requirements. The major directions – are spelled out in terms of objectives, targets and strategies. These objectives and strategies are translated into general programs and projects which are grouped on the basis of their manifested relationship and complementarity . . . it also provides a section that specified the estimated requirements of the total AIRAD program as well as the requirements of each component. It also identifies the possible sources of resources or inputs to carry out the program. Categories of input sources are the local, the provincial and national line agency and the UPLB directed AIRAD program staff.

The document further describes the rationale and general approach as follows:

> The integrated approach to rural and agricultural development is based on the observation that the problems of development in a given area are interrelated and not isolated from each other. Being interrelated, solving these problems separately or in isolation from each other leads to segmented and unrelated efforts and minimal improvement. The other extreme is to tackle those problems comprehensively which is extremely expensive, wasteful, and undesirable.

The integrated approach views development holistically but recognizes the fact that in the interrelatedness of those problems in a given area, some are more basic and strategic than others. Therefore, the integrated rural and agricultural development approach not only brings together related inputs or solutions to rural and agricultural development problems but also applies them in the right proportion and in time sequence. This cannot be done without an instrument that would show the relationships of the problems to be solved and the strategic sequence in which these problems could be solved. The *Framework Plan* is that instrument.

It provides an analysis of the potentials and problems in the area, spells out the direction in which the problems would be solved and potentials developed, and it lines up the program of solving these problems and developing potentials. Furthermore, it provides a guide on how these problems and projects could be implemented/worked out, through inter-agency and people's participation in their right relationships and timing. The Framework Plan is the overall guide of action by the different agencies and people who will be involved in the overall development effort in the area. . .

This Framework Plan for the First Quezon Area Integrated Rural and Agricultural Development was formulated with the following views in mind:

It must be implementable; technically sound and economically feasible; must meet the needs of the people in the area; must be acceptable to and command support from implementing agencies; must be consistent with national, regional, and provincial policies.

To achieve these values, a combination of technocratic and democratic approaches was used. This combination is referred to as the Technocratic-Democratic Mix (T-D Mix). The T-D Mix approach involves a technical planning group that provides the technical substance of the plan, the participation of the people in the area, the implementing sectors, and the decision-makers. To make the participation of these different interest groups meaningful and effective, they were not involved throughout the planning work but during appropriate phases of the planning process. The major steps in the planning process are:

1) *Preparation for the Planning Workshop* (data gathering and development of area profile).
2) *Planning Exercise Workshop* to produce the Framework Plan.
3) *Cross-sectoral Planning Review* by all appropriate government and private sectors.
4) *Horizontal and vertical consultation* to complete the democratization element in the planning process and to achieve an overall technical consistency of the entire Framework Plan. This will be participated in by representative leaders from the area, officials from the regional and central office of NEDA (National Economic

and Development Authority) and selected national agencies and the line agencies and private sectors in the province.

5) *Legitimation Process* – Submit the Area Framework Plan to appropriate bodies for acceptance and support.

The integrating thrust of the program is the *improved capability* and *well-being of people* in the area via *training and education, increased production an productivity, increased income,* and *effective delivery of social services.* An *integration map* provides a common reference point of all concerned (Figure 6.1). This "map" indicates the Factors of Integration which include one (1) points of integration, (2) the integration instruments, (3) the identified integrators. The Levels of Integration indicate where integration is to take place, what integration instruments may be used and who would be the integrators.[25]

Some observations on AIRAD include:

1. In many ways, this sub-provincial project is a form of *domestic technical assistance* with UPLB assuming the *lead* agency role as explicitly stated in the *integration.map.* The Chancellor of UPLB is a co-integrator at the highest level with the Governor of Quezon.
2. The Framework Plan makes no great claims to community and *people participation* and relies heavily on the *technical planning group* in a so-called *Technocratic-Democratic Mix.* Participation of interest groups is provided during *appropriate* phases of the planning process. Perhaps this is a more honest and a more realistic view than what much of the rhetoric on participation calls for.
3. AIRAD has a training and education priority in its approach as indicated in the integrating thrust of the program. "People's Capability and Well-Being Development is *directly influenced by* (1) *Training and Education,* (2) *Increased Production and Productivity,* (3) *Increased Income,* and (4) *Effective Delivery of Social Services.* All these four are interrelated. *Training infuences increasing production/productivity.* Increasing production is one way of increasing income and increased income contributes to more efficient social services and vice versa" (underscoring supplied).

This observation is not a criticism but an acknowledgment that perceptions of solutions to development problems are very much influenced by the repertoire of skills, resources and experiences

FIGURE 6.1. "INTEGRATION MAP" IN IRAD

INTEGRATION FACTORS	LEVELS OF INTEGRATION				
Points of Integration	Idea: Convergence of efforts on an area Human Settlement to improve human capacity and well-being	The Area: Tayabas Bay Area, Quezon	Program/Projects covering the area	Municipality: Program/Projects	Barangay
Instruments of Integration	Memorandum of Agreement among Agencies	Area Integrated Rural and Agricultural Development Framework Plan	Framework Plan and Program and Project Plans	Framework Plan, Area Program and Project Plans plus Municipality Integrated Development Plan	Framework Plan, Area Program, Project Plans, Municipal Integrated Development Plan and Barangay Development Plan
Integrator(s)	Governor of Quezon and Chancellor of UPLB	Area Development Administrator and IRAD Program Leader/Area Operations Coordinator Technical Working Committee	Lead line agency, IRAD Supervisor, Field Operations Officer with Experts Advice	Mayor Sangguniang Bayan, Municipal Development Council, Field Operations Officer	Barangay Captain BDL Barangay based associations; Samahang Nayon

Source: UPLB-Quezon Integrated Rural and Agricultural Development Program, First Quezon AIRD Framework Plan, Interagency Planning Workshop Output, September 5-30, 1977, UPLB and Lucban, Quezon.

which the technical assistance agency possesses. Training and education is also a *virtuous priority approach* because it can be scaled up or down depending upon available resources and client response. But more than that, training is more readily implementable than other projects although its impact may not be as easily captured. Training enables any Program to get underway immediately and gives participants a sense that something is happening or is going to happen. However, these "virtues" can become "drawbacks" when training is overdone or is used as a "substitute" for something else which is difficult or expensive to do such an infrastructure, credit, agency reorganization, price policy, etc.

4. Although the Quezon AIRAD does not have a Program Office like what the BRBDP has, UPLB plays a parallel role in providing the technical planning expertise, essentially as an "outsider" but exercising considerable influence in program directions and in high-level decision-making.

5. The program has no specific rural poverty-oriented mandate and although "meeting the needs of people in the area" is one of the values in mind in the formulation of the Framework Plan, the technocratic approach to situational analysis is relied upon and not the "felt needs" approach. Again, there is no criticism implied. This is simply a recognition of the dominant program features which arise from the Framework Plan as the integrating instrument.

5. *Unified Training and Area Isolate Development (AID)*[26]

It has been said that the problems which have beset the effective implementation of rural development programs have been related principally with:

> . . . . the difficulties of achieving complementarity and harmony in the operational activities of the various agencies involved in the conduct of action programs in the rural areas. As a result, agency efforts and resources have been less efficiently utilized while the development goals have also been less effectively achieved. Effectiveness in achieving national development goals in the rural sector is the concern of the rural development agencies and institutions. It requires a closer collaboration at the agency or institutional level and a more deliberate complementation of programs and projects at the field level. The need to develop more effective multi-agency

collaboration, stronger community involvement, and more functional program complementation at the field level led to the formal establishment of the Philippine Training Centers for Rural Development (PTC-RD) on May 30, 1977.

The PTC-RD has 5 major features, namely:

(1) *Multi-agency collaboration* including *5 Ministries* (Agriculture, Agrarian Reform, Education and Culture, Local Government and Community Development, and Natural Resources), *5 Academic Institutions* (University of the Philippines at Los Baños, Isabela State University at Cabagan, Mountain State Agricultural College in Mountain Province, Visayas State College of Agriculture in Leyte, and the University of Southern Mindanao in Cotabato) and the Provincial Government of Bulacan.

(2) *A Federation of Training Centers for Rural Development* including one National, 5 regional, and 5 Farmers Training Centers.

(3) *Multi-level training clientele* including field-level supervisors, subject-matter specialists, training management specialists, field technicians, and farmer-leader demonstrators.

(4) *Complementary Center projects* such as training curriculum development, training course operations, publication development and production, training aids development, training related research operations, and institutional capability development.

(5) The *goal* is accelerated and *sustained* rural development at the individual, institution and area levels using three *rural development strategies:*

a) Critical *manpower development* which involves a continuous process of preparing people to fit the patterns of existing and/or forthcoming jobs. . . Indeed, the cultivation of desirable work orientation, relevant production and social technology expertise, and mutually reinforcing working relationships among rural development workers have become the principal concerns in the training of rural development workers. A training program has to be evolved and conducted along the following basic operational policies: clientele-centered, locality-specific and program-based. There are in existence more than 51,500 field workers, mostly college trained, involved in the delivery of a variety of services in the rural areas. More than 42 percent of them work with the 5 Ministries involved with the PTR-RD. One of the recommendations to improve manpower effectiveness is to establish a training system to improve the performance and develop more cohesive working relationships of extension and other rural development workers.

b) *Viable institution development.* Strong institutions have to be developed at the *barangay* level because it is the basic unit for

evolving and implementing area-based programs and projects.

c) *Area isolate development (AID).* The multiplicity of development agencies undertaking a variety of projects in a given area which involves more frequently the same people has highlighted many of the operational problems in rural development. These problems have been evident in some overlapping field operations. The concept of *area isolate development* is to define a geographically contiguous area where the critical development potentials and services are ecologically interlinked while ensuring economic and social viability. Hence, the AID Strategy utilizes a *defined geographic area* as the principal *mechanism* for inter-agency collaboration and program complementation.

In summary, PTC-RD seeks to effect a *unified training program* to develop the technical capabilities as well as the functional effectiveness of the manpower involved in rural development. The aim is to develop *strong local capability* and *multi-sectoral support* for evolving and implementing strong *area-based development programs.* The strategy to achieve this is to implement *multi-agency* and *multi-level* training programs involving *multi-center participation* funded from multi-agency budgets. However, a particular training course is situation-oriented, area specific; program-based; and people-centered. A defined ecological zone serves as basis for generating locality-specific technology and for developing production systems institutions and other community living support services.

In an attempt to rationalize the management of various rural development efforts, the following operational adjustments were proposed:

(a) Adoption of a *common set of program* and project *classification* and common *indicators.*

(b) Adoption of a *unified management system* for area-based complementary programs and projects and a *unified development* perspective and a continuing manpower training for all rural development workers.

Some comments on the PTC-RD approach include:

(a) Unified training is the basic integrating instrument with efforts in the training process at "team building", group development across agencies and deliberate techniques to break down organizational boundaries and level off status differentials.

(b) The location of regional training centers in regional agricultural colleges is a much welcome strategy which is very much in line with decentralization, strengthening of regional institutions, greater relevance of training to the local situation and the further substantiation of our agricultural universities' role in rural development in their respective areas. This role likewise offers a real opportunity for bringing in closer interaction between formal and non-formal education within the functions of academe. The Federation of Training Centers institutionalizes collaboration, cross-fertilization and sharing of experience, expertise, training materials, etc., across regions with different agro-ecological features.

(c) The PTC-RD program is perhaps more profusely endowed with a *"captivating development vocabulary"* which is easy to articulate but more elusive to operationalize. Examples of this are: "Training is a continuous re-*energizing* process of *self-renewal"; "*Training for *self-propelling* community efforts toward self-fulfilling rural development goals"; "To promote and accelerate rural development in particular and to *humanize, transform* this development in particular", "development as a process of perpetual state of completion that has no fixed end-state", etc. However, the well-worn concepts of poverty, equity, employment, etc., are conspicuously absent.

PTC-RD has also more *unifying* and *"multi"* attempts than other integrated programs. Among these are: multi-sectoral, multi-center, multi-level, multi-agency, multi-location, and even a multi-agency budget.

(d) As of April 1980, PTC-RD training outputs consist of 10,103 individuals, 55 percent of whom were farmer-leaders, 28 percent from the Ministry of Agriculture while only about 3 percent came from Agrarian Reform, from Local Government and Community Development, and from Natural Resources. Other agencies such as National Irrigation Administration, National Grains Authority, etc., contributed 7 percent of trainees. Considering the unifying and multi-agency intent of the training, to what extent would this very uneven distribution of participants contribute to the attainment of the unifying objective? However, the inclusion

of more than one-half of trainees from among farmer-leaders can be viewed as its most positive output in the sense that it gets the trained manpower into the community base.

(e) The proposed operational adjustments to rationalize the management of various rural development efforts seem less threatening to agency administrative territoriality and if adopted could mean more effective monitoring and evaluation of what is going on in a particular area through a common pool of data. However, the suggestion for a *unified management system for area-based complementary programs* is less likely to be accepted because it involves relinquishing some "territorial" boundaries. This might prove to be too much to give up.

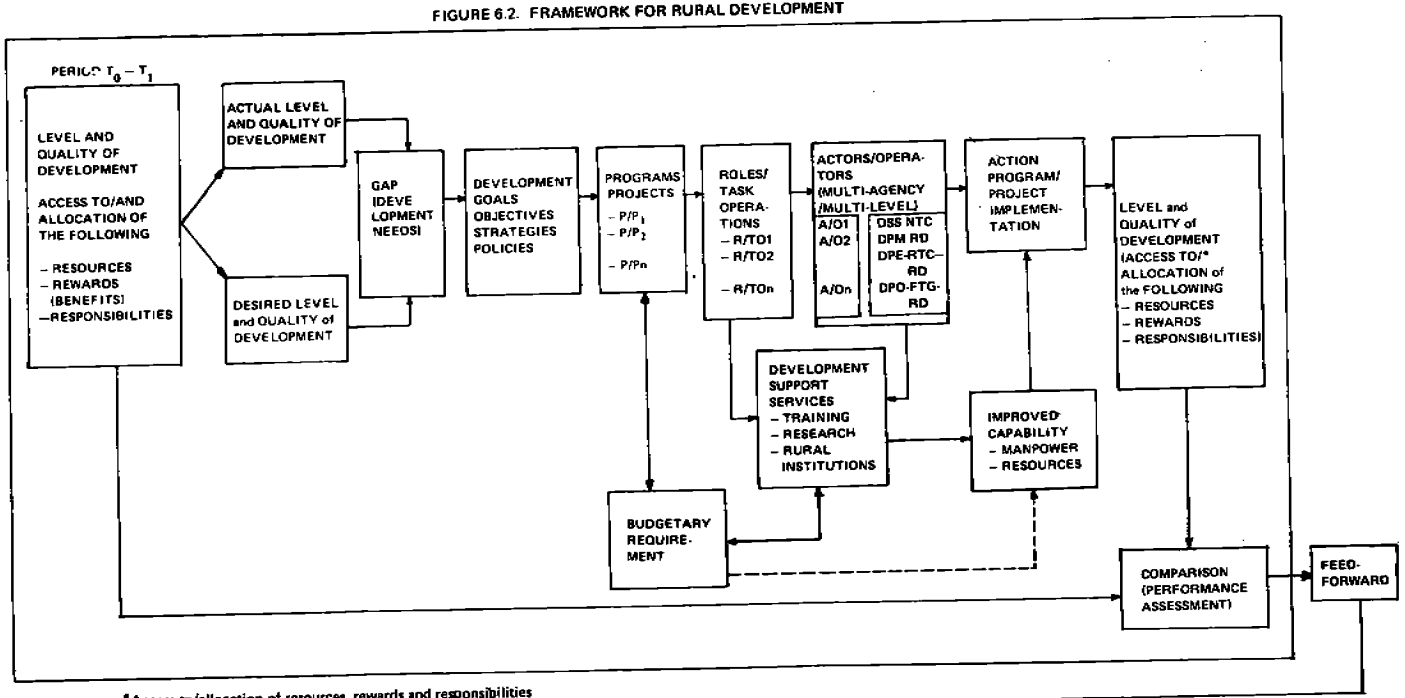
(f) Bringing together or unifying efforts of different development agencies always seems to introduce infinitely more complexity into something already as complex as rural development even with one agency. Figure 6.2, which shows the PTC-RD's framework for rural development, illustrates this complexity. It is difficult to find the rural populace in this framework.

6. *Agro-Forestry Development Projects (Environment-Oriented Integration)*

After years of continuous harvest from nature's bounty, we now wake up with national concern for our environment. In the meantime, population pressure has pushed human settlements, food and cash crop production higher up the hills which have been laid practically bare by environmental abuse. Disappearing fuel and energy sources are bound to aggravate the already devastated state of our natural resources. Nowhere is an integrated approach more called for than in this new arena of environmental rehabilitation. De los Angeles[27] gives us a brief review of agro-forestry projects, including their rationale, objectives and relavant issues. As her review points out:

> At least 5.1 million hectares of land or 17 percent of the country's total land area are open land and brushlands. They are sub-marginally productive and thus, may be considered wasted land. Moreover watershed areas needing reforestation cover at least 1.4 million hectares. With the continuing pressure to increase food production and improve water

FIGURE 6.2. FRAMEWORK FOR RURAL DEVELOPMENT



*Access to/allocation of resources, rewards and responsibilities are with respect to physical, social and temporal spaces.

From: *Training Concerns for 1980*
Philippine Training Centers for Rural Development, College, Laguna, January 1980

supply systems, rehabilitating denuded uplands has become more urgent. While deforestation is a result of a number of complex factors including illegal and destructive logging kaingin making, and ineffective forestry and land policies, its future solution depends partly on the possibility of transforming erstwhile destructive and sub-marginal upland farming activities into ecologically sound and more productive ones. That is, "the rehabilitation of wasted uplands is primarily a socio-economic and an ecological need."[28] Thus agro-forestation or national land use through combined agricultural and forest management practices seeks to achieve the following objectives:

(1) to create harmony between natural resource conservation and production;
(2) to lessen the gap between food and water supply and demand;
(3) to implement a land use scheme based on ecological, socio-economic and demographic considerations; and
(4) to prevent further forest destruction.

Agro-forestry or agrisilviculture, therefore, includes any of the following systems:[29]

(1) raising of agriculture and forestry crops on the same land at the same time or on a rotation basis;
(2) growing of agricultural crops or pasturing of animals in combination with certain forest trees on the same land at the same time;
(3) planting of perennial crops of both tree and agricultural species for food, fruits or oils; and
(4) the planting of forest trees cultivated during a relatively short period of time (say 10 years).

In the Philippines, agrisilviculture was initially adopted by the Paper Industries Corporation of the Philippines (PICOP) in 1968-70. PICOP encouraged private landowners to develop marginal and sub-marginal portions of their land into tree farms to augment the company's pulp-wood production. The PICOP experiment with its well developed marketing system was viewed as a feasible economic venture and agro-forestry was advocated as an answer to the perennial *kaingero* and reforestation problems. The Bureau of Forest Development (BFD) of the Ministry of Natural Resources has no several agro-forestry demonstration plots being implemented under its Forest Occupancy Management Program. Under such program, kaingero families are issued temporary forest occupancy permits and contracted by BFD to reforest denuded hills where they are also allowed to plant crops and raise livestock. . . . .

Agro-forestry include the following activities:

(1) establishment of the proper mix of agricultural and forestry crops in upland areas by hilly land farmers;
(2) provision of extension services for information on appropriate cropping systems, community organizations and marketing;
(3) provision of technical service for survey, research, mapping and manpower development;
(4) building of access trails connecting upland farms to existing transportation networks;
(5) supply of inputs to production, including physical and financial inputs;
(6) provision of some assurance of security of land tenure for farmer-cooperators;
(7) establishment of adequate links to the proper marketing facilities; and
(8) formation of community organizations.

As an improvement over the traditional farming technology used in upland areas, agro-forestation is expected to produce the following outputs:

(1) increased forested area and wood production;
(2) increased production of agricultural crops and livestock;
(3) improved socio-economic level of the beneficiaries;
(4) stabilization of forest occupancy;
(5) acceptable, feasible, and sustainable agro-forestry cropping systems;
(6) access trails; and
(7) improved environment . . .

Two features which distinguish agro-forestation from other development projects are (1) its *experimental* nature in the sense that while the project is being implemented it has to be simultaneously evaluated in terms of social, cultural, economic, and environmental acceptability and feasibility. The project has to be continuously modified to suit the environmental and social needs of the populace and environment where it is being implemented. There are marked differences in the socio-economic environmental problems besetting project cooperators, and various technological and operational difficulties faced by project implementors. (2) Assurance of some security of land tenure for those farmers participating in the project through the issuance of forest occupancy management permits for one year, renewable every year, based upon BFD's assessment of the cooperator's performance. Expectedly the processing and renewal of permits undergo the usual time-consuming bureaucratic red tape. This arrangement seems to be overdemanding for cooperators who definitely need time to prove their ability to conduct time-intensive activities . . .[30]

Because available studies on agro-forestry systems have shown that wood and food production goals as well as environmental protection are achieved through such systems, the basic argument for agro-forestation is that *"since the system is a compromise for traditionally competing agricultural and forestry land uses, it preserves the salient features of both agriculture and forestry."*[31]

This promising compromise between agriculture and forestry is not without "other risks" in terms of consequences, hence some caveats have been expressed on agro-forestation, viz.,

(1) Rigorous studies on the environmental feasibility of various agrisilviculture schemes are still in progress and will generally require more time to be monitored before results could be adequately evaluated. For example, anxiety has been expressed on the use of tree monocultures which results when vast areas of denuded forest land are interplanted with single tree species and agricultural crops especially in the tropics where the original forests are generally multi-specified and uneven-aged . . . Indeed, findings of the UPLB upland Hydroecology Program indicate that ipil-ipil, widely used in reforestation and agro-forestation, drains the soil of phosphorus. It must then be used with some modification.

(2) Making hillyland farming profitable and more economically attractive through agro-forestry might encourage more clearing of and migration into forest land resulting in more forest destruction. Ganapin, for instance, points out that:

> Precautionary measures should also be made to prevent aggressive speculators from cashing in on the agro-forestry concept. The purpose of agro-forestry is to provide stable and productive agricultural systems for the *kaingero* so that the economic benefit that will come from it will dissuade him from enlarging his *kaingin.* But there is also the strong possibility that the opposite will occur. The increased economic benefits from agro-forestry can provide the stimulatory effect for the kaingero to enlarge his kaingin. The situation may come to a point where almost everybody from lowland farmers, urban entrepreneurs, logging concessionnaires, would also be attracted to carve out their own kaingin. In the competition that would result, the kaingero would most likely lose.[32]

De los Angeles further cites that:

> While expanding kaingins by *kaingero-cooperators* is not very probable due to the fact that agro-forestation is quite labor-intensive, kaingin-making by non-cooperators and formerly *non-kaingeros* is

> a distinct possibility. This is so because the building of trails and roads to develop more efficient marketing systems, among others, would increase mobility to and from uplands. The impact of agro-forestation is thus significantly linked with the success of other projects and activities, notably those of forest protection, population control, increasing production and the productivity of lowland agriculture and employment generation in rural areas.[33]

Some comments on agro-forestation:

1. By the very nature of the problems which agro-forestry is attempting to address, the current trend is toward *organic integration,* not simply administrative integration which is the usual preoccupation of integrated rural development programs. Despite the relative recency of agro-forestry, program leaders appear to have arrived at specific objectives, outputs and expected impacts. This is quite unlike the ambiguous, nebulous, utopian concepts characteristic of other programs. Furthermore, agro-forestry acknowledges the "experimental" nature of the "mix of technology and practices" applied to any particular environmental situation. This is a tremendous virtue given the complexities of the phenomena they work with. One also wishes that such an *experimental attitude (which takes quite a bit of humility on the part of their expertise)* would be more generally characteristic of IRD programs which are often designed and pursued with blueprints seeking instant institutionalization for procedures which are as yet untried, let alone proven.
2. Benefits from agro-forestation (although not easy to materialize) tend to accrue more directly to project participants because activities are carried out in the areas concerned and upland farmers are active participants in the action-research process which is trying to evolve workable combinations of agro-forestry technologies.
3. Community organization is very much part of agro-forestry projects with marginal farmers. As one of the Upland Hydroecology research leaders said, "The concept of ecology implies *sharing* in order to maintain the delicate balance in nature and to distribute the benefits from nature's products." Community organization is indispensable for collective action, responsibility and welfare. In many ways, a strong

organization of upland farmers could be the best assurance of some security of land tenure by way of protecting their areas from future encroachments. It likewise provides them with an effective lobby for their continuing tenure especially if urban entrepreneurs and others start getting interested in exploiting the uplands for themselves.

4. Some of the agro-forestry projects may have conflicting consequences as have been observed in the following instances cited by de los Angeles:

> The simultaneous implementation of the other projects in the watershed area such as the RP-Japan Reforestation Project, the World Bank-financed Watershed Management and Erosion Control Project and the Bureau of Forest Development Communal Tree Farming Project posed important questions on whether Upland Hydroecology project cooperators (small upland marginal farmers) would prematurely abandon their own activities (which are time and labor-intensive before earnings can be derived from the produce) in favor of wage labor opportunities in the other project. Attraction towards temporary wage-earning activities in these undertakings might compete with the labor-intensive requirements of the small upland farmer-cooperators. In-migration to meet the large demand for labor during the early stage of the World Bank project might only cause more pressure on the land after the project has been completed.[34]

Another illustration of the conflict between short-term and long-term goals or between individual and societal benefits is as follows:

> It is suspected that fires which occur on newly reforested areas of the RP-Japan project are set by some of the laborers themselves since these would assure them of continuity of employment in reforestation work. Such fires happen during the peak of the dry season when the Bureau of Forest Development and the National Irrigation Administration lay off casual workers because planting is not feasible, and during the time when the farmers are in most need of other income-generating activities.[35]

5. Ecological happenings are continuing real-life lessons in the 'integratedness" of the environment. The following illustrates this point:

> The summer months highlighted the difficulties faced by the upland farmers of Pantabangan. Fires were frequent; water more

scarce; and rat infestation was so high that the young shoots of the mango and citrus seedlings, both agro-forest crops, were destroyed. The farmer-cooperators of the Upland Hydroecology project coped with such difficulties in very innovative ways: firebreaks were built through labor and time-saving methods making the farms of such farmers the only ones left untouched by summer fires, the farmers are now more positive about the building of farm ponds strategically located among their farms; and they are now viewing the rat problem from a broader perspective – that it is related to the forest destruction problem and that diversification of crops would help minimize the damage done.[36]

6. If agro-forestry projects succeed or even if they only promise to do so, people who are otherwise uninterested might be interested to be active participants in a big way. The issue therefore of who "owns' or who has control over these uplands and wastelands is a very salient one. The benefits could very quickly shift to the rich and powerful and not to the marginal upland farmers.

7. *Integration Oriented Toward Health, Nutrition or Population*

a. *Health-oriented integration*

Health as one of man's most basic needs becomes even more basic because when a man is poor, landless, is little-educated and has minimal skills, the only capital he has in life is his body. Precisely because one is poor, quite often this body is not in the best condition to serve as "capital" in the pursuit of a better quality of life. Furthermore, there are serious rural-urban and poor-rich access to health services. All these years, however, our villages have not been entirely without "health services" of some kind. There are traditional herb doctors (herbolarios), and granny midwives (hilots) who perform these functions and are always available at the village level. On the other hand, our professionally trained health personnel such as doctors, nurses, and midwives are either working in Metro Manila and other urban centers. Given these circumstances, Guerrero[37] describes the emerging concept of health care delivery as designed to meet the basic health needs of the most disadvantaged and undeserved population and emphasizes "health by the people" using simple, inexpensive and acceptable methods. Health workers are of the community and are chosen by the people. They are trained and

function as parts of a "system" of existing health services. UNICEF says that they constitute "the outer ring of the national system for extending basic services into unserved or inadequately served communities." This approach is based on a number of principles pointed out by the UNICEF-WHO Joint Committee on Health Policy:

(1) the multiple and interdependent relationships of health and other aspects of development, necessitating therefore their proper integration;
(2) the provision of adequate support for community health efforts by the national government;
(3) community involvement in the planning and implementation of health care programs;
(4) full utilization of available community resources;
(5) health care stressing preventive measures, health and nutrition education, meeting health care needs of high risk groups, and utilizing traditional and indigenous medical and health technology appropriate at community levels;
(6) indigenous and trained community health workers to undertake health interventions;
(7) provision of technical, logistic, supervisory and referral support from other echelons of the health care system . . . . .

Primary health care is premised on *community participation and collective action to solve community health problems.* Promoting health by the people also implies that the government provides the essential institutional, financial and administrative support to complement and strengthen the community's own efforts.

Guerrero describes one such program which is being implemented in the Island of Panay.

The Panay Unified Services for Health (PUSH) is distinguished from more traditional health programs for

(1) its efforts to provide depressed barangays with a unified set of health services, (2) its attempts to actualize and strengthen local potentials to organize and deliver health and other social services through active involvement of the local government and promotion of community initiatives and action. Its key person is the trained Barangay Health Worker (BHW) to be paid by the local government. Recruited from among the residents in the barangay, the BHW will be based in the barangay and will extend basic preventive, educative and health promotive services of the Rural Health Unit. The *BHW therefore serves as the integrating* or *unifying* factor in PUSH. Other PUSH outputs

include improved barangay household water supply and waste disposal system, vaccines and drugs, improved health laboratories and health, nutrition, and family planning commodities and services. It is envisioned that at the end of the project, the regional health system will be strengthened to such degree as to provide integrated health services and that these services will be sustained even after external financial assistance has been terminated.[38]

b. *Nutrition-oriented integration*

Nutrition problems have been the subject of scientific studies for more than half a century but it was only in 1974 that nutrition achieved the status of a national program with high priority. Solon described the major features as follows:[39]

The Philippine Nutrition Program is a *systematic integration* of all *government* and *private nutrition* efforts through an organizational set-up which ensures effective delivery and monitoring of services down to the village and family levels. At the top is the National Nutrition Council (NNC) composed of heads of 6 government ministries (Agriculture, Health, Social Services and Development, Education and Culture, Local Government and Community Development, National Science Development Board) and 3 private organizations (Nutrition Center of the Philippines, Nutrition Foundation of the Philippines and Philippine Medical Association). The NNC policies and decisions are implemented by a secretariat headed by the NNC executive director.

On the premise that the *solution* to *malnutrition* should *begin in the home*, the organizational effort starts with the policy maker closest to the family. Since the municipal mayor is the only government official at the local level closest to the program who is vested with all three powers — executive, legislative, and judicial — the municipality has been pinpointed as the focal point of planning and implementation of the nutrition program. Data obtained from Operation Timbang (weight, height, age relationships taken as indicator of nutrition status) are used as basis for action.

The Municipal Nutrition Committee creates a planning staff and invites representatives of different agencies in the community to discuss problems of malnutrition and share experiences and information on their on-going programs. Under the city/municipal nutrition committee is the Barangay (Village) Nutrition Committee which assumes the responsibility for implementing and coordinating the program at the barangay level. It organizes the Barangay Network which is composed of a teacher-coordinator, purok (zone) and unit leaders and some 20 families under each unit leader. The family as a basic unit serves as a focal point through which the effects of a package of nutrition services could be effectively demonstrated. Program

implementation gives priority to the improvement of the food intake and nutrition status of low-income groups in depressed areas. Specifically, the different target groups are:

(a) pre-school children
(b) pregnant and lactating mothers
(c) special undernourished group (those affected by iron deficiency, anemia, Vitamin A deficiency, goiter, etc.)
(d) school children

The substance of the Philippine Nutrition Program consists of 5 intervention schemes:

(a) *Food assistance* to severely malnourished pre-school children (Ministry of Social Services and Development).
(b) *Food production* implemented by promoting production of selected crops in homes, schools, and community (Ministries of Agriculture, and Education and Culture).
(c) *Nutrition information* and education through the school curricula of the Ministry of Education and Culture and farm housewives through the Bureau of Agricultural Extension.
(d) *Health protection* to combat recognized deficiencies, prevent infectious diseases, and rehabilitation of severely malnourished children (Ministry of Health through its Rural Health Units).
(e) *Family planning,* population education, and the vital relationship between population and nutrition is well recognized and all agencies are enjoined to include such in their activities.

A basic feature of these schemes is the maximum use or development of local facilities and resources to make the community self-reliant and self-productive. These intervention schemes ensure a comprehensive delivery of nutrition services to the program targets. On the whole, they provide the basic infrastructure for the total development of the family through community effort.

After describing the elaborate nutrition network, Solon concludes:

> As the overall success of the program rests heavily on its effective implementation at the grassroots, we are *pinning our hopes* on the *grassroots workers,* the life of the Philippine Nutrition Program.

In 1978, a new Nutrition Improvement Model was started in six pilot villages in Laguna and Batangas by the Institute of Human Ecology at the University of the Philippines at Los Baños with the following objectives:

☐ To develop a workable village unit model for a national pro-

gramme of improving nutrition for the rural poor.

- ☐ To develop a practical training course for village leaders trainors, and extension workers in making maximum use of local resources for improving nutrition of the rural poor; and
- ☐ To develop participatory programs at the village level for self-reliance among residents in attaining high levels of nutrition and general well-being.

The Food and Nutrition Improvement Model (FNIM) approaches the issue of nutritional upliftment of the rural people by means of improving their capabilities to *produce more nutritious foods* locally and utilize them efficiently. The scheme integrates:

> . . . the *educational process* of formulating a barangay-based development plan (or *Barangay Development Framework Plan*) which articulates the total development programme of the village with emphasis on specific actionable projects like increasing nutritious food supply per capita, food processing and utilization, practical environment health actions, nutrition education, supplementation and interventions. The project also provides external material inputs like seeds, farm tools, technical reading matters, income-generating projects and continuing technical assistance in the field of agriculture and nutrition in the form of local training and farm/home visits. Cultivation of indigenous food crops of high nutritive value in home-lots, community gardens, construction of sanitary waste disposal systems, and provision of safe drinking water pumps are also some infrastructure and environmental improvement projects.
>
> There are four other important features of the project. One is the proposed construction of a Barangay Food and Nutrition Center in each pilot barangay which will serve as the *multi-purpose development action center* for the residents and as a decentralized office for all government extension agencies who assist development projects in the barrio. The other is utilization of local residents trained by the project staff from the University in cooperation with other agencies and spearheaded by the *Barangay Food and Nutrition Scholar* who is also a resident of the barrio. Third is the envolvement and implementation of the *Barangay Development Framework Plan* which embodies the total development plan of the barrio. This is prepared through the joint planning of the FNIM staff and the local residents led by the *Barangay Food and Nutrition Scholar* and *Barangay Program Planning Committee.* Several *general barrio assembly* and *special committee meetings* are conducted during the preparation to ensure their cooperation, support and partnership and also to suit local customs, traditions, idiosyncracies, and felt needs of the barrio folks. With guidance and support from the project staff, care is taken that plans are based on

identified problem-solution approach with special priorities in favor of food and nutrition improvement projects.[40]

c. *Population-oriented integration*

In 1976, a nationwide Family Planning Outreach Program was launched based on lessons from past experience[41], namely:

(a) That the bulk of the rural populace has yet to be effectively reached by the Population/family planning program;

(b) That family planning needs and services cannot be viewed in isolation. Although the program would seem to be a *model of integration* – multi-agency participation having been a central concept from the beginning – this was simply integration from the viewpoint of the *channels* for *service delivery*. What was regarded as the more important viewpoint is that of the *client*.

(c) That planning and service delivery has been primarily *national* and centralized but it has been realized that service delivery must be based at the level of the individual and the immediate community. The active *involvement* of the *community* itself is regarded as essential in actually identifying and meeting needs.

(d) That in order to meet the goal of reducing fertility to balance mortality by the year 2000, a two-child family must become the norm but today the average Filipino family has more than four children. The challenge is not merely the technical task of providing the services required but the need for massive changes in social attitudes and practices. The norm of smaller family size must be communicated widely, evaluated individually, and adopted as a personal objective before even the best of services can be utilized. The concept of *family planning must be related* to the *entire development process,* for it is only when a *smaller family makes sense to each couple* in light of the development process as they are aware of it, that they will adopt the practice.

Multi-agency participation continues to be a major approach. Rather than implementing an independent delivery mechanism for family planning services, the program emphasizes *broad support of existing service agencies* and has *encouraged many outside agencies to add family planning messages and services* to their basic operations. Thus, the program has supported not only clinics and hospitals but also such ministries as Local Government and Community Development, Agrarian Reform, Social Services and Development. Education and Culture, etc.

A new major strategy, the population and family planning outreach project is designed to supplement the existing network of

"passive" clinic-based services with a structure capable of reaching out *beyond the clinics to the rural majority.* The key aspects of this strategy are the deployment of a corps of full-time population workers at the municipal level, the direct involvement of ". . . provincial and city governments in the management of the program and a *basic emphasis on overall community development* as a framework for family planning services."

This new Outreach Project aims at transforming the previous clinic-based family planning delivery system which uses 3,100 outreach workers who are scattered all over the country and who contact all ever-married women.

> The program design calls for the nationwide deployment of approximately 50 Provincial/City Population Officers, 95 Provincial/City Population Coordinators 500 District Population Officers and 3,100 full-time outreach workers. Approximately 19,184 Barangay Supply Points (BSPs) are to be established and maintained throughout the country. The 55 provinces were divided into some 5 to 8 districts of around 10,000 married couples of reproductive age (MCRAS) under a fulltime outreach worker (FTOW) who has the responsibility of enumerating all the households in his area who are willing to serve as (Barangay) Village Supply Point Officers (BSPOs). Each BSPO serves around 100 MCRAs, supplying free pills and condoms to local users, irrespective of where they first obtained contraceptive supplies; keeping a list of contraceptive users up to date; and providing information on acceptance to the FTOW monthly. *It is the BSPO who has the closest contact with the current user;* she knows who among her 100 MCRAs is currently contracepting and what methods are being used; and she knows who is pregnant and when the approximate date of delivery is going to be. The BSPOs can motivate and counsel clients during resupply visits and can assist the the FTOW in organizing group meetings in the barangay to discuss family planning matters. The BSPOs can also assist in the referral of IUD and voluntary surgical contraception to family planning clinics and itinerant teams.
>
> Under the Outreach scheme the family planning clinics continue to provide all types of contraceptives upon request. The FTOWs are authorized to dispense pills once they have undergone appropriate training. Persons requesting an IUD or sterilization are referred to the nearest family planning clinic or hospital. With the launching of Outreach, the program in the barangay no longer needs to depend solely on acceptors coming to the clinic but can reach out to couples desiring family planning assistance.[42]

But as De Leon points out, the *success of the outreach project* will be determined largely by "the *commitment* and the services of the front-line field workers upon whom to many of our programs

depend. The ultimate success of the program rests in our faith in the capacity of these vital *individuals* to *carry the burden of this massive social change."*[43]

d. *Farming-Family Planning Analogies (A Conceptual Integration)*

In the search for strategies to deliver the family planning message to the farming community, Dr. Flavier of the International Rural Reconstruction movement sought parallels between family planning and farming and developed what he calls a *"receiver-based agricultural approach."* The strategy he says is based on the well-known principle of rural development – "Starting with what rural people know and building on what they have." Flavier tries to explain the three aspects of family planning: (*birth control* or limitation in number, *spacing,* and *infertility*) through local agricultural parallels typical of which are the following:

On birth control

- ☐ Limiting the number of fruits of a pomelo tree to ensure bigger fruits and better quality.
- ☐ The IUD is likened to a stone which prevents a seed from germinating.

On spacing

- ☐ Transplanting rice from a seedbed (planting them too closely will produce little yield).
- ☐ Letting the land lie fallow to produce better crops.

On infertility:

- ☐ Smudging or smoking mango trees to induce them to fruit.

To the criticism that this agricultural analogy approach takes too long, Flavier sees this as the program's strong point rather than its weakness. He argues that a hard sell approach is always aimed at acceptance while their "adaptive" approach puts a premium on *comprehension* and *motivation,* thus acceptors are more likely to remain as continuers.

A study of three approaches was undertaken: (a) *adaptive* using agricultural parallels familiar to and valued by rural families, (b) *con-*

ventional using information on anatomy and human reproduction using a message with a scientific and national orientation. (c) *Family planning service approach* which involved periodic, scheduled and announced visits of the family planning physician or nurse to rural families.

Preliminary findings in June 1973 lent support to the hypothesis that the adaptive approach is more effective than the other approaches. Both the adaptive and conventional approaches were preferable to the purely family planning service approach from the standpoint of both acceptance and current use. The advantage, however, was not yet very apparent when the adaptive approach was compared to the conventional. Each approach used a family planning promoter who served as liaison officer between the family planning team and the community. In turn, each barrio had a *local auxiliary health worker* who served as volunteer and worked under the general supervision of the family planning promoter.

e. *Multi-Program Package*

It has been repeatedly said that "there are very few service programs which reach the barrios directly and provide a channel for diffusing information. Often such programs are not integrated. The irrigation extension worker, for example, operates independently of the rural health doctor. The resources of the programs they represent are not coordinated so as to respond to the wider needs of the community. Instead they compete with each other for the attention of the individual. As a result, their impact is blunted . . . No structures are developed in the barrios to insure the continuation of efforts even long after field workers are gone."

Ostensibly to *solve* the *problems* of outreach, integration and *community-based* support, Project Compassion was created to integrate the four major concerns of nutrition, food production, environmental management and family planning. Family development committees at the provincial, municipal and barangay levels plan and carry out their own family development programs consistent with the project's national guidelines and objecties and the particular needs, problems and resources of their own communities. Because *local responsibility* and *action* are the keys of the project, existing barangays are used to implement and meet its desired targets. The *central figure* in the *barangay network* is the *unit leader,* who will

serve as the single channel through which the project's package of services will be delivered to the rural family's doorstep.

The project staff provides assistance in the form of information materials and commodities from the cooperating agencies – Nutrition, Population, Environment Centers and the Green Revolution Project; and training and orientation of family development committees. The provinces participating are La Union, Quezon, Rizal, Albay, Iloilo, Bohol, Davao del Sur, and Misamis Occidental.[44]

Some Observations on the "Integrations" Oriented Toward Health, Nutrition and Population

1. All these programs aim to be *community-based,* indigenized and all use *local village-level paraprofessionals* such as the Barangay Health Worker; Barangay Development Nutrition Scholar; Family Development Committee and Unit Leader; local auxiliary health worker; and the Barangay Supply Point. No matter what the organizational set-up might look like, all these programs acknowledge that their success depends upon these grassroots workers. They have been referred to in various exalted ways such as:

   - ☐ the life of the Philippine Nutrition Program
   - ☐ front-line workers – the vital individuals who carry the
   - ☐ burden of massive social change
   - ☐ central figure in the barangay network
   - ☐ the integrating or unifying factor in PUSH

   In the final analysis, the life of an elaborate integrated program depends upon the least-trained, lowest-paid and in many instances, volunteer workers. Despite the rhetoric, there is certainly a *trickle-down* process in these delivery systems with the center being relatively well-endowed in terms of trained personnel, resources, salaries, perquisites, etc., all of which gradually trickle down and dissipate into tinier bits as the "services" get closer to the intended beneficiaries. This is not a criticism but rather a fact of life that maximum resources always start from the top. The practical question is how to start from lower point so that the distance between source and recipient could be shortened and more of the resources of whatever kind could reach the recipients. Decentralization, therefore, has its

virtues in this regard. Fortunately, all the programs described represent serious attempts to decentralize delivery.

2. Community participation comes more or less, i.e., in some and less in others. The Nutrition Improvement Model which is still in its pilot-testing stage seems to exhibit more of the community involvement in the preparation and implementation of the Barangay Development Framework Plan. Although this is supposed to embody the total development plan of the barrio, "care is taken that plans are based on identified problem-solution approach with special priorities *in favor of food and nutrition improvement projects".* The Framework Plan, not surprisingly, has a guided nutrition bias in the definition of the community's problems. This is probably true of all integrated programs where the "integrating" thrust is whatever happens to be the domain of the integration.
3. There are two general trends in the Family Planning/Population Program. The first one is an attempt to "integrate" population in the programs of other development agencies via support and encouragement for adding family planning messages to their basic operations. Second, the Population Program through the Barangay Supply Points of the Rural Outreach Approach becomes much more narrowly concerntrated on contraception, more specifically pills and condoms. It is ironical that as the program reaches the village, instead of "family planning being related to the entire development process" as has been envisioned, it has almost been reduced to a pill and condom distribution scheme.

   The findings of the 1978 Community Outreach Survey (COS) are particularly interesting with respect to this:

   "The Outreach Project was designed to make two program methods, pills and condoms more readily available to rural couples by authorizing field workers to recruit new acceptors of these methods and resupply them through village-level supply points. The COS findings indicate that after a *little over a year of operations there was virtually no change in the prevalence of pill use and an increase of only 2 percentage of condom use in the areas covered most intensively by the Outreach Program.* However, there does appear to have been a considerable increase in the practice of contraception. Most of this increase was in the use of "non-program" methods – withdrawal, rhythm, combinations of these methods with each other or with condoms, and abstinence. (Rhythm is officially a program method,

but the practice of rhythm by most couples interviewed in the COS does not qualify for this designation, since most of them had not received instruction from program personnel).

The hypothesis that making supplies of particular contraceptive methods more readily available can substantially increase use of these methods has not received much support from this initial analysis of data on the Outreach Program. However, the analysis also suggests that the hypothesis has not really be given a fair test. *More than half of Barangay Supply Points (BSP) area residents were not even aware of the existence of the BSP.* Most have not been visited by either the Fulltime Outreach Worker (FTOW) or the BSPO . . . .

The findings that prevalence was so much higher in BSP areas than in the country as a whole and that it seems to have started increasing a few months after the Outreach Project began suggest that the Project may have had an effect, but if so the causal linkages are obscure. Most of the increase was in methods the FTOWS were not even trained to promote. By their own admission, most FTOWs and BSPOs were not doing many home visits in relation to the number of Married Couples of Reproductive Age (MCRA) they were supposed to cover. However it is not implausible that the Outreach Project might have been principally responsible for the rapid increase in the use of contraception, especially in the use of non-program methods. When the Outreach Project was launched, *many of the areas eventually covered by BSPs were probably exposed to family planning program efforts for the first time.* Although relatively few individuals (BSPOs and local government officials) and couples (those MCRA visited initially) were affected directly, it is very likely that *there was a diffusion effect,* which *may have stimulated interest in family planning and motivation* to do something about family size. Furthermore, the FTOWs and BSPOs themselves appeared to favor the use of relatively ineffective methods as indicated by their own contraceptive practice. Without a vigorous campaign to publicize the availability of supplies at the BSP or to refer potential acceptors to clinics, many couples may have been inclined to try family planning methods like withdrawal or rhythm that did not require the use of program facilities. Probably the most remarkable finding from the COS is the apparent degree of effectiveness with which couples were able to use such methods.

If this interpretation is correct, the *first year of the Outreach Project can be considered to have been a success.* Even though it *did not achieve its intermediate objective of substantially increasing pill and condom use* through making supplies of these methods more readily available, it *does appear to have increased the use of contraception in BSP areas by nearly 12 percentage points* between March 1977 and mid-1978 and with at least as much of an effect on fertility as it would have achieved by increasing condom use by the same amount."[45]

A more recent (1980) evaluation of the Philippine Family Planning Outreach Project shows many positive accomplishments. Laing found that during the first three years of operation, FTOW had established BSPs disproportionately in rural areas; most BSPs were well-stocked with pills and condoms; FTOWs and BSPOs appeared to provide good role models in terms of contraceptive practice; many BSPOs despite their status as unpaid volunteer workers, were actively involved in home visiting activities and referral of clients to clinics; and knowledge about, attitudes toward, and practice of contraception tended to be high among the couples living in BSP areas. The analysis likewise showed that several aspects of outreach operations were contributing to contraceptive practice, especially to use of the highly effective clinical methods. Of particular concern to us in this Chapter is the relation between the time allocation of the FTOW to particular activities and contraceptive prevalence. Of the following activities engaged in by the FTOWs,

- ☐ Maintaining and monitoring BSPs,
- ☐ Motivating couples to become new acceptors,
- ☐ Following up drop-outs,
- ☐ *Coordinating with workers of other agencies,*
- ☐ Premarital counselling, and
- ☐ Establishing new BSPs,

the first three were associated with higher prevalence; whereas emphasis on the last three was associated with low prevalence. Laing says that the first three maximize contact with married couples of reproductive age and provision of information and services in the BSPs already established. The latter *three activities tend to take time away from such direct motivational work among the couples most likely to contribute to high prevalence.* This observation underscores the *"cost of coordinating"* and its more remote connection to the expected output of increasing contraceptive practice. One wonders to what extent this same observation holds for *other coordinative and integrative efforts which take time away from the specific task on hand.* Does it really pay to allocate time for this purpose?

The most encouraging aspect of the Rural Outreach Project is the role of the volunteer, unpaid BSPs. As the evaluation points out:

> "Though the BSPs were originally conceived primarily as supply points, *it appears that their major effects have been in terms of motivation rather*

than provision of services."[46]

4. Although at the national level the perceived problem is lack of coordination and integration among agencies concerned with rural development, at the village level, this problem is probably preferable to absence of services. The 1978 Nationwide Nutrition Survey[47] lends credence to the suspicion that perhaps development agencies are not exactly stepping on each other's toes at the village and household level. The following data show the proportion of Philippine households who had participated in various food and nutrition-related programs:
   - ☐ Operation Timbang (34%)
   - ☐ Agricultural Development/Food Production (30%)
   - ☐ Family Planning (30%)
   - ☐ Health Protection (22%)
   - ☐ Nutrition Education (20%)
   - ☐ Food Assistance (14%)
   - ☐ Income Generating Programs (5%)

   It is obvious from these data that there is no surfeit of services at the household level. The great majority of households have yet to participate in these programs.

8. *Functional Integration*

So far the integrated projects which have been reviewed are area-based; intersectoral multi-agency; or intrasectoral single agency all of which have focused on the Framework Plan as the integrating instrument; administrative integration and/or the creation of para-professional "integrators" at the village level. A very different kind of integration is illustrated by the Integrated Agricultural Production and Marketing Project (IAPMP). As a matter of fact it has been said that "no project similar to the IAPMP has been undertaken elsewhere. The IAPMP is thus the first of its kind in that it integrated thrusts which other projects saw as independent and autonomous. It is also quite unique in the sense that it does not bring together under one agency or authority the different agencies that are involved in the project."[48]

The purpose of the Project is to increase the income of small farmers and rural entrepreneurs and to improve their level of living. The broader objective to which this project contributes is the

achievement of national self-sufficiency in key food commodities. Unlike other agricultural development projects, the IAPMP combines four different but complementary and interdependent thrusts, i.e. National Policy, Academic, Technological Packaging and Outreach/ Extension with the following objectives:

(a) *National Policy Thrust* – To improve the planning and policy-making capabilities of the Philippine government to deal with issues and problems of agricultural and rural development. It is expected to strengthen the capability of the Ministry of Agriculture and related public sector institutions to identify and evaluate alternative policies affecting the production and marketing of agricultural outputs and inputs as they relate to the needs of small farmers.

(b) *Academic Thrust* – To develop a continuing supply of professionally trained people in Philippine agricultural and food systems development for government agencies, agricultural educational institutions, small farmers' cooperatives and agribusiness enterprises. Skills resulting from this thrust are expected to provide expertise in agricultural marketing, development planning, management, cooperative management, credit and finance, international trade, and processing of agricultural products.

(c) *Technology Packaging Thrust* – To contribute to the development of institutional capacity to design and test integrated packages of production, processing and marketing technology. In addition, the Project will provide training in production, post-harvest technology, by-product utilization, processing, marketing and extension education and to construct and operate a food processing center. Technological packages can be cropping packages and/or in combination with fish, poultry and/or livestock enterprises.

(d) *Outreach/Extension Thrust.* To achieve coordinated and profitable production, processing, and marketing of priority commodities produced by small farm operators through improved extension/outreach programs designed to serve cooperatives, marketing agencies, other agribusiness enterprises in the food system and small farm producers of the priority commodities. This thrust is charged with the development and implementation of an effective *extension*

delivery system to provide production technology, market intelligence and credit planning for small farmers; *agribusiness development* through feasibility studies, identification and assessment of market potentials of priority commodities based on the regional plans; *Market Assistance Centers* which will prepare and disseminate market information; establishment and management of *farmers' cooperatives.*

IAPMP is not confined to one location. The operations are scattered in different provinces of the country such as Nueva Ecija, Benguet, Nueva Vizcaya, Pangasinan, Bataan etc. Several institutions and agencies are involved: The Ministry of Agriculture and its Bureaus of Agricultural Economics, Agricultural Extension, and Cooperatives Development; Central Luzon State University (CLSU), University of the Philippines at Los Baños (UPLB) and Kansas State University in the U.S. for technical assistance and graduate studies. Theoretically the impact area is the whole country since the national policy and academic thrusts by their nature do not confine themselves to specific places. Degree and non-degree training and policy implications are not confined to one impact area. The Technological Packaging and Extension/Outreach thrusts are more directly related to project purpose, i.e. increasing incomes of small farmers but the National Policy and Academic Thrusts are more indirect in their effects. This does not mean that these two latter thrusts are any less important than the other two which substantively contribute to achievement of Project purpose. Without policies supportive of small farmer production, processing and marketing needs, and the trained manpower to undertake the various activities in the technological packaging and outreach thrusts, the latter cannot effectively perform its functions toward the realization of project goals. The need to tailor academic programs at CLSU and UPLB and to develop policies and programs which are aimed at making the technological and outreach thrusts more effective in increasing small farmer incomes, has made it quite sensible to integrate the four thrusts into one scheme. The Project Paper recognizes that a strong infusion of academic training into each of the three thrusts is basic to the attainment of Project purpose.

Although IAPMP comes at a time when "integration" has become fashonable in development circles, it should not be regarded as another fashionable undertaking tailored to ride on the currently

reigning bandwagon. As the 1979 Evaluation Report describes it:[49]

> The impetus came from a combination of fortuitous as well as demanding circumstances at this stage in Philippine agricultural development. The country has made considerable studies in rice production attributed to technology, infrastructure, credit, extension service delivery and blessed by unusually good weather. But even good fortune carries its own hazards for a new set of problems arose such as: lack of adequate storage facilities; shortage of funds and breakdown of the administrative mechanism for price support payments; lower prices to farmers, and little change in food availabilities or lower prices to the poor majority. In the meantime, a cooperatives development program is underway; regional agricultural universities are undergoing further strengthening to serve the rural areas where they are located; and the national agricultural research system has been organized to facilitate the generation and utilization of research results. The country's leading agricultural University, through its teaching, research, and extension functions, has had a long tradition of academic capability as well as many years of close collaboration and partnership with development agencies concerned with agriculture and rural development. The situation, therefore, calls for the forging of new institutional relationships to deal with the new sets of problems more effecitvely.
>
> It was under these circumstances that IAPMP was born and it must be noted that no new component was created just for the project. All the ingredients were in place, so to speak, when it was conceived. What is particularly innovative and worth watching about IAPMP is the manner in which the different ingredients have been brought together in one concept to serve a single purpose — to raise the productivity and income of small farmers. It is new functional relationships, not new structures, not new organizations, which are being built.[50]

Some Comments on the IAPMP

There are two major issues which could be raised about IAPMP:

(a) What is integrated in the Project?
(b) How will small farmers benefit from the project?

a. What is integrated in the project?

There are different types of integration which are called for in IAPMP:

(1) *Integration of production, processing, and marketing* is only one aspect of integration in this Project and this might be the least integrated at the moment. Even these three functions

are not ordinarily lodged in one agency, institution or locale.

(2) Integration of each agency's project-related activities into the agency's own integral operations.

(3) Integration of different project activities within each thrust, e.g. extension delivery system, marketing assistance center, and cooperatives development within the Outreach/Extension thrust.

(4) Integration of different thrust activities within one institution, i.e., Central Luzon State University is involved both in the academic, technological packaging, and Outreach/Extension thrusts.

(5) Integration of the different agencies, institutions, their leaders and personalities. At the operational level, much of the integrative problems are really interpersonal problems.

(6) Integration of American consultants into the thrusts and into working relationships with Filipinos.

(7) Integration of the different thrusts toward the attainment of Project Purpose. Outputs from one or two thrusts could be inputs into another and corresponding results fed back into the thrusts that originally provided the outputs. This could be labelled *problem-solving integration.*

The complexity of this integrating process is articulated in the following:

> There is a great deal of communication linkages and information flows which need to evolve, develop and be institutionalized not in an administrative integration but in a mutually informed consideration of their respective plans, decisions, and actions geared toward a common purpose of increasing the productivity and income of small farmers. As many threads as possible have to be woven within, between, and among thrusts, agencies, institutions and personalities so that IAPMP can begin to operate as *one project and not a series of parallel, related, yet, independent sub-projects.* This is the essence of what *functional integration* means in the context of project objectives.
>
> The IAPMP Project in its totality is many projects all at once. It is applied research; it is agribusiness; it is extension; it is cooperatives development; it is non-formal education; it is non-degree short-term training; it is undergraduate and graduate degree curriculum building; it is MS/PhD and post-graduate staff development; it is the translation into action of an educational philosophy for a regional agricultural university; and it is an attempt to integrate production, processing and

> marketing. It is vertically oriented in a sense, because it ranges from elements of national policy at the top, to consideration of small farmers' problems at the village. From the farmer side, there is inclusion of both horizontal and vertical organizations in cooperatives development starting from the Samahang Nayon (the village cooperatives), the Agricultural Marketing Cooperatives, and the Cooperative Rural Banks. The Project is multi-agency and multi-institutional, involving a clientele of various educational levels from grade school to PhD., but hopefully all "tied" together by a common concern for those who are at the vital, but lower, end of the agricultural development spectrum. It is wittingly or unwittingly concerned with institution building from the Samahang Nayon at the village level, to policy planning bodies at the national level, to academia in the Philippines and the United States. Whoever designed the IAPMP Project could not possibly be lacking in imagination or vision. This description is not merely an exercise in putting words together but is meant to show the complexities of the project. Any assessment of performance must, therefore, be premised on this basic character.[51]

The IAPMP is creative, complex, timely and relevant. Precisely because of these qualities, it is difficult to implement. The management style requires coordinating without compelling; integrating without absorbing especially when institutions and personalities are equally *prima-donnas* and *relationships* are more *collegial rather than super-ordinate-subordinate.*

Integrating instruments range from the *Project Paper* as a *common document; communication linkages* through a variety of means; identifying and working on areas of complementarity and supplementarity such as common information and data needs, purposes, implementation and evaluation methodologies, and performance indicators operationalized through the *work flow;* full *utilization of skills* and talents of project personnel even *across thrust and agency boundaries; resource* or material linkages which tie the whole project together.

As in other integrated projects, the hypothesis is that "if integration actually exists, then the sum total of the products of integrated activities will be higher than when these different activities are done independently."[52]

b. How will small farmers benefit from the Project?

The IAPMP is very much an institution-building and manpower development project as shown in Figure 6.3.

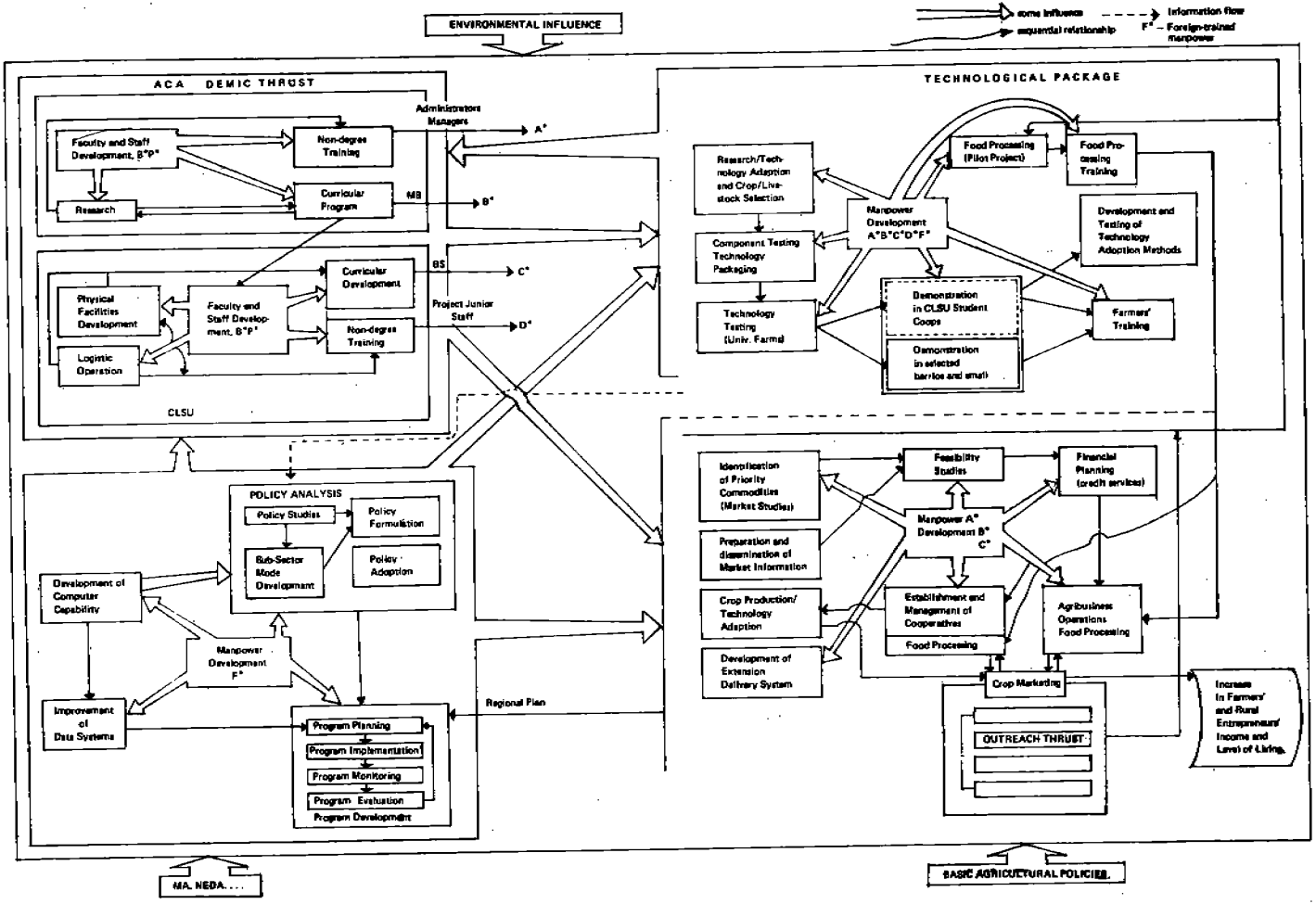
> While the Technology Packaging Thrust in combination with the Outreach/ Extension Thrust appear to have a direct potential contribution to small farmer productivity and income, more national policies arising from data systems improvement, enhanced analytical capability etc. and expanded manpower in the food systems possessed with new knowledge and skills would improve the environment within which production takes place and products move to market more efficiently. For example, the ability to determine the consequences of a particular commodity price policy on the income of the small farmer and to make decisions in the light of such knowledge is certainly not inconsequential in its likely impact. The outputs from the academic and policy thrusts may be more indirect, but are nonetheless instrumental means for attaining the purpose. However, the ethos of what is taught and how it is taught and brought to bear on small farmer problems must permeate the curricular offerihgs, training programs, and policy research activities. There must be a deliberate effort to analyze how each policy would affect the intended beneficiaries of the project. In the academic program as well as in policy analysis, there must be a built-in sensitivity to this major purpose. This would be helped along by a planned exposure of those involved in the implementation of the policy and academic thrusts to the realities of agricultural and rural development in general and small farmer problems in particular.[53]

However, as Figure 6.3 shows, increasing farmers and rural entrepreneurs' income and level of living is a "little corner piece" of the entire system. It is largely an indirect impact. Whatever direct effects accrue to farmers will come as a by-product of the institution-building and manpower development system of activities.

C. *The Dynamics of Integration and Coordination*

Planning and designing integration is one thing; implementing it is something else. What are some of the complexities, subtleties, and difficulties involved both in "thought and in deed"? It is necessary to unravel what is imbedded in such an alluring concept as *integration* because as one of the Bicol project documents states: "The evaluative feedback of implementation experience is important for the design of new projects." In this section, we present some reflections on integration and coordination which were generated by actual experiences in project implementation.

FIGURE 6.3. – IAPMP SYSTEM MODEL (BLOCK DIAGRAM OF PROCESSES/ACTIVITIES)



From: E. P. Aberlentos and J. Sodusta, The Integrated Agricultural Production and Marketing Project. Report on Impact Indicators, Philippine Center for Economic Development, UP, Diliman 1979.

a. *Team Work*

The Pilot Study of a Cooperative Approach in Rural Development[54] which was carried out in 8 Laguna villages from 1963-1970 provides us some thought and observations on 4 concepts of "working together" quite often used in rural development: *coordination, cooperation, integration* and *team work. Coordination* means "to bring into common action members of equal rank or order for a harmonious adjustment or functioning"; *cooperation,* "to act or operate jointly with another or others"; *integration,* "to form into a whole – to unite or become united so as to form a complete or perfect whole"; and *team work,* "work done by a number of associates all subordinating personal prominence to the efficiency of the whole."

In this Project where each team was made up of a crop technician, a livestock technician and a community development worker, the team members were asked about their interpretation of *team approach.* Their responses were as follows:

Team approach is:

- ☐ a working procedure (how the team operates)
- ☐ a process designed to facilitate team operations in a larger scale
- ☐ a method with which to carry out job responsibilities effectively and efficiently
- ☐ a close coordination of activities such that every member of the team must contribute to the success of the job being performed
- ☐ a system of working wherein different technicians plan and coordinate their functions toward a certain goal
- ☐ a process by which a group works cooperatively for a common goal
- ☐ the understanding, hence knowing of each other's duties or activities for possible coordination in order to avoid conflicts. While team approach provides for opportunity to complement or augment each other's work, it can also function as a limiting factor in the operations of a particular team member.

This latter interpretation recognizes the possible limiting effect of team approach. In present-day designs for coordination and cooperation we tend to see only the advantages but not the drawbacks.

It has been pointed out that the *"anticipated results of coordinated efforts must be extra compensating to offset the cost of cooperating in terms of the sacrifice cooperators have to make both as individuals and as members of particular agencies vested with specific responsibilities."*

All the technicians in the Project agreed that they were working as a team and the following were cited as evidences to support their contention:

a. Each has his own field of specialization and we respect each other's job in the performance of our work.
b. We plan our activities together and decide on our individual plans with the group.
c. In farmers' classes, the technician concerned handles subject matter in his field of specialization. When cases of animal diseases which are beyond my competence arise in my barrio, I call on the livestock technician but I do the follow-up.
d. In the performance of our duties we work cooperatively and every member is indispensable to the team.
e. We plan our weekly activities and solve our problems as a group or as a team.

These evidences reveal a strong activity-orientation in their interpretation of team approach with *togetherness* as a dominant feature. An analysis of the actual field operations reveals 5 facets of the team approach:

- ☐ *team as a small group* (with focus on the individuals who make up the team and their interrelationships to each other). This involves group identity and esprit' de corps.
- ☐ *team of functions* (with a focus on team members' fields of specialization(.
- ☐ *team squad* (with a focus on being together physically for companionship). The team members were moving physically together most of the time.
- ☐ *interagency team* (with a focus on the agencies' team members present).
- ☐ *problem-solving team* (with a focus on defined problems and an analysis of the role which particular team members can play in solving the problem).

Of these 5 facets, the *problem-solving* rationale for having a team was least evident in their own operations. The maintenance of the *team as a team* became very important and its original raison d'etre became almost secondary. Actually, the team was organized because development problems transcend specific fields of specialization and specific agencies and not because we want workers to be together. One of the net effects of the "team groupness", however, was that each member acquired some degree of expertise from his other teammates thus making all of them more broadly *competent* than before. In this sense, an "integration" of subject matter specialization has taken place within the team members. An assumption of this Project is that:

> The best results in agricultural extension and development can be obtained when the work of the separate agencies are *coordinated* at the farm level so that each agency represented can make its maximum contribution to the improvement of farms and homes.

This assumption remains pretty much an assumption. It is difficult to prove by itself because "best" implies in comparison with other ways of doing things such as each agency proceeding separately. The assumption also carried another assumption that individual agencies have what it takes to perform their functions and that the only thing required is to coordinate their work. This is not necessarily so. Bringing an "effective" agency with a "sluggish" one could give the latter a "lift" or the former could be negatively contaminated. The resulting "chemistry" from "coordinating" different elements is not always a matter of addition or multiplication. *Coordination* implies equality among the different agencies involved. Operationally, what does equality mean? Equality in stature? In resources? In contribution to the project? Or in opportunity to participate in decision-making? When the agency which initiates coordination contributes substantially more in terms of personnel, funds and other resources, and assumes more than its equal share of responsibility for seeing it through, what happens to the *equality* between coordinator and "coordinated". Beyond the point of barely noticeable imbalance, joint or coordinated efforts eventually end up as a one-agency dominated project with other organizations providing supporting services. This can be better described as the *lead agency concept.*

b. Lead Agency Concept

To implement such a concept in the Libmanan-Cabusao integrated area development with the National Irrigation Administration as the lead agency, a memorandum of agreement was signed among 12 agencies at the National level and 7 at the regional level, "to assure that the project would have adequate personnel to implement an integrated extension program and adequate control over those personnel to truly integrate their activities."[55] To incorporate non-NIA personnel, they were to be detailed to the project without jeopardizing promotional opportunities. NIA would maintain personnel records, pay salaries, wages and/or incentive allowances; and conduct performance evaluation of the personnel detailed to the project. The execution of the agreement was something different, however. The cooperating agencies have assigned their personnel to the project in varying degrees ranging from being "assigned or deployed"; "need and call basis"; "work and coordinate activities with"; "full-time detail with conditions"; and "committed on detail". Honadle presents 2 views with respect to this "mutation" of the agreement:

(a) without authority over all personnel, integration will not occur
(b) the memo does not realistically reflect organizational dynamics and the mutation process was merely adjusting to actual conditions. Both views call for a decision to either fully implement the original plan or to redesign the structure within which agricultural personnel operate. In either case, Honadle points out that: "a solution creates other problems".

From the perspective of many line agencies, "project organization has had marginal effect on their activities within the municipalities of Libmanan and Cabusao. Personnel records have not been moved to the project, incentive allowances have not been given and, in spite of memo of agreement and letters assigning personnel, the line agencies essentially retain the services of their technicians in their own programs . . . activities have also largely remained unintegrated". Honadle says that: "without *team-building*, it is doubtful that service delivery will be integrated into a coherent or efficient process. Although team-building may be necessary, it is *not* sufficient. Informal group dynamics may be the most important element in project management during stress periods, but when conflicting

demands are made upon personnel by the project and the line agencies, structure may dominate the outcome." When the "chips are down", so to speak, project personnel will give priority to demands of the agency where their "bread and butter" comes from. In situations like those, a lead agency might very well recruit its own staff to carry out functions expected of other agencies. When this occurs, *duplication rather than integration results.*

c. Organization and Management of "Integration"

On organization design, Honalde argues that:

> . . . organization and management *does* make a difference [but] also concedes that *"the exact role of organizational factors is elusive."* That is, although structures, procedures etc. can be stated it is often difficult to visualize the effects of specific variables on specific project outcomes. Furthermore, the state of the art has not advanced to the point where specific relationships . . . can be quantified. Thus choice remains subjective . . . And finally . . . *appropriate project organizations are situational.* That is, identical formal arrangements can function very differently in dissimilar environments or with dissimilar people . . . In fact, organization charts often bear little resemblance to actual decision-making processes in rural development projects. . . The difficulty of organization design does not decrease its importance. One way to improve the situation is to turn to a case study and extract from it a rudimentary sketch of a few important landmarks in the organizational terrain of rural development projects.

This less than sanguine assessment of the role of organization and management in development has likewise been revealed by Sapolsky in connection with PERT (Program Evaluation and Review Technique) which is "one of the frequently 'tooted' tools for managing complex tasks involving the synchronization of multiple organizational units." The author has the following to say about the PERT myth:

> PERT was invented in the U.S. Navy Special Projects Office which developed the Polaris weapons system. The Polaris project was a great success and management technicians consider it one of the most effective applications of management systems technology.
>
> How did Polaris succeed? What was the contribution of PERT?
>
> The not unintended impression given in the numerous briefings, official documents and approved (or planted) newspaper and magazine reports

describing Polaris management techniques was that at last there had been devised an integrated management system which could cope with the complexities of technological development. . . Since the technological success of the Polaris could be attributed to the Special Project Office's management techniques, or so it seemed, Polaris became a model for the management of large scale technology programs.

How instrumental were such devices as PERT to the success of the project for which they were developed?

In the case of Polaris, scientific management techniques had little to do with the success of the project. The *real management of the program* was carried out in an *intensely personal fashion* through *small, informal meetings,* and *frequent telephone calls.* Public briefings and meetings were staged for the benefit of an audience that sought to end the project on grounds of bad management. The tools that formed the model for the management of large-scale technological programs . . . either were not applied on a significant scale in the operations of the Special Projects Office (SPO). . . or they were applied, but did not work or they were applied and worked, but had a totally different purpose than that officially ascribed. The existence of an *integrated uniquely effective management system was a myth* originated by the SPO. The further removed it was from the source, the more embossed the myth tended to become.

The lesson Sapolsky finds in the Polaris experience is that though PERT was:

as effective technically as rain dancing, it was nevertheless quite effective politically. . . The chief utility of the system was not control of the organization but the appearance of formal rationality which could be presented to outside agencies. *The success of Polaris was not due to applied paradigms of scientific management.* It *depended much more on a messy, highly redundant mode of personal communication and initiative* (admittedly in pursuit of a clear goal), the very patterns condemned as archaic and wasteful by many management consultants and systems engineers.[56]

If a technological project such as the Polaris required *intense personal communications* in its management, one can only hazard a guess as to how much of this ingredient would be demanded of "integrators" in integrated rural development. In other words, the interactions required between and among structures, bureaucratic and community personalities and people beneficiaries in an integrated rural development project could indeed be considerable. The development task are not as clearcut and specifically defined as those of the Polaris.

d. *Coordination, Integration and Authority*

De Guzman in his analysis of "coordination in Government Delivery Systems", makes the following observations:

> . . . the delivery of most government services at the local levels is presently done by various field administrators/workers who are related to their respective departments by direct lines of command. The field agents operating in a common local government area belong to separate functional (sectoral) hierarchies responsible for different government programs/services. There is no generalist representative of the government in the area exercising overall responsibility for all functions. There are studies which have shown that this set-up has resulted in inconsistent policies and uncoordinated, unsynchronized, fragmented and discontinuous implementation of policies and programs, so that people are not able to obtain complete and integrated packages of development projects and services. It is true that, in an attempt to avoid these programs, coordinating bodies have been set-up at the various levels, i.e. development councils at the regional, provincial, city and municipal levels. However, such development councils have been observed to be generally weak.
>
> At the municipal level, one area of reform to remedy the problem of a lack of a unified direction at the local level is to transform the local executives from political into career executives and providing them with *adequate authority* to go with their *responsibility.* Under this proposed scheme, the local executives become *area development managers* who represent a *higher authority* than those whose policies, plans, and actions are to be coordinated. He is to be vested with certain *powers,* and *held responsible* by the central government for carrying out all the functions in a given area. Field functional specialists receive *their orders* from him. . . With an area development manager overseeing the development efforts being carried out in one area and *exercising formal authority* over various field specialists, a *unified approach* to development can be effected at the local levels. . .

With respect to the Regional Development Council (RDC), de Guzman attributes its *weakness* as a coordinating body in the implementation of development programs and projects to its *lack of substantive and meaningful authority.* It has no power to allocate funds and determine priorities for the region. It even has no formal authority over its own members. The suggestion for strengthening the RDC was to vest in it – particularly in the Chairman – *adequate authority* in order to be able to *command* the *respect* and *exact the cooperation* of the other officials in the region.[57] (Underscoring supplied)

From de Guzman's view, *authority* and *control* is the basis for *strong coordination* and *integration* and the preference is for higher authority to *command respect* and *exact cooperation* from the agencies being coordinated or integrated. Given this argument, integration could be a euphemism for centralized control of functions, funds, and personnel of different development agencies in the name of more effective pursuit of development objectives. Integration conveys no flavor of equality among parts being integrated. Absorption in the process of amalgamating disparate pieces into a whole could even be read into the concept. To be integrated could mean "to be taken over' and an *absolute dictatorship* could be the *ultimate in integration.* How does one reconcile higher authority and control as a basis for coordinative and integrative strength with people participatory requirements of integrated rural development?

e. *Process Considerations in Integration*

1. *The Case of Integrated Areas Development*

Ocampo *et al* says that:

> the general thesis embodied in the Libmanan-Cabusao Integrated Area Development is that an *integrated multi-component approach would create a greater net positive impact that an approach in which the components are designed and implemented separately or sequentially.* In other words, since the L/C IAD Project is supposed to integrate the irrigation, agricultural and institutional components, its overall impact or benefit would be greater than the sum of the effects of the same components individually pursued, i.e. one at a time or more or less simultaneously but by different agencies. . . Central to the argument behind the approach is not only the design of the project but also the process of its implementation. . . *Multisectoral* scope and temporal *simultaneity* are necessary but not sufficient conditions here; some degree of integration must also be designed and maintained to actually produce the *synergistic effects* anticipated and desired. In general, integration implies congruence or *fit* and coherence in the relations of a system's elements and thus a common direction for its consequences. Integration may thus take place at various stages and levels of a project, and its presence and degree may be indicated . . . in the following terms:
>
> (a) Consistency among the impacts of the project
> (b) Complementarity (mutual or unilateral support) among its outputs and among its inputs in spatial and functional terms
> (c) Coordination of the inputs and of the outputs

An IAD seeks "to achieve *consistent* impacts in terms of the *welfare* of the community." For example, an irrigation project should not be built in such a manner that the environment is ruined and its useful life shortened to the disadvantage of farmers. Productivity objectives must not be pursued at the expense of employment considerations.

Ocampo *et al* suggests that complimentarity may be indicated by whether or not (or the extent to which) an output unilaterally or mutually supports other inputs and together help magnify an impact. For example — the use of HYV's is enhanced by the installation of an irrigation system. Additionally, greater emphasis on institutional processes should reinforce the effects of technical and physical elements. Whether or not certain other outputs or conditions necessary for the sufficient functioning of the system have been missed by a Project (e.g., postharvest facilities) is another consideration captured by the complementarity concept. The opposite . . . would be a competitive substitute for another, as when farm machines replace labor, though one may well ask whether the presence of alternatives is necessarily bad (and whether, on balance, labor intensity on the farm is increased rather than decreased due to other factors such as irrigation). The limiting case is where redundancies or excessive costs occur and a point of diminishing returns is reached.

Coordination of inputs and of output elements is the main integrative burden of the active intervenors in the system, including especially the government administrative machinery and social organizations or leaders in the community. Complementarities, and consistency among impacts as well, would be greatly assured if the agencies and community members *coordinated* their inputs in *time* and *space* . . . The rigors of the approach may call for intra- as well as inter-organizational aggregation and integration. From the viewpoint of government agencies, the issue of integration in an IAD arises in this form: the extent to which the sectoral agencies at different levels should engage in collaborative relationships and indeed, the feasibility of centralizing and unifying sectoral activities within a single agency for the purposes of an area-specific project . . . . *Administrative integration* could take place at the interagency, agency, and even position levels and could be detected by formal and informal indicators. . . What do the organization charts show in terms of both structure and functions? Do the agency representatives meet regularly, forge agreements, and live up to their commitments? Do they time and pace their respective activities so that they are synchronized and continuous, and are not confusing to other participants? Despite (or because of) the collaborative or coordinative mechanisms, are responsibilities and rewards for performance clearly delineated (in the L/C IAD, differential rewards seem to have been a *distingrative* factor, suggesting the need for a common compensation for the agencies involved). Is there a systematic monitoring process that effectively feeds back information to

> control or regulate individual and inter-agency activities and project progress?. . . Are client organizations conceived and motivated as integral parts of the 'service delivery system' or is a clear distance maintained between the agencies and their respective 'clients'? The implementing agencies could so succeed in these tasks that the community itself could sustain the integrative process at later stages for various purposes. But there is also the risk of *co-optation, domination,* and *dependency.*[58] (Underscoring supplied)

Given the major preoccupation of government bureaucracies with administrative territorialities, the *administrative integration* aspect of IAD occupies center stage in implementation problems. To make it happen therefore, as de Guzman recommends, greater authority and control is often asked for. When this is achieved, then *co-optation, domination* and *dependency are not only risks.* They become the essence of integration. At least in theory, integrated rural development is supposed to be *problem-focused, people-oriented,* and *area-based.* But in actual operations, it is the pursuit of administrative integration which seems to dominate but does not necessarily succeed.

2. *The Case of Functional Integration*

In the Integrated Agricultural Production and Marketing Project (IAPMP) which is different from IAD in the sense that it is functional rather than area integration, Vincent and Rivera present a number of elements in the integrative linkages which seems to be quite apropos to IAD:

(a) *Organic relationships*

> The organizational charts provide clues as to how the various sub-units of the project relate to each other administratively.

(b) *Participative relationships*

> The level of participation in integrative functions . . . is not resolved in tables of organization and plans of work. It entails such matters as vested interests, incentives and rewards. It involves the personal costs of gaining information about the work of others and in evaluating the benefits and losses that accrue from substituting joint effort for individual effort. At the administrative level, the issue is one of ascertaining whether the fulfillment of individual thrust and sub-thrust objectives add to the fulfillment of overall project goals, or whether there is undue duplication or inadequate effort in the pursuit of a common sub-project goal. From an economic perspective, *there is a cost to coor-*

dination and the providing of information for all program actors and the pay-off to this cost needs to be evaluated. . .

To acquire the requisite awareness/understanding of what other individuals are doing or attempting to do, an investment must be made. Any time or money spent on acquiring such awareness/understanding is lost for employment in any alternative activity.

(c) *Interest group relationships*

The matter of vested interest is closely allied with the incentive/reward scheme. The level of one's vested interest in the outcomes of the project may be related to positions of authority and/or perceived career/professional pay-offs. But they may also be enhanced or diminished by both monetary (honoraria, perquisites of the job) and non-monetary (prestige, recognition, sense of security, etc.) rewards and incentives.

(d) *Supplementary relationships*

By definition, the relationship is supplementary if a given amount of committed resources, the output of B increases with no change in the output of A. The output of B is enhanced if, for a minimal effort, B is able to utilize a by-product of A. If A provides to B at little or no cost, something needed by B, then it is possible for B's output to be increased without having to duplicate the effort of A.

Example 1, price data generated by the Bureau of Agricultural Economics (A) may be routinely provided to the Policy Thrust (B_1) for use in policy analysis; to the Technology Packaging Trust (B_2) for use in the economic analysis of technology packages, and to the academic thrust (B_3) for research purposes.

Example 2, Training materials developed by one institution can be used by another institution for comparable training programs.

(e) *Complementary relationships*

The relationship is complementary if the output of A increases with an increase in the output of B. Complementarity always exists where the output from a group exceeds that of the sum of the output of the individual group members working independently. Collaboration does not ensure complementarity but it is difficult to find complementarity without it.

Example, collaboration between the Extension-Outreach and Technology Packaging Thrusts could have complementary relationships in the sense that the nature of the technology determines the extent to which it will be diffused and adopted in the Outreach thrust. On the

other hand, insights from the Extension Delivery System if fed back to the Technology Packaging Thrust can provide valuable information about farmers' technology needs and their response to technology packages which can help in redesigning or in developing new technology.

(f) *Competitive relationships*

Participants in an integrated project may perceive many activities, involving many others to be competitive. That is, for a given resource commitment, an increase in the output of A results in a decrease in the output of B. Competitive relationships if duplicative tend to be redundant and are therefore, costly in the long run. Because of limited resources in the form of funds, personnel, and their specialized skills, competitive relationships are extremely common.

Example 1, The work load of University faculty members is very heavy. It seems impossible to do everything they want to do and are expected to do. If a new activity is to be added to the work load some activity must be given up or some other strategies must be employed (such as a financial incentive to make the work day/week longer).

Example 2, Increased involvement or understanding of the work of one thrust by the participants of another thrust may be regarded as "something else to contend with; an interruption in one's own program of work, in short, a competitive relationship."[59]

3. *Problem-Generated "Integration"*[60]

The Dairy Training and Research Institute (DTRI) of the University of the Philippines at Los Baños has a milk collection scheme which involves milking animals as a backyard activity of small farmers and landless households in a depressed and isolated area of Jala-jala, Rizal. Technical support such as breeding, veterinary services, and continuing extension education goes with the milk collection system. Considering the low incomes in the area, milk payments make up a sizeable portion of total family income among project participants. However, as the milk collection proceeded, and on the basis of the community problems which became obvious to project implementors, several other components were added at different stages, e.g., feeding program for malnourished children; nutrition education for mothers and schoolchildren; vegetable production among mothers and teachers; family planning (mostly tubal ligation); Barangay Health System which involves the training of Barangay health aides; pharmacy aides and the establishment of *Botika sa*

Baryo (village drugstore); Veterinary Health System which includes the training of para-veterinarians and *Botika sa Hayop* (Veterinary drugstore); sewing classes; and household water supply through water pumps. A reforestation project is also being contemplated for fuel, livestock feed, fruit growing and bamboos for fishpens, and erosion control purposes. It should be noted, however, that these other components come in only after a milk collection scheme has been established.

This dairy-based rural development project is not planned integration in the manner that other integrated projects have been conceptualized and charted. There is no comprehensive framework plan, no integration model, no elaborate planning process. Project components were added on an ad hoc, opportunistic basis in response to problems met in the depressed communities of the area where social services were practically non-existent. Therefore, any input is an addition in terms of expected impact. It is not really a case of coordinating or integrating work of different agencies because there was none to coordinate or integrate. It is a multi-sectoral project administered by one institute which sought the cooperation of other agencies such as the Comprehensive Community Health Program of the College of Medicine, the Rural Health Unit, *the Bayanikasan Research Foundation (a small private foundation),* the municipal government, the Mary Johnston Hospital, etc., as the need for their assistance arises. The compelling force in the addition of components is the plight of the rural poor. There is no complex organizational overlay of bureaucrats and experts who capture overhead expenses and no big money for incentive pay to workers. Whatever meager resources are available find their way to the communities in terms of milk payments, family planning, health and other services.

This project in a depressed rural poor, isolated area which does not have a sophisticated blue-printed conceptual model of integration has never gained enthusiastic support from the University. Because the place cannot easily be reached except by crossing the not-so-placid Laguna Lake, it is not convenient for visitors "concerned" with the rural poor and it is not attractive for "rural development tourism" either. The staff were constantly criticized for loading the dairy project with non-dairy components and for engaging in a subsidized scheme. Little do people realize that the huge agricultural loan programs of government are *de facto* subsidies because of the

high loan defaults and uncollectibles. It is likewise difficult to point to any government sponsored program which is not heavily subsidized especially during the pioneering stages. This stage of affairs is further aggravated when one moves to marginal communities.

Cooperation from other units of the University and from other agencies has not been easy to obtain because crossing the Lake is not only high risk, but also *gratis et amore.* Unlike most research and action programs which offer honoraria for involvement, this project had none to use as incentive. In the meantime, the University continues to espouse its commitment to the rural poor and to its philosophy of multi-disciplinary approach to problem-solving while multisectoral rural development projects which accrue to the program designers and implementors abound. The subsidy on milk payments could be regarded as development-oriented income transfers to the rural poor without the indignity of an outright dole-out. With the cost of the program goes non-dairy social services which are urgently needed in the area and which serve as alternative entry points for the milk collection scheme. Because of the seasonality of milk availability, non-dairy components keep the communities in the program even when milking animals are temporarily dry. One of the outcomes of this tenacious attempt to continue working in this hard-to-reach area is the prick of conscience it has generated from agencies such as the municipal government which, by jurisdiction, should be paying attention to these problems. The final criticism of the project revolves around the question: "Is it DTRI's job to be engaged in multisectoral rural development? Whose job is it really? It would be ideal, indeed, if relevant units of the University and other development agencies would participate and contribute their particular sectoral services to the project but such contributions were not forthcoming despite repeated attempts to invite them. Reasons for this have already been cited.

This particular case has been cited to underscore the problems of reaching the rural poor. There must be no illusions about the difficulties involved and the realities one has to confront in the pursuit of this "development-fashionable" objective.

4. *An Additional Dimension to Integration*

The most important argument for integrated rural development (IRD) is the interrelatedness of factors, the systemic, holistic nature

of development problems. If a project is multisectoral and integrated, is it also necessary for participant-beneficiaries themselves to perceive this integration, the interrelationship among the different components? Is the understanding of integration important only for program design and implementation but not essential for intended beneficiaries?

Ocampo, in his study of tubal ligation adopters in the Dairy-Based Rural Development Project, found the following:

(a) Not all the ligate households knew of the Milk Collection Program, the umbrella program under which family planning operated. Some of them viewed the dairy as independent of the family planning campaign.

(b) Not all the milk collection cooperators were able to see a relationship between the dairy and family planning components.

(c) Even among those who perceived a relationship between dairying and family planning, the main relationship perceived was that the dairy technician and the family planning motivator worked together and were from the same institution.

(d) A question may be asked as to whether it really matters. True, some clients did not perceive the interrelationship, but they did get the service. Some milk cooperators perceive quite clearly the conceptual and operational integration of family planning and dairying. But they did not adopt ligation. Which is the "better" situation?

(e) Services offered under an integrated rural development program are likely to have differential relevance to clients. Hence there will be differential adoption and impact. For example, some households may have milking animals (hence are prospective cooperators for dairying) but have none or only one child hence are not yet interested in family planning. Or the reverse situation may exist. Operationally, therefore, participation in one need not be associated with nor be contingent on the other.

(f) Conceptually, the integration could be made clear. But to what extent can it be expected that rural people would see this relationship? (Even among UPLB constituents this integration is far from clear.) Hence such a remark as: "What has family planning got to do with dairy production?"

(g) That the clients should perceive the integration of diverse components of a program is important. It means that the agency has successfully packaged its program for clear presentation. But it is not *really that critical* for adoption, for clients to avail of services, for recipient to benefit.[61]

f. *The Complexities of Interdisciplinary Approaches*

Integrated rural development implies interdisciplinary approaches. The United Nations University which has had a five-year effort on an interdisciplinary dialogue on world hunger bringing together social scientists (Human and Social Development Programme) (HSD) and nutritional scientists (World Hunger Programme) reports the following:

(1) "Real interdisciplinarity is difficult to achieve" – all the more so when the effort involves scholars from many cultures and schools of thought.

(2) In general terms, the social scientists argued that "hunger and malnutrition are merely the most obvious symptoms of a much more complex set of societal issues which must be resolved *before* world hunger can be eliminated". On the other hand, the nutritional scientists expressed a concern for what could or should be done in the meantime, while such fundamental societal changes were coming about, for the millions of people who are hungry now. . . .

(3) The general thrust of the social scientists is to emphasize the *holistic approach* – a process by which a large number of variables are considered simultaneously. . . . Whereas the World Hunger Programme is oriented toward the identification and amelioration of specific needs (e.g. nutritional deficiencies, post-harvest food losses etc.), the Human and Social Development Programme proposes that few, if any, effective long-term developmental consequences can be obtained for viewing and acting upon such needs apart from the broader context of social, cultural, economic and political issues with which they are inextricably bound.

(4) The critical question left unanswered is: "How does one enter into the reality?" *Holism* is a concept with an infinite capacity of extension and meanings but *it needs to be operationalized.* Real problems are "the expression of actual processes in given conditions and have to be tackled with action rather than *words*. . ." This "reality check" is a constant requirement which assesses the *translation of theory into practice.*[62]

These experiences highlight the intractability of interdisciplinarity when one operationalizes. The dilemma between the exigencies

of "now" and the demands of basic long-term societal changes is a tough one to resolve.

SUMMARY AND CONCLUSIONS

The international development community, including the Philippines had gone full circle in its rural development strategies. From the holistic approach of the community development era, the Philippines, for instance, went to single commodity production programs such as rice, corn, etc., and then back to the interrelatedness of factors embodied in integrated rural development. This Chapter briefly examined the concept of integrated rural development; reviewed the Philippine versions of integration in rural development; and analyzed the dynamics of integration and coordination.

The Concept of Integrated Rural Development

The new international consensus on rural development that had evolved since the early 1970's is a *more integrated* and *community-based approach.* Integrated rural development is multidisciplinary in approach; multi-sectoral in operation; focused on the rural poor; adopts a total systems aproach; is to be implemented in a defined geographical area; implies a package program; requires changes in target group population as well as in the change system; and has two major objectives: accelerated economic growth with wider participation and most equitable distribution of its gains. Increasing capacity and commitment of the people to be involved in the development process is basic to the operational strategy of IRD. Although advocates had attempted to distinguish IRD from community development, there were those who upheld the revivalist view that the new IRD was in fact a revival of old CD. Nevertheless, translating IRD into effective actions had been acknowledged to be more difficult than expected. In the meantime, development administrators had emerged as the new "technocratic heroes" in this new development approach.

Philippine Versions of Integration in Rural Development

To indicate the Philippines own experimentations in integration, several versions of integration in Philippine rural development were reviewed.

(1) The CD era left a legacy which could not be ignored because it was the first time the village had been the main focus of national development.

(2) The Human Settlements approach is the most comprehensive of all integration because it brings together 11 basic needs with corresponding auxiliary brigades at the village level; country-wide in scope, both rural and urban; and cuts across all Ministries. The approach demonstrates how integration leads to quick action when vested in central authority.

(3) The River Basin integrated area development approach was illustrated by the Bicol River Basin Development Program (BRBDP) which was described as a test case in the government's overall rural development strategy. It was said that in Bicol "the classical development problems are all present". The program included physical infrastructure; improvement of essential services; land tenure reform; increased agricultural productivity; encouragement of private investment in agri-business and rural-based industries. The strategy took into account urban-rural linkages, spatial integration, and urban functions supportive of rural development. A comprehensive appraisal of Bicol River Basin resources and how these resources could be fully developed was attempted. In terms of institutional arrangements, the mandate was to integrate national and local government programs in the area and to decentralize planning and implementation of rural development projects. To operationalize this mandate, there were committees or teams from the sub-regional to the municipal level. Feedback from the private sector was also provided for.

General observations on BRBDP as an integrated area development approach could be summarized as follows: (a) BRBDP could be characterized as the development consultant's paradise which had been one of the most studied, feasibility tested and evaluated rural development programs in the country; (b) the system of articulating a set of related

activities in an area, packaging them into a single proposal and coordinating implementation activities had been successful in that projects had been funded and were underway; (c) BRBDP was a combination of Cabinet *Godfather* by way of a Minister coordinator, a regional coordinating council, local participation and foreign assistance; (d) the institutional aspects were often perceived as "overdesigned" and too complex; (e) the long gestation period for projects to "mature" and benefit rural people gave rise to some cynicism expressed as the "The Bicol NEVER BASIN"; (f) social soundness analysis was emphasized but technical and environmental soundness needed as much attention. The delicate "physical balancing act" was evident in the pursuit of infrastructure projects; (g) employment generation had been rather modest relative to expectations; (h) upland development, although small and unheralded, had more direct impact on upland farmers and showed integration in a problem-oriented, functional, operational, "thinking small" manner in contrast to the sophisticated development management style.

The *BRBDP Program Office which was created to "integrate" had a budget of ₱9 million with a 421 member staff in 1981.* This was judged as a "high overhead cost even for an integrated area development program, the size of the Bicol River Basin undertaking." Perhaps this was the Program's most positive experience in employment generation.

One candid observation on "integration' in BRBDP said that: *"Coordination,* rather *integration* was very *marked* in terms of the process of Bicol Program implementation. . . *Integration is probably more useful as a planning device than as an implementing procedure.* . . . Integrated implementation is a large bite than most systems can chew."

But the most cavalier assessment of BRBDP was expressed as follows: "The concept of integrated area development has been talked and written about, and was put to trial in Bicol. The BRBDP is operational; it is getting attention all around; and it is drawing in resources for rural development."

The impact of BRBDP on the socio-economic conditions and quality of life of the poor majority in Bicol had been largely undetermined so far.

(4) Unlike the BRBDP, the Sub-Provincial Area Integrated Rural and Agricultural Development (AIRAD) project which was initiated by the University of the Philippines at Los Baños in cooperation with Quezon Province, covered a much smaller area and was less complex. Its basic instrument was the *Framework Plan* which was the overall guide of action by the different agencies and people who would be involved in the overall development effort in the area. To achieve the values embodied in the Framework Plan, the approach was a *Technocratic-Democratic Mix* which had a technical planning group that provided the technical substance of the plan. Other groups of people were invited to participate only during appropriate phases of the planning process. Accompanying the Framework Plan was *an integration map* which indicated the points of integration; integration instruments and the *identified integrators* at different *levels of integration.* AIRAD had a training and education priority in its approach. Training influences productivity which contributes to increased income, which in turn, contributes to more efficient social services and vice versa. The program had no specific rural poverty orientation. *Technocratic approach* to *situational analysis* was relied upon and not the "felt needs" approach.

(5) *Unified Training and Area Isolate Development.* The Philippine Training Center for Rural Development (PTC-RD) was established to effect a *unified training program* to develop the technical capabilities as well as the functional effectiveness of the manpower from different agencies involved in rural development. The aim was to develop strong local capability and multi-sectoral support for evolving and implementing strong area-based development programs. The strategy to achieve this was to implement *multi-agency, multi-sectoral, multi-level training* programs involving *multi-center participation* from *multi-locations* funded from *multi-agency* budgets. However, a particular training course was situation-oriented, area specific; program-based; and people centered. A defined ecological zone served as a basis for generating locality-specific technology and for developing production systems, institutions, and other community living

support services. The *area isolate* was used as the principal mechanism for inter-agency collaboration and program complementation.

As of April 1980, PTCRD training outputs consisted of more than 10,000 individuals, 55 percent of whom were farmer leaders. Because this is potentially the most positive output of the Centers, farmer-leaders as community-based leaders in rural development require closer scrutiny because they are probably the actual *vehicles for unification* of multiple programs.

(6) *Agro-Forestry Development Projects (Environment-Oriented Integration).* Agro-forestation is a compromise between traditionally competing agricultural and forestry land used. It preserves the salient features of both agriculture and forestry. As an improvement over the traditional farming technology used in upland areas, agro-forestation was designed to produce the following outputs: increased forested area and wood production; increased production of agricultural crops and livestock; increased socio-economic level of beneficiaries; stabilization of forest occupancy; and improved environment. In implementing agro-forestry projects, conflicts between individual and societal goals, between short-term and long-term benefits, had been evident. It was for this reason that in this *environmental or organic integration, community organization* was brought in for purposes of *collective action, responsibility and welfare.* After all, the concept of *ecology* implies *sharing* in order to maintain the delicate balance in nature and to distribute the benefits from nature's bounty. Ecological happenings had continued to be real-life lessons in the *integratedness* of the environment.

(7) *Integration Oriented Toward Health, Nutrition or Population.* In recent years, health, population, and nutrition programs had been geared more than ever to the rural populace in some form and level of "integration" such as: "unified services for health; conceptual integration illustrated in farming-family planning analogies; administrative integration of all government and private nutrition efforts; population and family planning outreach with the direct involvement of provincial and city governments in the management of the pro-

gram and a basic emphasis on overall community development as a framework for family planning services. Ostensibly to solve the problems of outreach, integration and community-based support, Project Compassion was created to integrate 4 major concerns of nutrition, food production, environmental management and family planning.

Some common trends had been discerned from all these examples of *integration:* (1) all the programs aimed to be *community-based, indigenized* and used local village-level paraprofessionals such as the Barangay Health Worker; Barangay Development Nutrition Scholar; Family Development Committee and Unit Leader; local auxiliary health worker; and the Barangay Supply Point. No matter what the organizational set-up might look like, all these programs acknowledged that their *success depended upon these grassroots* workers who had been identified as the *integrating* or *unifying factor.* The thrust had really been to create paraprofessional "integrators" at the village level. (2) All the programs represented serious attempts to decentralize delivery of services and exhibited some degree of community participation. In the final analysis, the life of an elaborate integrated program depended upon the least-trained, lowest-paid and in many instances, volunteer workers. (3) Although at the national level, the perceived problem was lack of coordination and integration among agencies concerned with rural development at the village level, the 1978 Nationwide Nutrition Survey lent credence to the suspicion that perhaps agencies were not exactly stepping on each other's toes at the village and household level. The proportion of households who had participated in various food, health nutrition and population programs ranged from 5 to 34 percent. The great majority of households had yet to participate in these programs. Lack of coordination and integration is probably preferable to lack of services. (4) The Family Planning Program was most systematically monitored and evaluated and the contribution of the Barangay Supply Points to the effectiveness of the outreach program had been most encouraging. Whether this was a by-product of integration is, however, impossible to determine.

(8) *Functional Integration.* The Integrated Agricultural Production and Marketing Project (IAPMP) illustrated another kind of integration. It combined four different but complementary and interdependent thrusts, i.e. National Policy, Academic Technological Packaging and Outreach/Extension. All these components were in place when the project was conceived. What particularly innovative about IAPMP was the manner in which the different ingredients had been brought together in one concept to serve a single purpose – to raise productivity. It was *new functional relationships,* not new structures, not new organizations, which were being built. Several agencies and institutions were involved (the Ministry of Agriculture, Central Luzon State University, Kansas State University, the University of the Philippines at Los Baños and the Cooperatives Development Program) and IAPMP was not confined to one location. Integrating instruments ranged from the Project Paper as a common document; communication linkages; work arrangements; utilization of skills and talents across thrust and agency boundaries; the resource or material linkages which tied the whole project together. Perhaps *the common resource base (funding)* was the most *powerful integrator* in this functional integration. Ironically, the integration of production, processing, and marketing which was intended to benefit the small farmer was probably the least evident during the first three years and would probably be the last integration which could be expected to materialize. Operationally, IAPMP was very much an institution-building and manpower development project. Whatever benefits would accrue to small farmers would have to come as a by-product of the institution-building and manpower development system of activities.

The IAPMP was creative but complex and therefore difficult to implement. The management style required coordinating without compelling; integrating without absorbing, especially when institutions and personalities were *equally prima donnas* and *relationships* were *more collegial rather than super-ordinate-subordinate.*

As in other integrated projects, the hypothesis was that "if integration actually exists then the sum total of the pro-

ducts of integrated activities will be greater than when these different activities are done independently." As in other integrated projects, support for this hypothesis has yet to be demonstrated.

The Dynamics of Integration and Coordination

Some relfections on integration and coordination which were generated by actual experiences in project implementation were reviewed:

(a) *Team work*

Team approach had 5 facets: team as a small group; as a team of functions; as a team squad; as an inter-agency team; and as a problem-solving team. The latter was the least evident in the operations studied.

(b) *Lead agency concept*

To implement an integrated program, cooperating agencies were supposed to *"assign"* their personnel to the lead agency. Mutations of this arrangement had occurred and even if team-building efforts and informal personal relationships were present across agencies, when conflicting demands were placed on the staff, project personnel tended to give priority to the *Mother Agency,* not to the lead agency. To carry out the functions expected of other agencies, the lead agency had sometimes resorted to hiring its own staff thus, duplication rather than integration, had resulted.

(c) *Organization and management of integration*

Although experts had argued that organization and management does make a difference, they also conceded that "the exact role of organizational factors is elusive." This less than sanguine assessment of the role of organization and management in development had likewise been revealed in connection with the famous PERT technique which was credited for the successful development of the Polaris Weapons system. As the analysis of its role in Polaris concluded: "The success of Polaris was not due to applied paradigms of scientific management. It depended much more on a messy, highly redundant mode of personal communication. . . ."

(d) *Coordination, Integration and Authority*

It has been suggested that authority and control is the basis for strong coordination and integration and the preference is for higher authority to command respect and exact cooperation from the agencies being coordinated or integrated. Given this argument, integration could be a euphemism for centralized control *and to be integrated,* could mean *"to be taken over."* In this sense, an *absolute dictatorship* could be the *ultimate in integration.*

(e) *Process Considerations in Integration*

The case of integrated area development (IAD)

Integration might take place at various stages and levels of a project and its presence and degree might be indicated in terms of: *consistency among the impacts* of the projects for the welfare of the community; *complementarity* among *its outputs* and among *its inputs* in spatial and functional terms; and *coordination* of the *inputs* and of the *outputs.*

The case of functional integration

A number of elements in functional integrative linkages had been identified: organic relationships; participative relationships; interest group relationships. supplementary relationships; complementary and competitive relationships. The most important generalization which could be derived from the review of these elements in functional integration is that: *there is a cost to integration and the pay-off to this cost needs to be evaluated.*

Problem-generated integration

A dairy-based rural development project was described as a problem-generated integration because it had no comprehensive framework plan, no integration model, no elaborate planning process. Project components were added on an *ad hoc,* opportunistic basis in response to problems met in a depressed area. It was not really a case of coordinating or integrating work of different agencies because there was none to coordinate or integrate.

An additional dimension to integration

The most important argument for integrated rural development had been the interrelatedness of factors, the systematic, holistic nature of development problems. In this connection, the following question was asked: If a project is multisectoral and integrated, is it also necessary for participant-beneficiaries themselves to perceive this integration? One reply to this question said: "That the clients should perceive the integration of diverse components of a program is important. . . . But *it is not really that critical* for adoption, for clients to avail of services, for recipients to benefit."

(f) *The Complexities of Interdisciplinary Approaches*

The United Nations University which brought together social scientists and nutritionists on a World Hunger dialogue concluded that: "Real interdisciplinarity is difficult to achieve." The general thrust of the social scientists was to emphasize the *holistic approach* whereas the nutritionists were oriented toward the *identification and amelioration of specific needs.*

By way of an overall summary statement, the following should be said: *Integration was conceived as a solution to certain problems in rural development but the implementation of integration created own problems.*

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CHAPTER VII

THE CONCEPT AND PRACTICE OF FELT NEEDS AND PEOPLE PARTICIPATION

The community development (CD) of the 1950s and 1960s focused on "the initiation of comprehensive development schemes in individual villages on the basis of what village people perceived to be their *felt needs.* Community development activities were customarily initiated by sending a specially trained civil servant known as a multipurpose village-level worker to the village . . . He was to serve as a catalyst, one who would guide and assist villagers in identifying their *felt needs,* then translating these felt needs into village development plans, and finally implementing these plans – always working through the active village leaders."[1]

Although "felt needs" was a central preoccupation of the CD era, it was never clearly defined in operational terms. Such questions as: "Who should feel the need? How many should feel the need before one can call it a 'felt need'? How does one go about feeling felt needs?" remain largely unanswered and nebulous.

This chapter presents the following:

(a) Approaches to social soundness analysis
(b) An operational typology of "felt needs"
(c) The concept and practice of people participation
(d) The operational definitions and methodology of people participation
(e) Community organization and issues surrounding the method.

A. *Approaches to Social Soundness Analysis*

Following the disaffections with community development, the Second Development Decade (1970-80) adopted a strategy of directing assistance toward the poor majority and development programs were subjected to social soundness analysis in the light of this mandate. Lynch *et al* outlined the characteristics of a socially sound development program as follows:[2]

(1) It is intended to benefit the poor majority, male and female, (it is, in other words, *for the poor*);
(2) it responds to a *need* that is *felt,* and preferably expressed, by these men and women (the idea for the program comes, as it were, *from the poor*);
(3) It will, in being implemented, enlist the participation of local men and women, delivering its benefits *through the poor;*
(4) It is so designed, that is, very likely, not only to catch on, but also to affect favorably the disadvantaged for whom it was intended (it will in fact bring its *benefits to the poor;* and
(5) Should it fail literally to fulfill criterion 2 or 3, it nonetheless offers a benefit which experts agree is an essential prerequisite for some basic felt need of the poor majority.

Lynch suggests three approaches to the design of an appropriate assistance program:

(a) The most common one which relies almost exclusively on *professional* opinion;
(b) A conceivable but most uncommon second strategy which would let the people concerned decide for themselves on what should be done;
(c) The third approach combines the people's needs and decision-making with competent technical advice: *the people lead and the experts follow.*

In this latter approach, people and professionals "working together" produce four categories of background information: "(a) the main physical features of the target area; (b) the potentials, problems and constraints which the experts see as conditioning the area's development; (c) relevant socio-cultural characteristics of the area's population; and (d) the major problems of the area as the *people* see them."

To gather information on shared concerns and problems, Lynch *et. al.* highly recommends the use of *social survey techniques* which

start with a relatively large number of *in-depth open-ended* interviews with male and female residents of the area purposively selected as representatives of various important sectors of the population who will help identify what the major concerns and problems of the area are. The second stage is a *standard social survey inquiry* of a *random sample* of residents using the concerns and problems identified from the first-phase interviews. For the Bicol River Basin area, assessment of people's felt needs included the following:

(a) *Community problems* freely mentioned by respondents as most important;
(b) *Life concerns or domains* which were of more than ordinary interest and importance to adult Bicolanos based on earlier studies on values. The final inventory contains 15 domains: job; income; present housing; food and drink; travel; position in life; community conditions; health of self and family; availability of health services; own education; children's education; participation in formal organizations; participation in informal groups; household possessions and current prices.
(c) *Overall life satisfaction and happiness about each of the individual life concerns* from which Perceived Quality of Life (PQL) was derived. The basic question asked to determine PQL for each life concern is something like this: "All things considered, how do you feel about road conditions and ability to travel within your province?" The degree of happiness is expressed on a seven-point scale ranging from very happy, happy, just happy, neither happy nor unhappy, just unhappy, unhappy and very unhappy.
(d) Positive *choices* for selected *development programs* such as: irrigation and flood control; land reform, daily wage jobs; credit, etc.

Table 7.1 shows the community problems mentioned by household heads as most important. From this table, one can make 2 general observations which could be more significant than the community problems themselves: (a) the high proportion of respondents (39 percent) who provided no answers when they were asked to identify problems facing the communities in which they live and which they considered as surely important ones. (b) the lack of "crystallization" of the community problems in the sense that even the first-ranked

TABLE 7.1
COMMUNITY PROBLEMS FREELY MENTIONED BY HOUSEHOLD HEADS AS MOST IMPORTANT, WITH EACH PROBLEM'S RANK ORDER AND PERCENTAGE OF RESPONDENTS WHO IDENTIFIED IT (BICOL RIVER BASIN, CAMARINES SUR, APRIL 1974)

Community Problem	Rank Order	Percentage who mentioned problem N	Percent
Peace and order	1	104	16
Irrigation and flood control	2	95	14
Roads	3	69	10
Unemployment (no jobs)	4	57	9
Drinking water	5	54	8
Lack of cooperation or leadership in the community	6	40	6
Transportation facilities	7	37	6
Electricity	8	34	6
Dirty surroundings	9	29	4
High prices	10	23	4
Flooding (outside rice fields)	11.5	21	3
No barrio chapel	11.5	21	3
Land-tenure problem	13	17	3
Housing for school, barrio hall	14	8	1
Medical services	15	7	1
Recreational facilities	16	2	1
Others	—	45	7
Total of those who gave answers		663	61%
No answer		417	39%
Total respondents		1080	

Source: Frank Lynch *et al; op. cit.*

problem was mentioned only by 16 percent of the respondents. These two observations can be interpreted in two ways: (1) Community problems as problems perceived and shared by the community have not yet emerged as such. (2) Respondents probably lack the awareness and social sensitivity to think and feel in terms of their community as against their own individual or family problems. Perhaps a sense of community remains to be felt, developed and articulated. Is the community a social reality that has problems distinct from those of the individual or the family? Is a community problem the sum total of individual problems?

Table 7.2 presents 15 life concerns and how Bicolanos feel about each one. From this, we can deduce that as far as unhappiness is concerned, the problems we usually worry about in development programs such as food, social participation, community conditions, job, travel and health services are not the same problems that are salient to the Bicolanos' unhappiness. What is noteworthy is their unhappiness about present house and household possessions. Such unhappiness has an empirical basis in the real life of the Bicolanos. Fifty-nine percent of them live in houses badly in need of repair; 56 percent reside in the traditional "bahay kubo" or little grass hut; while 30 percent live in huts of this kind which need new shingles, walling, flooring, or entrance ladders if they are to be minimally waterproof and safe. Unlike the song, the movies and Philippine art which romanticize this nipa hut, the poor who are least happy with their housing are precisely those who have such homes. Table 7.3 reveals increasing "happiness scores" from the respondents whose houses are made of light materials and are in "poor" state of repair to those who have houses of strong materials and are in "good" state of repair. The former are the most unhappy and the latter, the happiest.

Table 7.4 shows the relationship between income levels and the percentage reporting household possessions. The higher the socio-economic class, the higher the proportion of those who possess different household items. It must be noted that even among the upper-elite, many households do not own these furniture and household items but as expected, the lower class are most deprived of these things. The average household owns a little over 3 items out of the 14 in the list. Those who own the least number have the highest degree of unhappiness with this particular aspect of their life.

TABLE 7.2
FIFTEEN LIFE CONCERNS OF BICOLANO HOUSEHOLD HEADS, BY THEIR FEELING ABOUT EACH CONCERN AND BY THE EFFECT THIS FEELING HAS ON THEIR OVERALL HAPPINESS WITH LIFE (BICOL RIVER BASIN, CAMARINES SUR, APRIL 1974)

Feeling about this domain	Effect of this feeling on overall happiness		
	Strong	Medium	Weak
Fairly happy (3.24–3.39)	Food and drink Position in life	Informal groups Community conditions	Formal organizations
Neutral (3.40–3.62)	Job Travel	Health of self and family	Education of children Health Services
Fairly unhappy (3.64–5.53)	Present house Income Household possessions		Education of self Prices

Rating is based on seven-point happiness-unhappiness scale where 1 means "very happy" and 7 "very unhappy". The categories "fairly happy", "neutral" and "fairly unhappy" result from an interpretation of the average scores recorded.

Source: Frank Lynch *et al, op. cit.*

TABLE 7.3
HOUSES OF BICOL RIVER BASIN HOUSEHOLDS BY MATERIALS AND STATE OF REPAIR, WITH THE AVERAGE HAPPINES SCORE (1-7) REPORTED FOR PRESENT HOUSING
(BICOL RIVER BASIN, CAMARINES SUR, 1974)

House materials	State of Repair	Percentage N = 3240	Happiness* Score (average)
Strong	Good	5	2.85
	Poor	7	3.11
Mixed	Good	10	3.33
	Poor	22	3.62
Light	Good	26	3.65
	Poor	30	3.97

*On this scale, 1 means "very happy" and 7 means "very unhappy". The overall average is 3.64.

Source: Frank Lynch *et al, op. cit.*

Using this approach, Lynch *et al* were able to arrive at the following conclusions:

(a) Housing has an effect on overall life satisfaction;
(b) The housing situation in the River Basin is not good;
(c) Most people are unhappy about it; but when, if, and as their disposable income increases, they can be counted on;
(d) People want to repair their homes or replace them with others of more substantial materials; and
(e) They want to retain or seek ownership of the homes and lots on which they stand.

Given these findings, housing projects seem to be definitely indicated if they do in fact benefit the low-income poorly housed as much as the upwardly-mobile better-educated middle class. Perhaps these areas of unhappiness also account for the attractiveness of household furniture and appliance stores in the provincial capitals selling their wares on installment.

TABLE 7.4
BICOL RIVER BASIN HOUSEHOLD HEADS BY SELECTED POSSESSIONS, LEVEL OF LIVING AND PERCEIVED QUALITY OF LIFE (PQL) SCORES AND SOCIAL CLASS (BICOL RIVER BASIN, CAMARINES SUR, APRIL 1974)

Household possession	Percentage reporting possessions			
	Upper elite	Upper Marginal	Lower	Total
1. Living room set	80%	50%	15%	24%
2. Radio	76	64	41	47
3. China closet	54	32	9	15
4. Bed	87	72	34	43
5. Electricity	65	42	20	26
6. Book (at least one)	90	65	28	39
7. Sewing machine	48	38	15	21
8. Newspaper/magazine	82	50	20	30
9. Clothes closet/aparador	74	52	21	29
10. Dining room set	46	25	7	12
11. Dresser	52	32	10	16
12. Toilet	84	71	44	52
13. Study table	54	35	13	18
14. Water supply	26	18	10	13
Level of living score (mean)				
Perceived quality of life (degree of happiness about furniture and other household possessions (mean)	8.28	5.62	2.36	3.20
	3.43	4.28	4.50	4.33

The level of living scores can range from 0 to 14, depending on how many of the 14 items the household reports. The PQL scores can range from 1 (very happy with present furniture and other household possessions) to 7 (very unhappy).

Source: Frank Lynch *et al, op. cit.*

Data from Table 7.5 which came from preliminary tabulations of the 1978 Bicol Multipurpose Survey[3] indicate the following:

(a) Although the Bicolanos are not happy about all their life concerns, those who expressed the greatest unhappiness is only about 30 percent for three life concerns, namely: road condition and travel, respondents' education and training; and furniture and other things acquired. The rest of the life concerns were rated "unhappy" only by 16 to 5 percent of respondents. In general, therefore, one can say that Bicolanos may not exactly be ecstatic about their life but they do not seem to be terribly unhappy either. Life for majority of them seems to be either just happy or happy.

(b) If we were to base our development programs on the results presented in Table 7.5, we would not be as much concerned with food, health, employment, and certainly not about the status of women. The current thrust on infrastructure development particularly on road-building is specifically responsive to the Bicolanos' unhappiness about road conditions and travel.

(c) The unhappiness about furniture and other things acquired is something which cannot be directly met except through an increase in income and purchasing power.

Table 7.6 shows a listing of problems identified by *people* (household heads) and by experts as articulated in the *BRBDP Comprehensive Development Plan 1975-2000.* This list contains more problems perceived by experts than by household heads. Furthermore, experts tended to have a more macro view of the situation. The 13 problems identified by both experts and people indicate that experts are not exactly insensitive to what *people* suffer from. They see the same problems that people perceive and they see even much more beyond that. The only problems mentioned by household heads but not by experts are: peace and order; and housing and household possessions. So perhaps *even experts are people.*

Incidentally, it should be noted that lack of measures to increase agricultural productivity such as farm input, technical farm support services and marketing are problems identified by experts alone. They remain to be recognized as much by people. Furthermore, problems which are the standard fare of integrated rural development such as "unequal income distribution", "breakdowns in coordination

TABLE 7.5

BICOLANOS' HAPPINESS OR UNHAPPINESS ABOUT 12 LIFE CONCERNS. (BICOL MULTIPURPOSE SURVEY 1978, CAMARINES SUR, ALBAY AND SORSOGON)

HAPPINES INDEX *Percent of respondents who indicated each level*					*UNHAPPINES INDEX* *Percent of respondents who indicated each level*				
Life Concerns	*Total*	*Just Happy*	*Happy*	*Very Happy*	*Life Concerns*	*Total*	*Just Unhappy*	*Unhappy*	*Very Unhappy*
1. Organizational participation	85.1	37.4	30.1	17.6	1. Road condition and travel	32.7	17.8	9.8	5.1
2. Position in life as a woman	76.8	39.1	26.0	9.7	2. Respondents' education and training	31.4	16.3	9.1	6.0
3. Health services available	72.8	42.2	23.3	7.3	3. Furniture and other things acquired	27.3	15.0	8.5	3.8
4. Children's education	70.6	37.7	22.3	10.6	4. Children's education	16.4	9.7	4.8	1.9
5. Household head's job	70.3	35.0	26.3	9.0	5. Family's ability to satisfy wants and needs	14.6	8.3	1.7	1.4
6. Family's health and physical condition	70.3	37.6	24.3	8.4	6. Present house	13.7	8.1	3.5	2.1
7. Family's food and					7. Family's health and physi-				

TABLE 7.6
PROBLEMS IDENTIFIED BY BICOL RIVER BASIN HOUSEHOLD NEEDS AND/OR EXPERTS AS MENTIONED IN THE BRBDP COMPREHENSIVE DEVELOPMENT PLAN, 1975-2000 (1976)

Identifier	Problem
A. *Household heads alone* (Not mentioned in CD Plan)	1. Peace and order 2. Housing 3. Household possessions
B. *Household heads and experts*	1. Water management 2. Income 3. Employment (jobs) 4. Travel 5. Roads 6. Transportation facilities 7. Drinking wate: 8. Electricity 9. Agrarian reform 10. Community organization 11. Dirty or unsanitary surroundings 12. Health of self and family 13. High prices
C. *Experts alone*	1. Notably unequal income distribution 2. Low savings 3. Inadequate/poor waterways and water transport/railway transport 4. Low level of farm-input use 5. Low agricultural productivity 6. Inefficient operation or inadequacy of marketing facilities 7. Weak agribusiness linkages 8. Inadequate technical farm support services 9. Typhoons and adverse weather conditions 10. Breakdowns in coordination among line agencies 11. Little participation of the local and private sector in development efforts 12. Low wages

Source: Frank Lynch *et al, op. cit.*

among line agencies" and "little participation of local and private sectors in development efforts" were not identified by the Bicolano household heads. What does this mean? Should development programs go by those who argue that "a problem is by definition felt by the person who has the problem; if it isn't felt, it isn't a problem"?[4] If this were our criterion, agricultural research and extension, integrated rural development, income redistribution and people participation will not be part of our development strategy.

What about a need which is "dire but unfelt or cannot be satisfied even in part by popular effort. For deprivation is often unconscious, and remedial action the prerogative of those who especially trained for it."[5] Nutrition, population, health, integrated rural development, equity, and even people participation would probably never be part of the development scene if it were not for the specialists (the experts, if you will) who "felt" them for us. Although social soundness analysis emphasizes *for the poor; from the poor; through the poor* and benefits *to the poor,* the minimum background information which should be considered in the design of a socially sound assistance program is quite onerous and all of them are either determined by experts or gathered from people (poor) by experts; interpreted by experts even if in behalf of the poor, with social scientists playing the role of the "Voice of the People." While it is poetic to say, ". . . development is in people, its objectives are addressed to people, it is carried out by people and the outcomes are enjoyed by people",[6] the entire process is strewn by experts. A people-centered assistance program is very information- or data-intensive. This information-generation and production role does not come free and therefore, the experts, both technical and social, are probably the most active participants in identifying, defining and articulating people's felt needs.

Lynch *et al* themselves acknowledge the role of professional nongovernment assistance in the essential task of increasing participation:

> Professionals are required because of the delicacy and difficulty of the assignment: to develop in entire communities (not just the upper class, or the elected or appointed officials, or the adult males, but everyone) the habit of articulating needs, looking for solutions (including the consulting of experts), and monitoring the action taken. It is also our opinion that government representatives . . . cannot achieve the flexibility, the listening stance

required for this undertaking . . . Government-sponsored community organizations tend to transmit information — not receive it — in large part perhaps because centuries of tradition have so defined the government agent's role.

B. *An Operational Typology of "Felt Needs"*

Based on the previous discussions and our experiences both in community development and integrated rural development, we propose the following typology of "felt needs" in operational terms:

(a) People's felt needs are elicited, articulated, analyzed and interpreted by experts either through in-depth studies, group interviews and/or random sample surveys of "people". Despite the most optimistic assessments of people's readiness to articulate their needs, it is rare that such expressions come spontaneously without "outside" prodding of some kind.

Community organizers offer a modified approach to the identification of felt needs by way of what they call participatory research, which is purportedly characterized by a larger people-role in the process. Participatory research aims "to develop the capability of group leaders and members to acquire skills in data-gathering and analysis; devise internal feedback and evaluation mechanisms; test solutions to problems, acquire skills in utilizing research findings to solve community problems and needs. In this way, the research component becomes meaningful not only to academicians and project staff but especially to the people themselves who are also searching for more relevant and innovative solutions to their pressing problems and needs."[7]

People's felt needs may be the expressed needs of individuals and/or families but they may not necessarily be the community's or the group's needs. As a matter of fact, the task of a community organizer is precisely to "organize" the community or to steer the "group formation" process. House to house visits are conducted to learn how many people in the community have recognized a particular problem or need. The community organizer encourages selected individuals to meet with others who are willing to work on a given problem or need . . . Training is considered an essential input in increasing people's capabilities to solve problems, meet basic

needs, alter existing conditions that cause lack of equality and opportunity for growth to develop cooperative and collaborative attitudes. [8]

In other words, group or community needs and problems do not automatically emerge as such. They usually need to be "coaxed" into articulation and crystallization. The skills and motivations required to carry out the task of developing in "entire communities (not just the upper class, the elected or appointed officials or the adult males, but everyone) the habit of articulating needs, looking for solutions, and monitoring the action taken" have to be developed. Contrary to some of our myths, these skills and motivations do not naturally abound. Even the community as a community as against a collection of households and families located in a common space is not ready-made. As a matter of fact, one of the patent weaknesses of the community development era was the assumption that such a collection of households and families constitutes a community. The state of "community-ness" is something which has to be nurtured and cultivated. As Brandt puts it:

> The concept of "community" is an elusive one. What is the residential entity – the social-economic-psychological-spatial environment, within which development can best take place? "Community" in the sense of "a group of frequently interacting people who share similar ideals and work together effectively for achieving common goals" is essentially an ideology for those who participate in it . . . Creating such a working social ideology where it does not already exist is not easy. Perhaps, it is not even possible in the short-run although it is certainly a worthwhile objective to foster a sense of community and cooperation for the achievement of desired goals . . . One can argue that in . . . rural villages today, particularly those that are developing most rapidly, there is in fact an increase in individual ambition and the pursuit of private goals compared to the past. Genuine community is being gradually eclipsed by modernization, just as it has been throughout much of the industrialized world. Thus, the basis for cooperation is increasingly self-interest and demonstrated performance.[9]

Experience has also shown that the village head who often speaks or is assumed to speak in behalf of his village has probably a more parochial view of this village. In some instances, it may not go much beyond his family backyard.

And if we were being honest to ourselves, our own motives as professionals concerned with "people and poverty" problems are not always "purely people and poverty-oriented". We do have our own agenda either manifest or latent in a larger or smaller measure.

(b) *Empirically derived needs* are needs which arise from an analysis of large scale or macro-level trends as indicated by available data over time. Examples of this type of needs are those deduced from population figures over time which indicate growth rates, age-sex distribution, migration, man-land ratios, etc.; those which arise from environmental studies, etc. Population control is not ordinarily a people-felt need.

(c) *Systematically (scientifically) determined needs* are needs established by the experts through their own special methods. Health and nutritional needs are typical of this type of needs. As Lynch *et al* point out, a need may be "dire but unfelt" and remedial action is the prerogative of those who are specially trained for it. Operation Timbang (age-height-weight ratios) as a way of determining levels of malnutrition among children and determining amount of calories required by different groups of people are examples of the specialists' domain. So are Vitamin A deficiencies.

(d) *"Educationally-induced" people's felt needs* are the needs described in (b) and (c) which people are "trained" to perceive and feel as their own priority needs. As a matter of fact, this is the essence of development communication, non-formal education, population education, health education, nutrition education, agricultural extension, etc.

(e) *"Seduced" felt needs* are those needs stimulated by the availability of resources for development activities in special problem areas such as female liberation (male-female inequality, sex discrimination) which may not have any salience at all for certain groups of people but which are pursued because funds are available for the purpose. This does not mean that the need would not eventually be perceived and felt. Felt needs may also be "seduced" by advertising, the typical approach of which is to "create" a need where there was none felt before. Quite often, because of our commitment to certain "solutions" to problems, we have a situa-

tion of "solutions running around looking for problems". In other words, the problem is sometimes defined to fit the solution rather than vice-versa. Credit is one such "patent" solution for a wide range of problems.

This typology of felt needs is not ideological, not idealistic, not theoretical but pragmatic and operational in the sense that these are the ways of "felt needs" in the real world.

C. *The Concept and Practice of People Participation*

1. *Arguments for People Participation*

A review of some of the rationale for a return to or a rediscovery of People or Popular (Mass) Participation reveals the disappointments not only with the old CD but with the growth-oriented strategies including the green revolution. The new promise lies in a people-centered approach. The following are expressions of disillusionment with the "old" and faith in another utopia or at least a new development rhetoric:

(a) . . . a basic needs approach is not primarily welfare or charity but productivity-oriented, aimed at increasing the productive income of the poor and strengthening the basis for long-term self-generating development. Programmes which involve widest possible participation of the people whose needs are addressed, are most likely to be effective . . .[10]

(b) Participation of the people in the institutions and systems which govern their lives is a basic human right and is also essential for economic development. Rural development strategies can realize their full potential only through the active involvement of the people, including the least advantaged strata, in designing policies and programmes and in creating institutions for implementing them.[11]

(c) The Rural Organization Action Programme of FAO has been directing its attention to people's organization as a means of involving the poor in rural development. It starts with the promise that if rural organizations are set up in suitable forms and run by the members themselves, they can contribute significantly to popular participation in development. It also notes, however, that most rural organizations have reached only the better-off members of peasant populations. In the process, they have fostered negative consequences, namely:

(1) an overwhelming majority of the rural underprivileged remains unorganized, marginalized, oppressed and exploited;

(2) the rural poor do not or hardly participate in the decision-making regarding their economic and social uplift; and

(3) rural development, particularly agricultural production, remains far below its potential.[12]

(d) although the rural poor in developing countries make up 60-80 percent of the population, most have virtually no say in the events that affect their lives. This is so despite the new rhetoric of development that asserts the importance of growth with equity . . . More enlightened though this socially-oriented perspective appears than the old economic development model, it still fails to catch the true meaning of development. The "top-down" strategy so characteristic of high-level technocratic planning remains the hallmark of its approach. Development is still perceived as done for people, not by them or even with them. It is around these issues of "development for whom?" and "by whom?" that the current debate rages.[13]

(e) . . . by the end of the decade . . . the significant increase in per capita GNP was *not touching the lives of ordinary people. If anything, the poor are getting poorer.* For despite the expectation of economists, international capital infusions brought little or no relief to the poverty-stricken majorities of the assisted nations.[14] Not only was there "no automatic trickle-down of the benefits of development; on the contrary, the development process led typically to a trickle-up in favor of the middle classes and the rich."[15]

(f) We have often heard that small farmers are poor because they lack motivation and spirit of self-reliance; that they are individualistic especially when it comes to economic activities or they are just waiting for government assistance to come and take it as granted. But we also know that there are in all of the developing countries in Asia, numerous successful stories of small farmers who work together in undertaking common activities. Through group action, they are able to give better life for themselves and for future generations. Although some of them have been inspired by outside change agents, the success of their efforts is due to the small farmers themselves and their leaders. Many of these "beautiful" stories have not been told and are buried under a pile of negative stories about the small farmers . . . Various programmes have been designed or are being designed to secure better participation of the rural poor in planning and implementation through group action. The goal is to develop viable groups imbued with group responsibility and spirit of self-reliance.[16]

(g) . . . The unsatisfactory experience with conventional development approaches seems enough to show that some *kind of alternative approaches* are warranted if one is serious about wanting to reach the *most disadvantaged rural poor.* Some change in their social and political conditions is needed along with new economic opportunities if lasting improvements are to be achieved in their behalf . . . The goal of achiev-

ing structural change for rural workers makes single sector or single program approaches to the Landless and near Landless (LNL) inadequate in most cases . . . (but) adopting a broad multi-faceted approach to rural development is not enough of course. To be successful, a strategy for attacking rural poverty must be realistic *in terms of costs* . . . The question of costs could indicate an approach that elicits a large amount of *voluntary local labor,* and it also seems likely that costs could be reduced by *local initiative in problem-solving,* and *local responsibility* to maintain assets once they are created. If this is valid, then an approach which stresses popular participation in decision-making and control appears necessary to achieve *structural change at a cost per unit low enough* so that such processes can spread to encompass large numbers of people . . . We should seek to mobilize local people for their own advancement. The role of public goods and services would be to break strategic bottlenecks to further self-actualizing processes, but not to set up a centralized system that tells people what to do or makes them dependent on government resources to carry things out.

Some may object that this approach puts the *burden of development on the poor,* or that as a strategy, it will contribute to uneven development because those who possess some resources will have more to contribute to their own improvement. A consideration of past experience suggests that projects in which serious consideration was never given to self-reliance were often characterized by problems with chronic dependencies and underdevelopment. In all but the most deprived cases, the *poor have some resources;* and there are major advantages to emphasizing self-reliance . . . *apart from lower cost to aid donors* . . . in fomenting sustained and effective development for the poor . . .

Why has it been so difficult for public programs to have a developmental impact on the LNL to date? Central governments operate at several disadvantages when they try to move public goods and services down to the local level to benefit the weakest sectors of the community . . . *When public administration does not reach down to the local level* in ways that can support structural improvements for the rural poor, either directly or through intermediaries, how can the LNL be formed into clienteles that can effectively seek public goods and services? Is there some way to utilize *catalyst agents* . . . The role of such a catalyst agent would be to bring public agencies into greater awareness of the requirements of the LNL clientele, and to aid the rural poor in acquiring public goods and services, as well as enhancing their self-help capabilities. At least six roles have been projected for this catalyst agent, viz., (1) To convey a philosophy of multi-sectoral planned change; (2) To act as mediating agency between the state, the economy, and the LNL; (3) To coordinate services coming down to the LNL at

the local level; (4) To provide research and design assistance to local project activities; (5) To recruit and train local leaders; and (6) To initiate processes to help LNL to act as a group for their own improvement.[17]

(h) The reasons underlying people's participation are both ideological and pragmatic. Ideologically, people know best what is good for them; the poor represent a massive human resource. Pragmatically, the poor represent tremendous labor resource potential; their distinctive ideas and creative solutions to family and community problems constitute a reservoir of essential and practical knowledge; and their hiring for local public works construction generates income. Furthermore, an improved upkeep and maintenance of community projects results when residents have had a strong hand in designing and implementing; international lending agencies specify a community participation component as a condition in loan or grant project schemes; and people's participation is necessary to narrow the gap between the people's goals and the government's aims and strategies.[18]

(i) To date, the literature of development and popular participation shows limited Filipino experience in actualizing these concepts. It is imperative that the government should lead in opening more avenues for the genuine participation of marginal and disadvantaged groups. The government has to keep in mind that if *apathy* is on one side of the continuum of social participation, the extreme alternative is *revolt* unless social action is able to generate genuine popular participation. Whether through direct or indirect modes of involvement, the poor have no recourse but to join protest-conflict organizations in order to gain access to political power which determines what share of the economic resources will accrue to each sector of the society. Although there is no assurance that development programs will in fact lessen social conflict, encouraging *popular participation* will at least tip the balance in *favor of inducing non-violent* forms of social action.[19]

(j) The rural poor are becoming increasingly aware that if their lives are to progress, they must bring about a new social order. If the non-violent people's organizations formed for this purpose are crushed because they protest unjust conditions, or because they are conveniently dubbed subversive by the authorities, then the latter have only themselves to blame if the harassed mass populace decides that it has no other alternative but violent revolution to attain a new social order. The wisdom of a country, after all, lies in its people.[20]

(k) Because of accumulated experience suggesting that projects are likely to be more successful in the long run when local officials, organizations and people are involved in design, decision-making, implementation and evaluation activities, some governments and many international devel-

opment agencies have made decentralization, local organization involvement, and participation in the development process by the poor majority one of the central concerns of their official policies. One of the best known is what has come to be called in the American community as the "Congressional Mandate". This 1973 amendment to the Foreign Assistance Act of the U.S. specifically illustrates the focus on participation by noting: "Decisions concerning the activities to be carried out are to be made, preferably, by those benefited (for example, the poor) and if not, at least with effective consultation and substantial acceptance by those benefited". Similarly, several UN General Assembly Declarations call for the active participation of all elements of society, individually or through associations, in defining and achieving the common goals of development, urging UN projects to promote the adoption of measures to ensure the effective participation of all elements of society in the preparation and execution of programmes of economic and social development. And, speaking for the World Bank, Robert McNamara noted that there is greater chance for rural development success if national governments and projects "provide for popular participation, local leadership and decentralization of authority" . . . (The new participatory strategy) is less vague about what "ending rural poverty" means. Its targets are the large number of rural poor and the structural or institutional constraints that limit their productivity and promote inequity. It aims at complementing specific development projects such as irrigation improvement efforts rather than becoming a large heavily-funded national bureaucracy with local level field agents, as was the case with community development. As such, it seeks as it main goals the *reinforcement of productivity* and *welfare objectives* of rural development activities, that is, the promotion of wide and equitable distribution of benefits flowing from these activities, the narrowing of the relative income gap between rich and poor and the mobilization of awareness among local government units, grassroots organizations and common people so that they can act effectively to control their own destiny.[21]

In summary, the arguments for people participation are as follows:

(1) People participation is a basic need and a basic human right which is also essential for effective rural development programs.
(2) The poor make up the majority of the population in developing countries but they have virtually no say in the events that affect their lives.

(3) Rural organizations can contribute significantly to popular participation in development but so far, they have reached only the better-off members while the bulk of the rural under-privileged remain unorganized and oppressed. Furthermore, agricultural production is far below potential.
(4) Previous development strategies have failed to reach the rural poor. Instead of a trickle-down of benefits to the poor, a trickle-up process has occurred in favor of the rich, hence, a bottom-up rather than a top-down approach is favored. People participation is supposed to be a bottom-up strategy.
(5) Despite the prevalent image of small farmers as individualistic and dependent on government, there are numerous successful stories of small farmers who, through group action, have become self-reliant and able to improve their lives.
(6) To reach the most disadvantaged rural poor, structural change has to be achieved at a low enough cost per unit by mobilizing local people for their own advancement through voluntary labor, local initiative in problem-solving, and local responsibility for the maintenance of created assets. Although this approach puts the burden of development on the poor, self-reliance is preferred to chronic dependencies. After all, even the poor have some resources. Besides, the advantage of sustained development for the poor and emphasis on self-reliance lowers the cost of aid donors.
(7) Public programs do not have much impact on the landless, and the administrative system which moves public goods and services does not reach down to the local level. Local people do not have equal opportunity to use intermediary institutions either directly or through organized groups. The suggestion is to utilize catalyst agents in sensitizing public agencies to the requirements of the poor, to aid them in acquiring public goods and services, and to enhance their self-help capabilities.
(8) People know best what is good for them and the poor represent a massive human resource both in terms of labor potential, practical knowledge, experience, and ideas. Furthermore, it is felt that community projects will be better maintained if residents had participated in their design and implementation. On a very pragmatic vein, "participation" is

a condition for approval of international development loans or grants.

(9) Popular participation contributes to non-violent forms of social action to bring about a new social order. The alternative is revolt.

(10) The United States, the United Nations organizations, the World Bank and other international development agencies have made decentralization, local involvement and participation of the rural poor in the development process a central policy concern. These three features are supposed to reinforce productivity, equity, and welfare objectives and, therefore, greater chance for success in rural development activities is expected where they are made part of the development strategy.

These arguments for people participation lead us to the following thoughts on people participation:

(a) From the way people participation has been portrayed, one cannot help thinking that the international development community is into another utopia, a new panacea which will solve inequality, poverty, and dependency, will provide the poor access to public goods and services, and will bring about structural changes to create a new social order at a low cost because the poor will be responsible for their own development. To assist in the participatory process, some kind of a "miracle worker" – a *catalyst agent*–functions at the grassroots level.

(b) People participation is regarded both as a means to development as well as an end in itself. It is considered a basic need, a basic right for its own sake. In designing development programs with people participation and in assessing their impact, it is very important to make this means-ends distinction in order to avoid the pitfall of substituting "participation" for the tangible benefits expected from development programs where these benefits have not been realized. For example, can we expect more effectively utilized irrigation water and higher productivity from irrigation projects characterized by people participation? Or is farmer participation in the people-participatory way, achievement in itself for the irrigation project?

(c) The current emphasis or reemphasis on the virtues and necessity of people participation is a curious trend especially because practically, the entire developing world is governed by some form or some degree of authoritarian rule (some more, some less). How does "people participation" fare in such societies? Is the current focus on this approach due precisely to the existing political and social structure in the developing countries?

(d) The task of organizing and realizing power for the powerless and assets to the assetless poor who comprise the majority of the population in developing countries in a bottom-up fashion so that they could be active participants in the development process is a Herculean job. We can reasonably expect people participation to achieve certain objectives but perhaps we should not expect it to solve all our development problems. As all past experiences have shown, the real world is a lot more complex and the social structure more impermeable to change than is indicated in the rhetoric of participation.

(e) There are many contradictions in the expectations from people participation. For example, the rural poor make up the majority of the population who have been by-passed or who have not been touched by development programs, not reached by public goods and services and are largely assetless. Benefits from development have trickled up and not trickled down, hence, the poor have become poorer. On the other hand, the new participatory strategy in the name of self-reliance places the burden of development on the poor themselves. It has likewise been argued that except in the most deprived cases, the poor have some resources; that they know best what is good for them; that they have a rich reservoir of essential and practical knowledge and creative solutions to their own problems. If the poor are plagued with all these problems and at the same time blessed with all these virtues, one would think that the rural poor would not be as serious a problem as we see it today. In other words, perhaps we are expecting too much in putting the burden of development on the poor themselves especially if it is argued that it is a cheaper way of changing social structure. We are more in-

clined to believe that there is nothing cheap in changing the status and quality of life of the poor. As a matter of fact, one reason for our inability to reach the poor is our unwillingness to pay the cost. Putting the burden of development on the poor could be taken by the rich and powerful as a convenient and legitimized way of freeing themselves (in the name of self-reliance) from participation in shouldering this burden. Moreover, self-reliance should include the capacity of people to gain access to resources which they themselves do not possess.

(f) Perhaps the "top-down" and "bottom-up" approaches are not as much of a contrast as they have been made to appear. Much of the impetus for participation comes from outside the local community and not necessarily from the bottom either. However, it is probably fair to say that where projects have been characterized by decentralization, local involvement and people participation, the distance from top-down is shorter and the trickle-down easier. But bottom-up is uphill and the top is not easily accessible, hence, the net effect of bottom-up could be a bit higher than bottom but lower than the top.

(g) People participation to be truly "participatory" *must allow people* the *freedom not to participate* in order to *prevent* people-participatory advocates from *using people for their own dissent* and likewise to *protect people from* governments who want people to participate for more effective *centralized control* disguised as people participation. There must be *room for voluntary non-participation* which *fulfills some people's desire to be left alone.* After all, "people know best". Who can guarantee that participation will lead them to the "Promised Land" and whose "Promised Land" is it anyway?

D. *The Operational Definitions and Methodology of People Participation*

Although much has been written and said about people participation, Cohen and Uphoff acknowledge that "of all the ways in which local involvement can be increased, the *greatest uncertainties* and *confusions* surround the *participatory approach.* Specifically,

there is *little agreement on what participation is* or on its *theoretical* or *applied relationships* to *processes* of *development* in different environmental or societal contexts."[22] It is precisely for this reason that we attempt a review of the operational definitions and methodology of people participation.

(1) *Who are the people in people participation?*

When the literature on people participation argues for "genuine participation", there is some implication that other forms of participation are less than genuine. The first operational question about people participation is what do we mean by *"people"?* Who are *people?* Hollnsteiner says that the *ordinary citizen,* the *grassroots populace, the man in the street,* the *proletariat,* the *masses* are all equivalent definitions of *"people".*[23] For the purposes of an academic paper, this definition may not need any further elaboration but it is not sufficient for translating a concept into action; for operationalizing an approach and for assessing its impact in the light of all the rationale for people participation. The latter is analogous to all the recent outpouring about the *small farmer.* Who is he? As someone has said half-facetiously: "A small farmer is 4 feet eight inches." Unless we can define him more precisely, we cannot say when his situation has improved or whether he has benefited from programs designed for his welfare. The terms *"people", "proletariat", "grassroots", "masses"* are anonymous, faceless, and amorphous. Even "the ordinary citizen" is like the "average man" who is virtually impossible to identify in person.

An operational definition of *people* in people participation is essential for still another reason. It is regarded as *bottom-up* which is purportedly a contrast to the old CD which has been critized as *top-down.* How *bottom* is *bottom* depends upon which people are involved and how assetless they are. Does people participation really involve those who have been unreached before or is it working in the same socioeconomic arena as the previous development programs which have been adjudged ineffective?

Lassen goes much farther in defining the *low income* rural people: i.e., those who generally have only two resour-

ces to rely on — their *labor* and *their capacity for collective action.* The *assetless rural poor* include: *landless laborers; marginal tenants* or *sharecroppers* and *small subsistence cultivators* struggling with insufficient land or the inputs to make it productive; and other kinds of rural people who earn less than a defined minimum income such as *petty traders, small artisans, domestic servants, fishermen,* etc. Because a major asset these people lack is land, they are referred to as the *landless* and *nearlandless* (LNL). Specific criteria to measure the numbers of landless and near-landless may be debated, but clearly some combination of assets, income, and access to services should be considered to identify persons whose situation is so adverse that it warrants special attention.[24]

The FAO framework for research on "The Involvement of the Poor in Development Through Rural Organizations" has drawn up certain general criteria for defining the rural poor. As formulated, the rural poor include all people who:

(1) live in rural areas on or below subsistence level;
(2) are full or part-time dedicated to agriculture, forestry, fisheries, handicrafts and/or related occupations;
(3) are largely dependent on others, less powerful and poor for work and livelihood. This relationship usually results in various forms and degrees of oppression and/or exploitation by powerholders at local and higher levels.

In addition, the FAO framework stresses that "poverty should not only be assessed and combatted on individual and family basis as lack of food, shelter, clothing, health care, basic education, adequate employment and opportunities to participate in local decision-making . . . but also, and principally, on a *zonal* or *area basis.* On that level, poverty also means lack of infrastructure, basic services and facilities, further, inhuman land tenure conditions, inadequate production structures and shortage of employment opportunities; it means finally above all, presence of structured forms of oppression and/or exploitation of the poor."

On the basis of this framework, Hollnsteiner *et al* identified the main categories of the rural poor in the Philippines as:

(1) *Tenants and sharecroppers*
(2) *Rural landless laborers.* These include the sugar migrant workers (sacadas), workers in coconut, pineapple, banana, rubber, other plantations, seasonal workers in rice and corn lands, and fishery and forestry workers.
(3) *Small owner-farmers or smallholders.* Farmers growing all crops less than 2 hectares in area.
(4) *Cultural minorities.* This includes self-provisioning (tribal) people in the forests living off hunting, fishing, shifting cultivation, etc. and also the various hill tribes occupying and tilling ancestral lands.
(5) *Settlers.* This category includes families that have been resettled by government as part of the land-for-the-landless program or to make way for development projects, dispossessed farmers who settled in forest regions and hilly areas, and refugees who have been forced to flee their land owing to existing political conflicts.
(6) *Female rural poor.* Those who are not in the labor force and are classified as housewives, who are agricultural workers in the rural area.
(7) *Rural youth.* Children under 15 who form part of the farming or fishing labor force.[25]

While this attempt at identification of the rural poor categories enables us to make some progress toward operationalization, the categories are very gross and criteria for inclusion are unclear.

The USAID Mission to the Philippines, in its *Country Development Strategy Statement for Fiscal Year 1982,*[26] arrived at a more definitive picture of rural poverty by using a combination of food threshold estimates, macro-level figures and insights from a synthesis of several micro-studies. The food threshold consists of a minimum nutritionally adequate diet for a household of six measured at current prices. Any household whose "total annual income is less than that required to feed itself is considered absolutely poor."[27] In their analysis, food threshold was used as a proxy for total income threshold. Table 7.7 shows the poverty lines in different places in the country.

TABLE 7.7
POVERTY LINES FOR HOUSEHOLDS OF SIX

	Rural	Other Urban	Manila
1971	₱3000	₱3428	₱4284
1975	5201	5943	7123
1978	6873	7519	8669

Applying these figures on family income in 1971, Abrera[28] estimates that 56 percent of all Filipino families were below this threshold. The incidence of poverty by family was 64 percent in rural areas, 39 percent in other areas and 34 percent in Manila. Around 4 million households have incomes below the poverty line.

The Country Statement followed a general model which holds that "achievement of basic human needs is largely determined by household income (cash and kind) and that, in turn, a poor household's income is a function of: (a) the productive *assets* the household controls, (b) the extent to which household members are gainfully *employed,* (c) the amount of *transfers* the household receives in the form of gifts, remittances, free or subsidized social and other services, and (d) the *number of persons* in the household.

Table 7.8 shows summary profiles of 4 rural poor groups namely, *upland farmers; paddy rice farmers; landless agricultural workers;* and *artisanal fishermen.* The informal sector workers provide a glimpse into urban poverty. One significant contribution of this work is to portray the dynamics of poverty in addition to indicators of asset control, production orientation, nature of employment, level of indebtedness, years of schooling, caloric intake relative to daily requirements.

Their analysis based on research findings synthesized from a variety of sources presents a very useful capsule description which is quoted here extensively for its operational implications.

TABLE 7.8
SUMMARY PROFILE OF RURAL POOR GROUPS[1]

Group/ Sub-group	Rank in Terms of Disadvantage	Estimated Households and Incidence of Poverty: Total HH (000)	% Poor	No. Poor HH (000)	% of Total Poor HH (4 million)	Estimated Average Income as % of 1975 Poverty Threshold	Asset Control	Production Orientation	Employment	Debt	Means of Education	Caloric Intake as Percent of Minimum Daily Requirement Per Capita	Resource Base	Dynamics: Group's Likelihood of Being Displaced	Dynamics: Upward Mobility Prospects
Upland Farmer	2	1500	80	1200	30										
Indigenous Kaingero		300	90	270	7	40	1 hectare forest land	Slash/burn subsistence rice and root crops	Highly seasonal 10% off-farm	Low	1-3	–	Access to virgin forest increasingly limited. Soil eroding, fertility declining	High	Low
Marginal Kaingero		200	90	180	4	40	1-2 hectares cleared land	Semi-permanent Slash/burn subsistence rice/vegetables	Highly seasonal 25-50% off-farm	Low	3			High	Low
Rice/corn Farmer		1000	75	750	19	65	3-5 hectares marginal land	Permanent, semi-subsistence, rice/corn/ coconut/bananas		Moderate	4			High	Low
Paddy Rice Farmer	4	1500	56	840	21										
Irrigated		600	50	300	8	95	1.9 hectares good land	Cash, rice and others	Moderately seasonal + off-farm	High	5-6	93	Fragmentation threatens viability of plots. Irrigation systems are silting up at rapid rate. Maintenance is becoming a major problem.	Low	High
Rainfed		900	60	540	13	75	2.5 hectares good land	Semi-subsistence rice	Highly seasonal + off-farm	Moderate				Low	Moderate
Landless Agricultural Worker	1	600	85	510	13						4	84	Farm labor increasingly becoming competitive	Already represent displaced	Low
Farm share of crop earner		300	80	240	6	60	Livestock	In kind payment for rice, corn	Highly seasonal	High					
Farm wage earner								Cash payment for rice, sugar	Moderately seasonal	High					Low
Plantation permanent hire		300	90	270	7	–	None	In kind for coconut; cash for sugar	Moderately seasonal	High					Low
Plantation casual hire						40		Cash for sugar	Highly seasonal	Moderate	4	81	Fish catch declining	High	Low
Artisanal Fisherman	3	600	80	480	11	75	Most own gear and 40% own bancas	Cash for fish	Moderately seasonal						
Urban Informal Sector Worker		600	75	450	11	70	Small inventories	Cash for vending, hawking, hired help, family enterprise	Fairly steady	Moderate	6-7	87		Already represent displaced	Moderate
TOTAL[2]		4700	74	3480	87										

[1] Data represent estimated orders of magnitude based on educated guesses, synthesizing several source.

[2] The total number of households in the five groups exceed the 4 million estimated poor households. It is estimated that only about 3/4 of these households are in fact poor in terms of the poverty threshold.

Source: *Country Development Strategy Statement, FY 1982 Philippines*, USAID Mission to the Republic of the Philippines, January 1980.

. . . among the rural poor, the *landless agricultural workers* and their families are probably the most *disadvantaged group.* Their lack of productive assets leaves them only their labor to peddle in a highly competitive and generally unremunerative setting and makes them especially vulnerable to income shortfalls. They depend on family, community and plantation ties for job security. Farm workers within their own villages, especially if guaranteed a share of the rice harvest, fare somewhat better than plantation workers on a wage rate. The casual laborer seeking work outside the village is the most vulnerable to seasonal unemployment. Average annual income for all types of landless worker households is about half the poverty threshold. Heavy and recurrent indebtedness is the unavoidable survival tactic adopted by most. Living so close to the margin forces male and female household members to pursue any income generating activities available: additional hours in the field, duck raising, and pond fishing, vending, carpentry, basket weaving, etc. When money is unavailable to pursue crafts or additional agricultural activities, even the woman is often faced with leaving the area of residence migrating to an urban center, and working as a bar maid or house servant. The children's schooling quickly gives way to demand for their labor. Despite these diverse efforts to achieve a minimum standard, food intake remains low for lack of adequate purchasing power and in-kind income. Poor nutrition status especially touches the small children and increases the probability of illness among adults which may cost the household lost days of work.

The landless' survival is undermined by their low level of skills and education, seasonal employment declining real wages, the lack of alternative employment opportunities, and the increasing competition for the jobs that are available. The landless are growing exponentially as their ranks are filled by their own offspring, by the children of farmers who inherit no land, by displaced fishermen and upland farmers who can no longer make it on their eroding resource base. In this setting, the prospects for upward social mobility for the landless appear very dismal.

The upland farmers are nearly as disadvantaged. The swidden agriculturists (*Kaingiñeros*) have the lowest incomes, but their ability to shift to different lands may provide a modicum of subsistence. The traditional or indigenous *kaingiñero* knows (though does not always respect) the ecology of the rainforest and is able to extract enough for household food consumption needs. The marginal kaingiñero, who is often a displaced lowlander, is less equipped technologically to grow much on the cleared forest land

or marginal land with secondary vegetation. After the third or fourth crop season, he must move on to another plot.

The upland rice and corn farmers represent the largest number of poor households. Despite higher incomes than the kaingiñeros and their control of relatively more land than other farmers, their existence is marginal due in large part to the declining productivity of their land and subsistence-type farming. Increasing population pressures on the resource base, over-exploitation of forest and grass lands by indigenous kaingiñeros and irresponsible loggers, and inappropriate farming practices followed by marginal kaingiñeros are precipitating upland denudation and causing severe soil erosion and loss of fertility. Since the upland rice and corn farmer further relies on a more permanent holding, the loss of fertility further limits already low returns from the use of traditional technology. This forces the family to look beyond subsistence farming to other sources of income to meet household needs. Off-farm employment provides a major portion of total income. The women raise and market vegetables, poultry, and pigs, while the men often migrate to lowland areas for seasonal work in the paddies, in construction, and other casual employment. This adds to the competition for available work and thus pits them against the landless agricultural workers. Lack of skills, market isolation, low productivity, and general underemployment keep upland farmer household incomes about 33% below the poverty threshold. Not surprisingly in the household's effort to make ends meet, the family consumes less food and foregoes education for its children, sacrificing current health and nutrition as well as future prospect for upward mobility of their children. As the resource base deteriorates, we can expect to see an increasing number of upland farmer households abandoning their land and migrating in search of employment.

Artisanal fishermen are somewhat better off than the upland farmers. Household income is close to 3/4 of the poverty threshold, but they have larger families. Income from fishing is limited by a declining catch, low prices received by fishermen, and lack of boat ownership for many. So far, the traditional sharing of the catch helps cushion the plight of even the poorest. But as fishing resources dwindle, with the destruction of coral reefs and mangroves and overexploitation of fishing grounds, the traditional system of reciprocal obligations may give way to more impersonal contractual arrangements. This could displace many fishermen who would have to turn to alternative employment. Already 1/3 of fisherman households are supplementing their income with

seasonal work in agriculture and services. Their low incomes are reflected in poor nutrition and in limited education for their children. In view of the fact that artisanal fishing has probably reached its maximum output, future prospects for this group are not encouraging.

Paddy rice farmers, especially full landowners and those on irrigated land, are, relatively speaking, the least disadvantaged among the rural poor groups. Farmer households on irrigated land probably attain average annual incomes very close to the poverty threshold. Annual household incomes for farmers on rainfed land fall on average about 20% below the poverty threshold. The higher productivity of their land enables the paddy farmers to derive a larger share of their income from on-farm employment. But the demands of cash oriented production are creating a cost-price squeeze and cash flow problems for amortizing land owners (covered by land reform) and tenants. The result is declining net profit and food consumption. Rice stocks have to be sold to meet up-front production expenses and increasing indebtedness is incurred to buy food and cover additional production and consumption needs. The anticipated yield increases have not been fully realized due to floods, typhoons, inadequate credit available to purchase petroleum-based inputs, low profitability of recommended fertilizer levels, pest damage and inadequate agronometric practices. Nevertheless, paddy farmers are able to keep their children in school longer than other poor groups. Many are also becoming farm managers, hiring labor and finding time to pursue other activities. The main factor undermining the otherwise promising prospects for future upward mobility is the continuing fragmentation of land, despite the Land Reform's attempt to stop it. Paddy farmers subdivide already small plots of 1 to 3 has. among sons or sub-lease among relatives or friends. Once the threshold of a minimally viable plot is passed, the paddy farmer's livelihood is directly at risk.

The urban informal sector worker group is not comparable with the rural poor groups as it aggregates a variety of urban occupations. Also, the dynamics of urban poverty are so different. The urban informal sector household relies on hawking, vending, peddling, family enterprise manufacturing and services for its main source of income. Despite higher absolute incomes, when adjusted for the higher cost of urban living, household income reaches about 2/3 of the minimum food threshold. Ownership of a house or shack represents a major asset which often determines whether an informal worker household operates as itinerant vendors or as a

more permanent establishment. Employment is steadier and involves longer hours than for most rural groups. Yet reliance on a cash income and isolation from subsistence food production increases this group's vulnerability. Rural family ties may provide some cushion in the form of seasonal rice transfers. But food consumption is often traded for the education — of their children who with marketable skills may be able to break into formal sector salaried employment. Meanwhile, family nutrition is low; current income and productivity is handicapped by limited access to credit for expanding the family enterprise; they lack management skills and technology for more efficient use of the family labor; and are faced by harrassment from government regulations. Finally, competition from the growing stream of rural migrants in search of employment in the cities further hampers the informal sector workers' efforts to achieve a minimum livelihood.

While comparison of poor groups reveals varying patterns of survival, it also highlights rather dramatically a common set of problems:

- ☐ dwindling productive sources available to the poor, which forces them to rely increasingly on the sale of their labor services for economic survival;
- ☐ declining real wages and income resulting from seasonally surplus labor, growing numbers in the labor force, and high inflation;
- ☐ low productivity in the economic activities they pursue;
- ☐ low food consumption and nutrition status;
- ☐ a lack of effective organization that would permit the groups to articulate their needs and mobilize their energies to improve their conditions;
- ☐ a gradual breakdown of traditional coping mechanism within the village structure that cushion the impact of poverty. This is resulting in growing displacement of individuals in these groups and is fueling migration to more prosperous areas, rural and urban. This in turn overloads further the traditional structure in these areas.[29]

These profiles of the rural poor are in the process of being field-tested for "goodness-of-fit" with reality. Hopefully, more refined specifications with respect to the range of varia-

tions within and between categories would emerge and these rural poor could be more definitely located in "geographic, ecological and socio-economic space." Only then can *"people"* begin to be specified as "groups of *persons* and *individuals"* rather than as a anonymous "mass" without any "flesh and blood" identity. Only then can we answer more accurately the question – *"Who are the people."* Finally "people" must be identified in terms of the total household to ensure that women, youths, infants, pre-school children, the aged, etc., are included in the definition. Eventually, "people" must cease to be "mass" and must acquire a specific identity, name, and address.

(2) *What is participation?*

After the efforts to operationally define *"people"*, the next question revolves around: "What is participation?" "Theoretically, the most effective channels for people's participation are the organizations set up for this very purpose" [30] but the literature makes a distinction between the "standard" or the top-down and the "participatory" rural organizations. The former refers to those organizations "involved more in the implementation of already planned programs than in planning them and deciding on the allocation of consequent resources and gains."[31] The "involvement of residents in community programs is mainly along implementation and maintenance. The programs being implemented at the village level are packaged programs whose planning and decision-making processes were done by high level policy makers from the different agencies and brought to the community for implementation".[32] The standard procedure is to organize groups at the village level to carry out these programs, hence, it is not unusual to have an organization, a group or a brigade for each program designed at the national level. Quite often, there are overlapping, multiple memberships and leadership positions in the community.

In the usual organizations, the following types of participation can be observed at the local level:

(1) *Membership* in community organizations set up for

the mobilization of the community vis-à-vis agency programs (note that the term used here is *mobilization.)*

(2) *Contribution of personal labor, materials* and *monetary* assistance to infrastructure, health and sanitation projects etc.

(3) *Patronage* of agency-initiated institutions such as nursery schools, credit and consumer cooperatives.

(4) *Attendance at community assemblies* called to disseminate information on program implementation plans and attendance at skills-training seminars.

(5) *Cognitive participation* in terms of being recipients of information about community activities.

In these instances, "people" have limited access to decision-making before a planned program is ready for implementation. If at all, their only participation in the preplanning stage is probably as respondents to a survey on their needs and problems. During program implementation, only community leaders have anything to say about the allocation of resources emanating from community programs.[33]

From the point of view of people participation advocates, the above-mentioned "involvements" are *not genuine participation.*

Hollnsteiner identifies 6 different modes of people's participation representing different degrees of direct exercise of power by the people:

(1) *Local elite decision-making mode*

(a) *"Solid-citizen" educated groups* appointed by outside authorities (people are minimally involved, if at all, in decision-making).

(b) *Appointed local leaders* in the government bureaucracy (although people involvement is still minimal, official character of leaders' authority encourages people to join in program activities as followers or recipients of the benefits entailed).

(2) *People acting in an advisory capacity to elites in authority*

(a) *Planners in ex post facto* consultation with people's groups (people's involvement in discussion of plans after they have been formulated allows few genuine options; participation exists but only in token fashion).

(b) *Planners in consultation* with *people's groups* from the beginning of plan formulation (this gives people a significant share in decision-making but planners still control the process).

(3) *People sharing in or controlling local political decisions affecting their lives*

(a) *People* have one or 2 *minority representatives* on a decision-making board (people's participation is significant because they share in decision-making by having an official vote on a local government board).

(b) *People* have the *majority representation* on a decision-making board (people have attained full participation in controlling the actions of the official decision-making body).[34]

The latter two which are regarded as "significant" and "full" people participation modes perhaps include only 1-2 or 3-5 persons to represent the people. To be considered people participation, these few individuals must be *truly representative* of the people. How do people choose these *representatives? How "people" are these "people representatives?"* Would these individuals be different from those who could have been chosen by the so-called "standard" type organizations? Do people participatory approaches have special properties and processes which produce special quality "people outputs" not usually evident in standard organizations? This special quality or process, if there is one, must be made more explicit, more defineable and operational so that it can be more widely realized.

Santiago has some down-to-earth observations on people representation: "Even in a democracy, a few elected leaders make the decisions for the majority. Involvement of people in community programs, projects or activities may be done

as individuals or as groups depending on the kind as well as the stage of the program or project. To involve everybody in all stages will not only be a waste of time but also of effort. Ideally, planning and decision-making should be done by all in the community but in reality, even a small barrio cannot gather its 2000 or more people to plan and decide on a project. So individuals get to be represented either through the group, unit or organization they belong to. The question to be resolved here is: How representative is the chosen representative of the values, goals, interests and ideas of the individuals he is representing?[35]

From the United Nations, popular (people) participation refers to three distinct but closely related aspects of the development process:

(1) *mass sharing of the benefits of development;*
(2) *mass contribution to development;* and
(3) *mass involvement in the decision-making process for development.* "Popular participation is seen both as a goal of development involving equitable distribution of national income and equality of opportunity, and as a means for development effort or as a broad-based popular involvement in the decision-making process. The relationship is a two-way venture: *People contributing to the developmental effort increases the benefits for them, and this then acts as an incentive for increased popular contribution to development* . . . . Popular participation is also seen . . . as categorical term for *citizen* or *people power.*"[36]

In defining community participation in the planning process, Hollnsteiner identifies 4 stages (1) conceptualizing the problem or defining the issues; (2) deciding what is to be done; (3) implementing the plans and programs; and (4) evaluating the results. She points out that the only stage over which government and people agree on the need for participation is implementation.[37]

Another way of categorizing forms of participation is outlined by Lassen: (1) participation in the *implementation* of a service or a project; (2) partici-

pation in the *decision-making* on what the service or project should be; (3) participation in *evaluation* of the performance of project administrators or quality of service; and finally, participation in *control* over how the project or service is directed in the long run. Participation only in *implementation* and *benefits* is compatible with a *'welfare' approach* to *extending services,* i.e., gifts in a *spirit of charity* to passive, inferior recipients. Can such limited forms of participation produce structural changes in the circumstances and capabilities of the landless-near-landless?[38]

Unlike *"standard"* rural organizations where *cognitive participation* means being *recipients* of information about the organization, its plans, projects, technology, etc., from sponsoring agencies, *people participation* "elevates" *cognitive participation* to "being made aware that the community may participate in decisions affecting them and that they may choose to question, or even to reject, externally developed plans and programs."[39]

In a more pragmatic vein where "participation" is viewed as a *means* of intensifying rice production, Goodell argues that "realization of the potentials of the new rice technology calls for cohesion and coordinational sophistication among the small rice farmers of Southeast Asia far beyond anything they have hitherto achieved". She identified three main components of the *high-yielding technology* that are critical to production gains but are also *contingent* upon the *intensification of organization among farmers: irrigation, pest management* and the *financing of the relatively expensive new inputs.*

- ☐ *Irrigation.* First, the new rice technology offers more frequent and more abundant harvests to farmers who can use adequate irrigation, but irrigation projects in turn usually require that *water delivery be systematized in much greater detail:* increasingly complex distribution schedules must be coordinated both locally and regionally, the amount of water delivered for each unit area must be more carefully

regulated and used to affect equity of distribution, farm operations must become synchronized to avoid excessive water requirement due to haphazard planting schedules, and the irrigators' responsibilities for finance and maintenance as well as for disciplining offenders – hitherto carried out individually – must be consolidated into group action. Especially during periods of limited water supply, intensified irrigation calls for closer communication and firmer agreement among the users themselves and between the farmers and the operating agency's field personnel. In short, to the extent that increased rice production depends upon improved water control in the farmer's fields, it ultimately depends upon the intensification of organization among the farmers of the irrigation service area.

- ☐ *Pest management.* Second, farmers' organizations must be far more rigorous to control pest infestation of the new high-yielding rice varieties. *Like irrigation, effective control of insects, rats and diseases can no longer be left to individual performance.* Integrated pest management begins with the farmers' surveillance of pest populations throughout their shared area; it includes synchronous planting and harvesting to increase ecosystem control, as well as simultaneous spraying or poisoning over adjacent fields. Like irrigation, group pest management depends vitally upon the exchange of trustworthy information among many separate, small rice farmers; upon their ability to reach consensus and then implement quick decisions within extensive, composite fields; and upon their incorporation for financial and juridical measures. The technical relationships between infestation and irrigation is well known but we have just begun to appreciate that *organizational* solutions to many of their problems are also interlocked. . . .

Though the advantages of increased cooperation at the farm level which are outlined above derive mainly from the *technical* requirements of the new high-yielding varieties, nevertheless even greater increments in rice production may come from the interaction between more viable farmers' groups and

more responsive bureaucracies serving them: that is, from the ability of intensified organization among farmers to achieve greater *institutional efficiency* within agriculture. As systems for pest surveillance as well as irrigation extend to wider and wider areas, their respective national administration — in order to assure rapid feedback and implementation throughout the chain of command — *must decentralize more and more of the on-farm tasks to the farmers themselves.* That in turn necessitates permanent farmers' associations which, as partners in agricultural management, can take corporate initiatives and assume long-term corporate responsibilities.

- ☐ *Credit.* Third, to realize the full potential of the new high-yielding technologies, most rice cultivators in Asia need assistance in financing the relatively expensive inputs that must complement the new seeds. *Institutions financing the small farmers appear to favor dealing with them in groups,* for reasons of *bureaucratic efficiency* similar to those suggested above, as well as to provide technical supervision of agricultural loans. In fact, the major thrust for organizing farmers in the Philippines during the past three decades has come from the lending agencies. . . and this will clearly continue to be the case. A better understanding of the internal dynamics of these group credit schemes will quite likely throw light on two major constraints to higher yields, the farmers' use of fertilizers and insecticides.

  Thus the *intensification of agriculture in Southeast Asia depends upon intensified organization of farmers. But what kind of organization?* How is this organization to take place? "[40]

So far, Goodell's conceptualization is the *most explicit with respect to intensified organization* as a means to *intensified production.* This explication is crucial for an eventual assessment of the extent to which this means-ends relationship has occurred. However, the project is still in progress and results from it are not yet available.

Despite strong advocacy for the people participatory approach, there is no naivete about the difficulties it entails. Hollnsteiner enumerates some of them:

- ☐ It is time-consuming, often nerve-wrecking and can become a Pandora's box of problems.
- ☐ Local communities understandably tend to concern themselves almost exclusively with their own self-interests.

  Self-help projects in which people are expected to work gratis for the sake of the community may become exploitative if carried too far.
- ☐ In conceptualizing community participation, the perceptions are often limited to the involvement of men (seldom women).
- ☐ The administration-sponsored community worker gets caught between people and administrators in the event of conflicts between them.
- ☐ People's participation poses problems to authorities sensitive to public protests.[41]

Ruttan described *integrated rural development* as "an *ideology* in *search* of a *methodology* or a *technology*". Does the same description apply to *people participation?*

Lassen argues that "participation in group action is not simply on matter of individual choices such that if the right incentives are provided, a person participates and if disincentives exist, he does not." He says that "appropriate organizational techniques need to be adapted to the circumstances and needs of the target group." These are referred to as *social technology.* This *social technology* includes the consciousness-raising methodologies of Ivan Illich and Paulo Freire which have been concerned with "building up the self-dignity and decision-making capacities of poor people in environments that may be highly stratified, exploitative and/or culturally repressive." Lassen cautions against the notion that because *"a program is decentralized* and has a strong extension component, *it is therefore participatory."* He further elaborates that "decentralization of authority from central to local levels does not result in participation unless there is also a sharing in planning, decision-making and evaluation within the local group. With some

traditional approaches, the sponsoring institution adopts a paternalistic role. The *program per se* becomes the focal point, as against the development of the people which the program was ostensibly organized to serve."[42]

This point about *decentralization* not *necessarily being participatory* is a very important one because operations at the local level can simply be dominated by the local elite. However, one can argue that decentralization means "participation of the locals". Although this still means local elites, perhaps the "trickle-down" process is considerably shortened. Lassen likewise makes a distinction between *focus on the program* and *focus on the people.* This implies that the concerns of the program are not the concerns of the people . . . a situation which is not unusual when centrally designed programs are implemented uniformly nationwide. But this "mismatch" eventually "rights" itself in the sense that people do not take to programs which do not meet their needs. They only respond positively to those elements which are acceptable and comply pro-forma to those that are not. At any rate, our development experience is littered with "short-lived mismatches". This is not to say that some things regarded initially as not particularly relevant would not in time be accepted and enthusiastically adopted via the *"educationally induced felt need"* approach.

E. *Community Organization and Issues Surrounding the Method*

The most important approach in people participation is *community organization* (C-0 for short). What is *community organization* as a method for organizing people for power? Hollnsteiner *et al* outlines the following propositions underlying the C-0 approach:

- Unorganized poor people do not participate actively in societal decisions affecting their lives because they are objectively and subjectively powerless.
- When weak individuals band together and as a group confront persons in authority positions, their collective numbers can rectify the earlier imbalance between weak and strong and allow interaction on an equal basis.

- ☐ The sheer experience of participation in group actions develops in ordinarily dependent people a sense of power.
- ☐ Organizing people for power seeks to establish powerful people's organizations through which the disadvantaged poor can enter the sphere of decision-making. "Power" is the means by which ordinary people can find redress for their grievances and act against those conditions that oppress and dehumanize them.

The following are the five basic organizing principles in C-O:

- ☐ People generally act on the basis of their self-interest. Consciousness-raising along everyday issues like water, light, eviction, etc. begets early successes.
- ☐ Move from simple, concrete, short-term, personal issues to more complex, abstract, long-term and system issues. For example, security of land tenure must be broken down into smaller issues that are manageable.
- ☐ *The Establishment* gives people the opportunity to become angry and militant (when authority ignores or antagonizes people).
- ☐ Tactics against the powerful should be within the experience of the powerless, and outside the experience of the powerful. (For example, women petitioning for a community standpipe but turned away many times before, carry their laundry, soap and wash basins with them next time they go to the waterworks office).
- ☐ Throughout the organizing process, people make their own decisions.

What are the steps in the C-O process?

- ☐ C-O usually starts with a pair or group of trained organizers entering a community in response to perceived problem there. They may be invited by local people or engaged by groups interested in enhancing people's ability to share in decision-making and resources.
- ☐ The organizer starts with *ground work* or *legwork*. This is a process of going around the community on foot and talking to small groups or individuals about problems and issues in the community. This one-to-one series of consciousness-raising dialogues can sometimes take weeks.

- ☐ When the organizer feels with some of the people that it is time to begin bringing larger groups of people together, his conversations begin to focus on specific issues and suggest specific actions such as holding of a meeting to discuss light and water issues.
- ☐ When the meeting actually takes place, part of the organizer's role will be to *help* the *group identify* the *target person to be confronted.* This person takes the role of the *"enemy"* in this strategizing process. It is *much easier to get people emotional over a person than an abstract institution.*
- ☐ Once people have decided what action to take, one that probably entails confrontation of some persons in authority, the organizer teaches them how to role play (rehearse) the impending meeting.
  The experience of being part of a mass confrontation has the effect of erasing ordinary people's fear of conflict. . . Tactically, people *never request* or ask for something; they *demand it.*
- ☐ The object of mobilization is to win a victory, that is, to attain the goal demanded. The action has to be something manageable that stands a good chance of success. People insist calmly until they get their way.
- ☐ The next step calls for people, leaders and organizers to return to their communities and engage in group reflection sessions to analyze their tactics and outcomes.
- ☐ The group is not formalized by electing leaders or drawing up constitution and by-laws although formal organization is an important part of the C-O process. They wait until the group feels strong and united after a series of actions.

Advocates of people participation claim "notable success" for the C-O or the conflict-confrontation approach for the following reasons:

- ☐ It directly attacks the powerlessness and passivity of the poor and attempts to rectify this *with a specifc methodology.*
- ☐ It recognizes that communities are made up of groups with different and often conflicting interests.
- ☐ It is a "genuinely" bottom-up strategy.
- ☐ While leadership is considered important, much more empha-

sis is placed on membership awareness and participation in all phases of organization.

- ☐ C-O worker need not be a college graduate or even competent in rural technology. He or she must have a healthy irreverence of authority: a sense of humor that can be applied to organization tactics; creativity in devising appropriate tactics, flexibility-sensitivity to changes in situations; tenacity; and genuine love for people – helping them without fostering dependence on oneself.[43]

In addition to the "groundwork" techniques of C-O mentioned earlier, Unson describes a second strategy used in developing participation in two communal irrigation systems. Farmers attended group dynamics and leadership seminars. These seminars applied the laboratory method which consists primarily of creating situations from which the seminar participants can develop an understanding of themselves in the context of a working group and of how and why their group operates as it does. Farmers were brought together in small groups in a series of two-day live-in seminars. During these two days, they were given the opportunity to interact among themselves and to analyze their interactions with the goal of improving the effectiveness of their association. Important individual and group processes such as perception, values, communication, decision-making, consensus and planning were taken up. Emphasis was placed on making the activities as relevant as possible to the farmers' situation and encouraging the farmers themselves to relate their learning to themselves and their roles in the association.

Leadership seminars were conducted to improve the leadership and management practices of the association's officers. Different leadership styles ranging from the authoritarian to the consultative and participative were discussed. Officers were asked to analyze the leadership of their organization and to make plans on how to improve it; an underlying assumption being that the movement toward a more democratic and participative style of leadership was a goal.

In this participatory irrigation association project, there were two basic ideas. (1) Much of the success of an association in managing an irrigation system is dependent on good organization; (2) Instead of forming associations based on models from developed countries, the project uses indigenous associations. The project has the following objectives:

- ☐ To involve water users in the planning, construction and rehabilitation of their irrigation system and in all other activities of the association;
- ☐ To harness the association members' potential for leadership and group action.
- ☐ To strengthen the existing indigenous organizations in order that they may become self-reliant with regard to system management, system maintenance, and conflict resolution among members.
- ☐ To transform the irrigation associations into cooperatives able to respond to other needs of the members.[44]

All these objectives are regarded as the *social development goals* of the project. They *are ends in themselves.* Increase in *crop yield* and *farmer income,* improvements in *housing* and capability of association members to *repay their loan* from the NIA are considered only as *corollary socioeconomic goals.* This is probably the basic difference between the usual development project and the "participatory" one. In the former, "participation" in organizations is conceptualized mainly as a *means* to increased yields, income, repayments, etc., and therefore participation is focused on the implementation phase.

After some experiences with the *People Participation Strategy of the National Irrigation Administration* (NIA), Bagadion spells out the questions in detail which need to be addressed in organizing irrigation associations:

- ☐ *When should the irrigation association be organized?*
  - Farmers can be organized by turn-out area at a late stage of construction just before completion.
  - Farmers can be organized at the time of construction.
  - Farmers can be organized before construction; no construction proceeds until farmers have been organized. This enables them to participate in the entire development process (planning, decision-making, construction, etc.).
- ☐ *Why is there a need to strengthen the organization?*
  - To develop a strong feeling of ownership of the irrigation system;
  - To ensure continuing participation through time; and
  - To bring about greater equity in sharing benefits.

- ☐ *What are the tasks the irrigation association should concern itself with?*

  Who should distribute the water?
  How should water be distributed?
  Who should maintain systems structures?
  How should labor obligations for system maintenance be determined?
  How often should maintenance be done?
  How would farmers be notified about maintenance schedules?
  How should irrigation fees be determined?
  How should irrigation fees be collected and handled?
  How would system operational costs be met?
  How would irrigation conflicts be resolved? [45]

It is worth noting here that all of the detailed questions that Bagadion poses for the irrigation associations are questions on people participation in implementation and the role of members in carrying out these tasks. Curiously, the issue of benefits from irrigation to members seems to be assumed by both the C-O workers and the NIA administration. As Unson points out, the question often asked by NIA personnel of the community organizer is . . . "Will the people's participation assure better management of the irrigation system and payment of fees? "[46]

Given the above-mentioned features of C-O, the following issues might be raised:

- ☐ The conflict-confrontation approach is basically Western. How does it fit into the Filipino socio-cultural-political milieu?
- ☐ C-O is not only time-intensive, it is also emotionally intensive. It takes special dosage of ideological commitment and fervor to engage in this approach. How long can a C-O worker relentlessly pursue a conflict-confontation stance vis-à-vis the Establishment? In other words, what is the average working life span of a C-O before he or she becomes part of the Establishment?
- ☐ Considering the particular characteristics "demanded" of a C-O worker, how many would be available and willing to take on this task? Perhaps the products of the activist era (late

1960s and early 1970s) are better prepared for confrontation but how many would make it a lifetime career? Lynch *et al* suggest that professional non-government assistance is required for this undertaking on the ground that "government sponsored community organizations tend to transmit information, not receive it. . . in large part, perhaps because centuries of tradition have so defined the government agent's role."[47] Because the government is the major supplier (and will remain so in the foreseeable future) of development workers, what would happen if these workers were trained to use people participatory methods in addition to their technical and bureaucratic expertise? Is this at all possible? Or would it mean the loss of "people's enemy"?

- ☐ What do people do with power after they have acquired it? The language of C-O is *demand, not request, not ask for.* People can demand security of land tenure; they can demand a larger share of the produce but increased productivity, employment creation, and a better life are things they have to work for. After victory has been won over a common external enemy, how does the group achieve sharing of the burdens and the "spoils" (if you will) of the victory? It would be the height of naivete to think that in a people's organization, everyone is equally powerful. How does C-O prevent these people's organizations from reproducing exactly the same social structure which they themselves fought against? Can they be as tough in dealing with the problem farmer among them (who uses all the irrigation water at the head of the system) as they are with the outside enemy such as the landlord or the government irrigation engineer?
- ☐ Who picks up the "emotional debris" and the power struggle "casualties" from the conflict-confrontation episodes of people participation? What about future "return actions" from the "loser enemy" when for some reason or another, people become vulnerable once again to that same power source?
- ☐ How long does an organization which emerges from the participatory process endure after the C-O leaves the scene? Does it far better in viability than the so-called standard rural organization? Because of the intensity of commitment

required, would the C-O tend to foster dependency on the organizer instead of self-reliance? How long does it take for the weaning process? Is it ever completely achieved?

As the International Foundation for Development Alternatives said:

> *Self-reliance cannot be dispensed or dictated;* it *must be learned,* and *the learning process starts with the individual.* It is a slow cumulative process, stretching through generations and susceptible to reverses. Much therefore depends on the type of education that is available to help people learn to think for themselves. By education in this context is not meant the conventional academic schooling but a *pedagogy of self-reliance: learning to participate; to assume responsibility, to take decisions, to be less dependent, to communicate, to serve others, to receive messages critically;* . . . above all learning through and throughout life.[48]

These issues notwithstanding, *people participation* cannot be accused of being an "ideology without a methodology" for it has *community organization* as its basic methodology. The more important issue is something else. Because its advocates treat *participation* as a *social development goal* — as an *end in itself* — the role of participation in bringing development benefits which accrue to the rural poor, where they have not been reached before, is less clear and difficult to establish. However, if people consider participation as a "benefit" in itself rather than as a means for obtaining other benefits, then participation has its own reason for doing. In many instances, however, there is an implicit faith that people participation in the planning, implementation, evaluation and control of development projects assures that people will benefit from the projects. This implicit faith remains to be demonstrated substantively.

Furthermore, the interpretation of *"participation only in implementation and benefits* as "welfare" or "charity" to passive, inferior recipients, should be investigated empirically. Do such *participants only in the benefits* really view those benefits as charity? Are they really passive and inferior recipients? An alternative possibility is that they regard these "benefits" as what society owes them and therefore they "deserve" whatever comes to them without feeling gratitude and inferiority. They might in fact be "active" and not passive recipients. Maybe, they are not too unaware of other sectors of society who do not deserve what they have. At any rate, this whole issue is a significant empirical question.

SUMMARY AND CONCLUSIONS

"Felt needs" came with the community development era and "people participation" was brought by the Second Development Decade. To find out what these concepts meant in practice, the following were examined in this chapter: approaches to social soundness analysis; an operational typology of felt needs; concept and practice of people participation; operational definitions and methodology of people participation; and community organization and the issues surrounding the method.

Approaches To Social Soundness Analysis

A socially sound development program was defined as one which is *for the poor; from the poor; through the poor* and benefits accrue *to the poor.* Three approaches to the design of such a program were suggested: relying exclusively on professional opinion; letting people decide for themselves; and letting people lead while the experts follow. The experience in the Bicol River Basin area was cited to illustrate the third approach. The assessment of people's felt needs, for example, included the following: community problems freely mentioned as important; life concerns or domains which were of more than ordinary interests; overall life satisfaction and happiness about each of the life concerns (perceived quality of life): positive choices for selected development programs; and problems identified by experts alone.

In comparing the list of problems identified by people and by experts, it was found that experts saw the same problems that people perceived and they saw even much more beyond that, suggesting that perhaps even experts are people. Nutrition, population, health, integrated rural development, equity and people participation would probably never be part of the development scene if the experts had not "felt" them for the people. However, from the Bicol experience, it was evident that a people-centered assistance program was very data-intensive. Experts both in technical and social science fields were the most active participants in identifying, defining, and articulating people's felt needs. Even the "voice of the people" was heard through the expert.

An Operational Typology of Felt Needs

Based on past and current rural development experiences, a typology of felt needs in operational terms was proposed:

(1) *People's felt needs,* elicited, articulated, analyzed and interpreted by experts;
(2) *Empirically derived needs* which arise from an analysis of large scale or macro level trends as indicated by available data overtime, e.g., population growth.
(3) *Systematically (scientifically) determined needs* established by experts through their own special methods;
(4) *"Educationally-induced"* people's felt needs are those described in (2) and (3) which people are "trained" to perceive and feel as their own priority needs; and
(5) *"Seduced" felt needs* which are stimulated by the availability of resources for special problem areas.

The Concept and Practice of People Participation

Arguments for people participation could be summarized as follows: The poor majority have had virtually no say in events that affect their lives and development strategies which were top-down have failed to reach them. Besides being a basic human need and a basic human right, people participation, with decentralization and local involvement are supposed to reinforce productivity, equity, and welfare objectives thus greater chance for success in rural development is expected. People know best what is good for them and they represent a massive resource in terms of labor potential, practical knowledge, experience and ideas. Community projects will be better maintained if people had participated in their design and implementation. Besides the advantage of sustained development for the poor, emphasis on self-reliance lowers the cost of development. Finally, people participation contributes to non-violent forms of social action to bring about a new social order.

These arguments for people participation had led to some further thoughts on the subject: (a) The expectations of people participation could make it another utopia, a new panacea to replace "tired" ones. (b) Because people participation is regarded both as a means to development as well as an end in itself, this means-ends distinction must

be made in order to avoid the pitfall of substituting "participation" for the tangible benefits from development programs. (c) The current people participation emphasis is a curious trend for it comes at a time when practically the entire developing world is under some degree of authoritarian rule (some more, some less). (d) There are many contradictions in people participation. Putting the burden of development on the poor could be taken by the rich and powerful as a legitimized way of freeing themselves (in the name of self-reliance) from shouldering this burden. (e) Perhaps the difference between top-down and bottom-up approaches is more verbal than real for much of the impetus for people participation comes from outside and not necessarily from the bottom either. (f) People participation to be truly participatory must allow people the *freedom not to participate.*

The Operational Definitions and Methodology of People Participation

Although much had been said about people participation, it was acknowledged that of all the ways in which local involvement could be increased, the greatest uncertainties and confusions surround the participatory approach. The first operational question about people participation is: "Who are the people in people participation?" From the earlier definitions which made "people' anonymous, faceless and amorphous, criteria for identification had emerged and further specification is on its way. Eventually "people" would cease to be "mass" and would acquire a specific identity, name and address. So far, in the rural setting, "people" refers to four rural poor groups: upland farmers, paddy rice farmers; landless agricultural workers; and artisanal fishermen. Although these groups revealed varying patterns of survival, they exhibited a common set of problems: dwindling productive resources available to the poor which forced them to rely increasingly on the sale of their labor services for economic survival; declining real wages and income resulting from growing numbers in the labor force and high inflation; low productivity in the economic activities they pursue; low food consumption and nutrition status; lack of effective organization to articulate their needs; and gradual breakdown of traditional coping mechanisms within the village structure. Finally, "people" must be identified in terms of total households to ensure that women, youths, infants,

pre-school children, the aged, etc., would be included in the definition.

The second question asked was: "What is participation?" Although there are many ways of categorizing participation, perhaps they could all be subsumed in these 5 categories: participation in the implementation of a project; participation in the decision-making on what the project should be; participation in evaluation; participation in control over how the project is directed in the long run. Participation only in implementation is regarded as a welfare or charity approach. It was difficult to distinguish participation as a means and participation as an end except in one project which specifically stated "participation" as a *means* of intensifying rice production.

Despite strong advocacy for participation, there was no naivete about the difficulties it entails. Participation carries its own risks and problems. It was further pointed out that decentralization is not necessarily participatory.

Community Organization and Issues Surrounding the Method

People participation is not an ideology without a methodology. Community organization (C-O) as its most important approach has a set of procedures and organizing principles along conflict-confrontation lines but in actual practice, many modifications are accommodated perhaps mostly in the degree to which conflict-confrontation is pursued. Because this approach is basically Western and not Filipino, a number of issues surrounding the method had been raised such as: C-O is time-and emotion-intensive. What is the average working life-span of a C-O worker? What do people do with power after they have acquired it? Who picks up the emotional debris and power struggle casualties from conflict-confrontation episodes? Considering the intensity required, does C-O foster self-reliance or dependency?

The implicit faith that participation would bring more development benefits to the rural poor has yet to be demonstrated substantively. Finally, there was an empirical question with respect to whether *"participation only in implementation and benefits"* was really viewed as "welfare" or "charity" by the recipients or as something that society owed them and therefore there was neither gratitude nor inferiority in the process.

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CHAPTER VIII

FIELD EXPERIENCES WITH RURAL ORGANIZATIONS AND PEOPLE PARTICIPATORY APPROACHES

Because translating concept into action is infinitely more complex than putting fiery rhetoric and eloquent language together, actual field experiences constitute, in effect, the test of implementability. In this chapter, we aim to:

a. Examine a variety of field experiences with the so-called "standard" rural organizations and people participatory approaches such as:
   (1) Non-government social development approach
   (2) Irrigation associations
   (3) Rural organizations
   (4) Health service delivery systems
   (5) People participation at the integrated area development project level
   (6) People participation for irrigation development

b. Identify some insights and lessons from the practice of people participation in eight different projects:
   (1) A social development approach
   (2) An agroforestation and upland development project
   (3) Small farmers' grassroots organizing to enhance agricultural productivity

(4) Barangay water project
(5) A study of workers in manufacturing establishments
(6) The Bangladesh Rural Advancement Committee
(7) The LINK-COD Programme (Linking with Communities for Development) Programme
(8) The Bicol River Basin Development Program

A. *Field Experiences With Rural Organizations and People Participatory Approaches*

(1) *Non-government Social Development Approach to Assisting Low-Income Groups*

The Philippine Business for Social Progress (PBSP) which represents private businessmen's social responsibility is supported by 60 percent of total contributions from 120 companies giving one percent of net profit before income taxes. PBSP has had 10 years of field experience with over 300 assisted projects nationwide plus an action-research documentation of the social development process. The core philosophy of PBSP is self-help based on the firm conviction that disadvantaged Philippine communities can and do want to help themselves. "Social development practice indicates that what is usually needed to change this desire into reality is initial *external assistance* in the form of *financial resources* and *know-how* and the *internal competence* to *use this assistance.*" This philosophy is translated into action in the following manner: "*PBSP inputs* lead to *organized community groups* with *trained leaders* having increased *skills* and *improved technology* implementing on-going projects for *increased income* or *production* and *community improvement* towards *self-reliant* communities . . . PBSP seeks to develop communities which are able to maintain their organization and undertake their own projects to meet community needs through collective group effort even after PBSP has pulled out assistance from the area."[1]

These projects include *Food Production* (Crops, Livestock, and Aquaculture); *Small Business Program (Social Credit*-setting up of micro and small businesses through non-collateral loans, *Cooperative Training and Development*); and *Human Resource Development* (Community Building Manpower Development, Community-Based Health and Nutrition Project, Management Development and Functional Literacy). From 1974-1979, PBSP directly managed the Lagu-

na Rural Development Project which assisted 37 barrios using the strategy of community organization.

What is the impact of PBSP's assistance which uses 5 strategies: Community organization, Small-scale industries, Skills Training, Agricultural Development and Cooperative Development? An intensive analysis of their first 33 projects revealed the following results:[2]

a. Table 8.1 shows the major benefits derived by project participants which came in the form of useful knowledge nad skills; personal and community benefits. It is significant to note that a *higher proportion of participants mentioned benefits for the community than for themselves personally.* Furthermore, of the 5 strategies of assistance, *Cooperative Development and Community Organization were more favorably assessed in terms of benefits to participants.* These are positive indications of social development impact. Agricultural development was perceived as the least contributory, comparatively speaking. On the whole, however, about two-thirds of the participants regarded the projects as beneficial in terms of useful knowledge and skills. About 80 percent indicated that they experienced personal benefits and about 90 percent mentioned community benefits and improvements.

Self-reliance seems to be the lowest-rated and understandably so because it is probably the most difficult objective to achieve. The more favorable assessment of cooperative development and community organization compared to the three other strategies of assistance is encouraging for PBSP because these are the major elements of the social development approach which underline all their projects, whether small-scale industries or agribusiness ventures.

Willingness to continue participating in projects was expressed by 90 percent of the participants. What is worth noting is the fact that for Cooperative Development and Agricultural Development with 13 and 14 percent, respectively, unwilling to continue participation – while the other three strategies registered only 7 to 9 percent "reluctants". What are the reasons for willingness and for hesitancy? For small-scale industries, skills training, and agricultural development, willingness to continue was prompted by the desire for added knowledge, and skills to boost earnings. Hesitancy was relat-

TABLE 8.1
MAJOR BENEFITS DERIVED BY 768 PARTICIPANTS IN PBSP-ASSISTED PROJECTS
(FIRST 33 PROJECTS)

Major benefits derived from projects	Strategies of Assistance					
	Community Organization	Small-scale Industries	Skills Training	Agricultural Development	Cooperatives Development	Total
	— Percent —					
1. Acquired useful new knowledge	61	64	45	66	69	60
2. Acquired new knowledge but did not find them useful	5	9	23	6	24	12
3. Acquired useful new skills	60	73	63	63	78	65
4. Acquired new skills but did not find them useful	6	8	21	6	15	11
5. Experienced personal benefits	83	73	75	82	80	79
6. Community derived benefits	88	91	97	85	100	91
7. Improvements occurred in the community	94	76	91	82	98	88
8. Ratings on self-reliance regarded as good	55	50	68	45	74	55
9. Ratings on self-reliance regarded as good and fair	84	81	86	71	87	84
10. Would like to continue participating in projects	91	93	92	86	87	90

*Financial assistance to 33 projects totalled P7.5 million from 1971-76 — 72% as grants and 28% financial advances.

Source: Research and Evaluation Unit, Philippine Business for Social Progress, "The Impact of PBSP's Assistance on Its First 33 Projects," Manila, December 1977.

ed to competing demands on their time and effort. There were other things to occupy themselves with unless the project was for their own benefit. The potential drop-outs from agricultural development projects expressed doubts about how good systems management and regulations were. Some were too old to be continuously active. With respect to cooperative development, those intending to discontinue or stop participation cited incompetent staff and management and unsolved problems of the organization as their reasons.

Community organization was perceived by continuing participants as a chance to be of help and service to the development of people and the improvement of living conditions in the community. They agreed with the social doctrines and objectives of the proponent. Others, just like the rest, wanted additional knowledge, skills and income. These latter reasons were the same rationale given by participants who are willing to continue in cooperative development. Good financial status achieved by the cooperative was specifically mentioned by about a fifth. Personal development and activities directed for the community's sake were other reasons given.

Hesitance in further involvement in Community Organization was the time and work required against the demands of household chores. Some people specifically stated that earning something out of the project would be a good incentive. In other words, they prefer community organization to be income-generating too. Nevertheless, the *community organization message seems to have* gotten across. It *seems to be an accepted objective at least among more than half of those willing to go on participating in the interest of improving the community as against thinking only of their own personal benefits.*

b. In terms of *project management competence,* PBSP's survey in 1978 of 47 project directors and assistant directors showed the following:
   - ☐ *Conceptual knowledge* of social development management concepts and principles as outlined in an 18-step management continuum was rated high for 50 percent of respondents who correctly identified at least two-thirds (13) of the 18 steps. The other half were rated low for

having identified 12 or less of the steps. Apparently, even cognitive understanding of management concepts is not easy, let alone its application. In assessing the effect of the PBSP seminar on their knowledge of social development management, the respondents attributed the following to the seminar:

- ☐ gave additional knowledge 72%
- ☐ confirmed other knowledge..... 60%
- ☐ gave new knowledge 57%
- ☐ clarified other knowledge 55%
- ☐ served as basis for further learning..... 55%
- ☐ conflicted with other knowledge..... 13%

These findings should be of special interest to practitioners of non-formal education because they illustrate graphically the absence of a one-to-one correspondence between *"educational input"* and *"learning output"* simply because the learners do not start from the same base and therefore any information introduced performs different functions for different learners. For some learners, the information may be *new;* for others, *additional, reinforcing, clarifying, expanding* and even *conflicting*! The *end-result is that only half of the learners understood two-thirds of the concepts.*

☐ *Management Tasks Performed*

The actual job performance was compared to the 18 tasks spelled out in the management continuum. *Fifty* percent of respondents indicated performance "all the time" of at least *12* management tasks but the tasks *most performed* are two *controlling/evaluating activities* such as comparing results of operations with standards of performance. The *task least performed* is an *implementing activity* (i.e., resources are procured and organized and persons are hired to man project operations).

☐ *Management Practices*

On the basis of practices in financial, personnel, production and marketing management, one-half of 33 project proponents can be rated as *Below Average* in managerial skills, one-third as *Average;* and only 5 or 16 percent as *Above Average.*

Almost half of the projects showed *poor financial management* (absence of financial records, misuse of funds, inability to trace funds, low cash balance resulting from poor collection, inability to repay PBSP financial advance). Less than *one-fifth* had *highly competent managers* in relation to personnel management. More than half had obvious *inadequacies in program implementation. Fast turn-over of personnel* was a common problem. *On production management,* 80 percent of the projects suffered from poor handling of production. For agricultural productivity projects, problems like high cost of fuel, destruction of irrigation pumps, lack of steady water supply, lack of resources had practically forced stoppage of operations. For small-scale industry projects, problems included limited volume of production resulting from irregular orders, lack of variety in product lines, unavailability of raw materials, lack of supervision and maintenance measures to prevent breakdown of equipment. In marketing management, only one out of ten projects reported adequate marketing outlets.

c. *Group development and leadership formation*

- Twenty of the 33 projects had organized grassroots groups totalling 43 or an average of *2 per project.* Over *one-half* of the groups were rated *above average* and can be considered *viable.* Forty percent were rated *average* and need *additional* training inputs to develop group maintenance skills. Six percent were *below average.* An assessment of these groups highlights the existence of *minimal* difficulty in the following areas: clear set of objectives; objectives internalized by members; set of officers functioning effectively in respective positions; existence of committees; and existence of an effective communication system. More difficulty was evident in such areas as: Discharge of privileges and responsibilities of members, officers, and committees; regular meetings; group achievement of objectives. In other words, the groups performed better in setting up their organizational structure but had more difficulty in implementing organizational objectives. There is nothing unusual in this

assessment. It is *always easier to design an organizational format* than to *make it work.*

- ☐ Leaders' capabilities for management and leadership responsibility were evident in identifying and analyzing community problems; planning and implementing projects; evaluating plans; making individual and group decisions regarding community issues and services; maintaining group cohesiveness; sharing leadership responsibilities and delegating authority to other leaders and group members. The group leaders rated themselves lowest in eliciting group/community participation; mobilizing local and outside resources; and need more skills for facing and resolving conflicts within the group and within the community.
- ☐ Of the 43 grassroots associations, 66 percent expressed knowledge about PBSP but one-third admitted they knew nothing about PBSP. Seventy-one percent of the associations were able to perceive benefits they derived through PBSP assistance, while 29 percent were not aware of any benefit.

d. *Relation between adequacy of project inputs and achievement of objectives*

An evaluation of PBSP's experiences with 25 agribusiness projects which involved a total of 5,265 direct beneficiaries, 93 percent of whom are rice farmers, 4 percent fishermen and 3 percent swine and poultry raisers yielded the following results:[3]

- ☐ Only 5 percent met all objectives; 52 percent partially met some objectives; and 28 percent did not meet any objectives.
- ☐ Considering 4 types of project inputs: physical, management, organizational and technical, the 25 projects had 44 percent assessed as adequate in physical input; 32 percent adequate in management; 24 percent adequate in organizational input and 36 percent adequate in technical input. Only projects with adequate inputs in all components tended to attain all stated objectives.
- ☐ Attainment of the increased income objective seems to be

the most difficult of all. Only those projects (5 out of 25) which reported adequacy in all 4 inputs achieved the income objective. As mentioned earlier, a high proportion of participants in PBSP-assisted projects acquired benefits in terms of useful knowledge and skills community and personal benefits but increased income from agribusiness projects seems to be more elusive.

e. *A community development model using the community organization strategy*

After 5 years, the Laguna Rural Development Project left 37 barrios in 1979 with:

- ☐ 33 viable core groups with trained leaders equipped with organizational and managerial skills that can initiate and sustain socioeconomic projects;
- ☐ 5 viable Municipal Development Councils with members skilled in organizational and managerial skills;
- ☐ 38 functioning community organization volunteers called Guides of the Barrio who can act as trainors, liaison, maintain group cohesiveness and perform administrative functions in 21 villages.
- ☐ 3 cluster federations formed to participate in the Municipal Development Councils on the planning and implementation of community projects. Their participation is expected to facilitate the integration of development efforts at the municipal level and to direct the efforts of agencies, whether government or private, toward services that meet real needs of their villages. They are also expected to support core groups especially in villages without trained community workers.[4]
- ☐ Part of this phase-out strategy is the establishment of a Center for Rural Technology Development staffed by field workers of the Laguna project. It will provide management consultancy and financial assistance to core groups at a fee. In effect, CRTD is an "intermediate" institution, between the "grassroots" and PBSP.

This Laguna Rural Development Project is really an exercise in institution-building to develop a participatory

structure from the ground up designed also to function as an integrator of services from the outside. If this structure functions as expected, then participation and integration have been institutionalized. The questions that remain are: How participatory is the structure as far as the rural poor are concerned or is the structure a reproduction of the existing national social structure? How does this "participatory structure" relate to previous structures set up by government or private agencies? Is it new, superimposed, a reincarnation or a retooling of old structures for new functions?

PBSP speaks of the existence of "first-level" proponents — both indigenous and professional, ranging from sectoral and religious organizations to local foundations who are capable of initiating and sustaining development projects. As part of their strategy in building institutions on field, second-level institutions have been developed as resource centers where new proponents are sent to learn the rudiments of a particular project's management. These PBSP-assisted training centers are regarded as intermediate institutions which have expanded their operations to include either the actual management of community projects or intensive technical assistance and on the job training to enable less experienced proponents to become better managers. Community projects have also served as social laboratories where trainees in community organization gain field experience.

The third level in their service network is the consolidation of learnings on field, pilot-testing of new programs and continuing to develop "least-cost solutions."[5]

What is left unsaid, whether deliberate or not, is the role of this participatory structure as a social pressure mechanism. Does this mean that Community Organization for PBSP is *organization* and *management,* not *conflict-confrontation* as described earlier and as applied by other organizations?

(2) *The Institutional Component of Irrigation Development*

One vital objective of the National Irrigation Administration

(NIA) is the organization and development of irrigators groups/ associations in existing, on-going, and proposed projects for construction and/or rehabilitation. Viable and responsible water-users' organizations are considered active partners in irrigation development, particularly in the promotion of irrigated agriculture through sustained implementation of farm level water management program and on-systems operation and maintenance as well. Success of irrigation developmental undertakings depends on a great measure to the active support and total involvement of organized groups of water-users themselves. Functional irrigators' groups are best receiving mechanisms for any sort of assistance being delivered by the government. They can also act as a catalyst in modifying/redirecting the behavioral patterns of farmers concerning water-use.[6]

In this section, we present studies which illustrate farmer response to irrigation associations in a large irrigation system and farmer participation in communal irrigation system organizations.

Senen's study of the Sabang Irrigators' Association which is served by Lateral B of the Angat River Irrigation System in Bulacan reported the following findings:[7]

(a) About 70 percent of members joined the association for self-oriented reasons such as: desire to avail of irrigation services, extension services and training programs on crop production; credit and other advantages in purchasing supplies and to get *help in maintenance and* repair of canals and irrigation, appurtenant structures. The rest (26 percent) joined for reasons of fellowship and cooperation with other farmers; a sense of duty and compliance with government development programs; desire to acquire knowledge and to participate in cooperative development. Only 4 percent categorically stated that membership in the association is a step towards the eventual ownership, operation and maintenance of the irrigation system by the farmers.

(b) In this 5-year old association, only a third underwent training and 35 percent do not know the purpose of the association. Almost half said that this purpose is not being realized for the association was no longer active, i.e., no activities, meetings, and projects are attended to. Earlier, however, 82 percent enumerated projects undertaken such as rat control, rice production campaign; training, pest and disease control, etc.

Again, only 7 percent of association projects enumerated pertained to proper operation and maintenance of irrigation facilities. Almost half also mentioned that there were plans and projects which were not implemented nor completed. Lack of cooperation among members and officers, lack of funds and technical services from NIA were among reasons cited for failure to carry out projects.

(c) Sixty-three percent indicated that the Association helped in strengthening the Agrarian reform program but only 50 percent said that the program helped the Association.

(d) Eighty percent paid irrigation fees in 1977 but only 28 percent in 1978. Poor or no harvest was given as the main reason for non-payment.

(e) Seventy-four percent were willing to give voluntary contributions; 68 percent willing to help perform irrigation functions; 84 percent willing to participate in association's projects and activities. Ninety-two percent regarded joining the irrigators' association a necessity. They also seem to have all the "right" reasons for this "necessity". Gaining benefits, knowledge, unity and strength were cited. However, when asked on the responsibilities of the association in the maintenance of the irrigation system, 12 percent said it is NIA's responsibility, not theirs, to maintain the facilities; 8 percent do not know of any responsibilities; 20 percent perceived the responsibility to be that of reporting damaged facilities/structures and requests to authorities. Thirty-two percent did not comment at all on the association's responsibilities.

(f) When asked whether members of the irrigators' association *should, can* or *want* to own, operate and maintain the irrigation system, 65 percent said "No", they should not; 63 percent said *"No"*, they cannot; and 70 percent said *"No"*, they do not *want* to own, operate and maintain the system. Reasons for the negative replies can be roughly categorized as lack of capability, lack of time (busy in farming), lack of knowledge (do not know how), and lack of cooperation among farmers. Others candidly remarked that NIA is already doing the job and should just improve their performance; farmers do not like the additional responsibilities; somebody else should be in charge, not the farmers.

(g) Although a majority of the members earlier indicated willingness to give voluntary contributions and perform irrigation functions, when asked what functions they want to perform in the operation and maintenance of the system, 56 percent either gave no response or wanted no responsibility at all. Other respondents preferred to have the roles of NIA personnel such as ditchtender, gatekeeper, watermaster; and member or officer of the irrigation management team. In other words, those willing to take on a role were mainly interested in gainful employment with NIA and not in the role of the association.

(h) Forty-five percent of the members reported problems on the operation of the irrigation system. These were practically all on supply and demand for water. Curiously, only about 6 percent reported conflicts among members, among officers, and among members, officers and NIA personnel. This situation of minimal conflicts is probably due to minimal interaction among members. Association officers and NIA personnel were usually approached in solving problems. The interaction, therefore, is mostly between individual member and officers/NIA personnel and less among members. It is a *vertical relationship* of the individual member with those who have *power* to solve his problem and not a *horizontal* relationship among members in order to strengthen group action.

(i) Senen computed members' level of performance based on knowledge/awareness of association and irrigation distribution; participation and interaction; compliance with rules and regulations of the association and the irrigation system; and sense of belongingness. High performance level is positively associated with self-oriented reasons for joining the association; perception that members are contributing to the active functioning of the association; high rating on the management of the cooperative; benefits received; training in irrigation management, increase in yield crop; and expected effect on future income. In general, we can say that benefits expected, perceived, and anticipated contribute to higher performance levels in the irrigation association but the relationship between benefits and participation is not always strong suggesting the presence of many other intervening factors.

What is most interesting is the fact that members' active participation in a previous cooperative is negatively associated with performance level in the irrigation association. It is possible that unfortunate experiences in the previous cooperative have produced cynicism among those who were active participants before.

(j) The most important contribution of Senen's study is her test of the *benefit-participation contingency* hypothesis which says that:

- ☐ The greater the degree of benefit-participation contingency is, the greater the participation will be. That is, *the more that a member obtaining benefit from an organization is dependent on his participation in the organization to obtain the benefit, the more he will take part.* This concept of benefit-participation contingency is an aspect of exchange between the benefits an individual receives from the organization and the contributions he makes to it.
- ☐ Three broad categories of benefit-contingency in organizations are:
  (1) *Benefits that have no contingency.* These are public goods available to members and non-members alike.
  (2) Benefits which have a *moderate contingency.* These are system rewards which are available only to members but are not very dependent upon the amount of participation or contribution to the organization.
  (3) *Benefits with a high degree of contingency.* These are individual rewards available only to members, and, furthermore, only to each member in relation to his participation in or contribution to the organization.[8]
- ☐ Each respondent was asked what specific benefits other than cash income they have received directly during the last 2 years as a result of their membership in the irrigators' association. For each benefit named, respondents were asked: "How much of this benefit do you feel sure you could have received without attending very many of the association's meetings, or taking an active part in the discussions, activities or programs? Would you say: all, most, little or none?"

Table 8.2 shows that the benefit enjoyed by practically all the members is irrigation services followed by extension services and training programs. However, 82 percent of the farmers who received irrigation services said that the enjoyment of this benefit was not at all contingent upon their participation in the association. As a matter of fact, even non-members could avail of the irrigation services. They said that this was allowed since these non-members were paying for the irrigation fees and the association was lenient about this matter. The non-exclusivity of access to irrigation services for the association members means that participation provides them no special benefits. Even help in the maintenance and repair of canal and irrigation structures, a benefit mentioned by about half of the members, is not contingent upon participation. This was the case even with such benefits as knowledge on cooperative development and cooperation and fellowship with other members.[9]

Ironically, something like "steps toward the ownership, operation, and maintenance of the irrigation system by the farmers which is the benefit most contingent upon participation in the irrigators' association is the one thing farmers said they should not do, cannot do and do not want to do. Marketing services for members' agricultural products, representation to government agencies and advantages in purchasing supplies and availability of credit were the other benefits regarded as more contingent on participation in the association. However, these services are less likely to materialize in an irrigation association unless irrigation needs are adequately met. And if irrigation services can be obtained regardless of their membership and participation in the association, what would motivate them to stay with it? In a large-scale irrigation system, is it possible to design it such that receiving benefits from an irrigation system will be contingent upon their participation in the irrigation association? One suspects that if one can obtain benefits without participation, this seems to be the "easiest" path to "development" regardless of what people participation advocates

TABLE 8.2
RELATIONSHIP BETWEEN BENEFIT RECEIVED BY FARMERS AND PARTICIPATION IN THE IRRIGATION ASSOCIATION

Kind of benefit received and member who received each benefit (Total N = 100)	Degree to which benefit received is contingent upon participation in the association				
	Not at all	Some	Most	All	Total
	— Percent— Of those receiving the benefit				
1. Adequate irrigation service (N-91)	82	11	4	3	100
2. Extension services and Training Programs (N = 77)	52	21	20	6	100
3. Advantages in purchasing supplies and availability of credit (N= 75)	36	16	31	17	100
4. Knowledge on cooperative development (N = 73)	51	12	21	16	100
5. Cooperation/fellowship with other members (N = 73)	45	21	30	4	100
6. Marketing services for members' agricultural products (N = 71)	14	11	48	27	100
7. Prestige (N = 54)	46	6	37	11	100
8. Shift in tenurial status (N = 50)	50	8	36	6	100
9. Representation to government agencies (N = 49)	35	16	31	18	100
10. Help in the maintenance and repair of canals and irrigation appurtenant structures (N = 48)	67	15	12	6	100
11. Steps toward the ownership, operation and maintenance of the irrigation system by the farmers (N= 46)	9	2	28	61	100

Source: F.R. Senen, "Members' Level of Performance in an Irrigators' Association," unpublished M.A. Thesis, UPLB, March 1979.

may think about this as being "charity". We are a long way from internalizing the "participatory" value. It is also very possible that people expect benefits as something society "owes" them rather than benefits as charity they have to be grateful for. After all, they are probably not naive about what other sectors of society "receive" directly or indirectly from a "benevolent" government.

Although the large irrigation systems have attracted a great deal of attention and resources out of the total irrigated areas in the Philippines, about 50 percent is serviced by communal systems. These systems which have an average irrigable area of 200 hectares are expected to remain of high priority because they have a lower per hectare development cost and have a shorter gestation period. For the year 1979, funds were provided for the construction of about 500 communal irrigation projects (the first time such a number was implemented in one year).[10]

The study done by de los Reyes on 51 communal gravity systems located in Mountain Province, Ilocos Sur, Batangas, Quezon, Iloilo, Antique and Davao tells us about the organization, management and farmer participation in these systems. Using the following seven indicators, namely: a formal association; irrigation-specific leaders; paid leader; water distributor; water distribution units, regularly scheduled maintenance; and irrigation fee requirement, de los Reyes attempted to find the relationship between management characteristics and such factors as size of system, farmers' dependence on farming, source of financial assistance, attendance in water management seminar; and kind of organization managing the system. Table 8.3 presents a summary of the findings.[11]

A more structural organization tends to be more characteristic of larger systems. It is also observed more in systems where majority of the farmers are dependent on farming; in NIA-assisted systems; in systems where members have attended water management seminars; and where an association exists to manage the system. These

TABLE 8.3

COMMUNITY GRAVITY SYSTEMS BY MANAGEMENT CHARACTERISTIC AND SIZE OF SYSTEM, OCCUPATION OF MAJORITY OF FARMERS, SOURCE OF FINANCIAL ASSISTANCE, ATTENDANCE AT SEMINAR, KIND OF ORGANIZATION MANAGING THE SYSTEM

Management Characteristics	Size of System			Occupation of Majority of Farmers in a System		Source of Financial Assistance			Attendance at Water Management Seminar		Kind of Organization Managing the System	
	Small	Medium	Large	Farming	Non-Farming	NIA-Assisted	Other Gov't Agency Assisted	Non-Assisted	Yes	No	Association Managed	Non-Association Managed
	N=30	N=11	N=10	N=33	N=18	N=15	N=12	N=24	N=11	N=36	N=21	N=30
		Percent		Percent			Percent		Percent		Percent	
1. With a formal association	23	45	90	42	39	86	25	21	91	31	–	–
2. With irrigation-specific leaders	37	54	90	54	44	86	50	29	91	44	100	17
3. With paid leader(s)	13	18	50	24	17	33	17	17	45	17	38	10
4. With water distributor(s)	20	45	70	39	28	60	42	17	73	28	62	17
5. With water distribution units	3	18	60	24	5	47	8	4	45	11	43	0
6. With regularly scheduled maintenance	10	27	40	27	5	33	25	8	45	14	43	3
7. With irrigation fee requirement	10	18	50	21	17	40	17	8	45	14	38	7

Source: Romana P. de los Reyes, *Managing Communal Gravity Systems: Farmers' Approaches and Implication for Program Planning,* Institute of Philippine Culture, Ateneo de Manila University, 1980.

data suggest that NIA's role in communal gravity system development has been a very positive one not only in infrastructure building but also in organizing farmers for managing their systems. Or as de los Reyes puts it: ". . . at least government assistance has not led to a disorganization of existing systems."

The following corollary observations are worth noting, however, for they show the dynamics behind the general findings stated earlier:

- Among medium and large systems those with *insufficient water supply* in both wet and dry seasons are better organized than those with sufficient water supply. The reverse situation appears among small systems which have sufficient water supply but also have structured organizations *managed by strong leaders.* In many instances, they *operate under the leadership of one person* who may be performing multiple roles in water distribution, maintenance work and even collection of irrigation fees. (It is therefore a different type of organization in the sense of one person performing different roles in a small system. This is most probably a very authoritarian leadership style. On the other hand, in a large system where water is inadequate, the social pressure to share and allocate requires that different interests be served and perhaps greater division of labor and specification of roles emerge in response to the critical need. In a situation of water adequacy, especially in the case of irrigation defined as a "public good", one can just take what he can for what he needs. There is probably no real social pressure to conserve water since everyone has enough, hence, a highly structured organization does not emerge.)
- One of the most important reasons for wanting to improve the management of irrigation systems is to increase productivity. Data from the de los Reyes study show that "on the whole, systems which have water distributor, water distribution units and regularly scheduled maintenance tend to amass better yields than those which do not possess any of these attributes. Those which have all three attributes obtain even higher yields. When water

is scarce, however, the positive relationship between these management characteristics and farm productivity in a system becomes nil." In other words, there is a limit to what organizational and managerial inputs can do in extracting productivity from Mother Earth. Water availability apparently sets the limit.

- A major weakness in the organization of communal associations is the lack of involvement of majority of the farmers in the deliberation of system management issues and even in the selection of leaders. In some instances, leaders have not been changed since the Association was set up. "Like most formal organizations in rural Philippines, the communal associations apparently are not effective in drawing farmers' participation in decision-making processes." De los Reyes cites, for example, that "of farmers who attended meetings, 53 percent report they never say anything during the meetings. In addition, 27 percent of farmers in association-managed systems say that the rules of the association are formulated by the system leaders." (The question we need to ask ourselves at this point is: "How much participation from everybody can we realistically expect in a farmers' association?" Even in the University Council meetings at the University of the Philippines at Los Baños, less than 10 percent or even only 5 percent ever say anything and it is also impossible for 100 percent to ever be involved in policy formulation in this highly educated body.)
- Finally, the de los Reyes study underscores that the variety of organizational approaches used in the communal systems "attest to the farmers' ingenuity and capacity for meeting the demands of irrigation management. This *belies the popular belief that farmers lack the know-how to operate and maintain their system.* In fact, there is much to learn from their indigenous ways of irrigation management. These ways may not completely result in as efficient system performance as desired by technical specialists." There is no question that farmers have managed their irrigation systems from time immemorial and can continue to do so. However, the relentless onslaught on

> our natural resources particularly water sources has begun to take its toll, not to mention the increasing demands for its use. Given this new state of affairs and the spiralling cost of harnessing irrigation water, technical considerations in more effective water utilization take on added significance. It is imperative to understand how farmers actually manage the systems as an input into the irrigation expert's conceptualization and design for the most judicious way of developing irrigation systems. But organization and management cannot substitute for water. Furthermore, while we speak of structure, organization and management, in operational terms, as the de los Reyes study found, ". . . improved irrigation organization . . . is largely attributable to the strong leadership of one local farmer". Management characteristic of a communal system is sometimes co-terminous with the strength of one personality (most likely an authoritarian one).

Probably the most well-documented and internationally-known irrigation association in the Philippines is that of the pilot project at Laur, Nueva Ecija, which represents the National Irrigation Administration's (NIA) attempt to integrate the technical and social subsystem wherein:

> . . . the capacity of the water user association would be developed through active involvement in the planning and construction activities: planning system lay-out, obtaining water rights and rights of way, organizing volunteer labor inputs to system construction and exerting control over project expenditures. Integrating social and technical development proved extremely difficult. In one community, it was learned how difficult dealing with local power struggles can be — leading to the abandonment of construction plans until the local association reorganized itself some two years later. In a second community, it was learned that a high level of commitment from a cohesive farmer group does not necessarily make things easier for the engineers; scheduling and system design issues resulted in numerous delays and changes; organization of volunteer labor presented unfamiliar problems worked out only through lengthy meetings; and farmer insistence on monitoring purchases and limiting personal use of vehicles using gasoline charged to the farmers' loans accounts was not always welcomed by project engineers. The farmers even questioned the engineers on basic technical judgments, such as the type of material chosen for dam con-

> struction, insisting that the proposed structure would not withstand the force of local floods. Finally, however, the new dam was completed using the *design favored by NIA's design engineers* – only to be *washed* out a few months later.
>
> The experience was sobering in the difficulties which it suggested the NIA must face if it were to work effectively in support of community-managed irrigation . . . Yet, it established in the minds of NIA's leadership that there were major benefits to be gained in return. Not only could farmer participation in system planning and construction result in a stronger water user association better equipped to operate and maintain the finished system, but it could also result in a *better designed and constructed irrigation system more likely to meet farmer needs.* (Underscoring supplied)[12]

Ironically, there are reports that the brush dam was washed away a second time and rebuilt once again. If, as Unson says, the first dam which was washed out used the "design favored by NIA's design engineers", was the second washed-out dam similarly designed? A more important question might be: Where a technical solution to a problem is difficult to find, what can community organization contribute to the search for alternative ways of approaching the irrigation problems?

In a question raised much earlier in this Chapter, we are interested in finding out how participatory schemes contribute to greater sharing of development benefits. We ask the same question of the NIA-Laur project which aims to "develop two communal irrigation associations to such a degree that their members fully participate and become self-reliant in managing their irrigation systems." After the first 10 months of project implementation, Unson reports the following results:

- ☐ Improvements were made in the degree of farmer participation in their association activities such as meetings and obras (volunteer labor) and in the planning and decision-making within the associations in general.
- ☐ Changes in leadership style within the associatons also occurred. In one association, they moved from a predominantly consultative system of leadership to a fully participative one. The other association moved from a predominantly directive system to a more consultative one.
- ☐ Improvements in the associations' system management and system maintenance have taken place.[13]

Although these changes in the degree of organizatonal participation, leadership style, and system management are very encouraging, sharing in the benefits of development is not yet in evidence (Table 8.4) although Unson optimistically states that "their eventual mass sharing of benefits *seems assured".* Perhaps this *aspect of participation* can neither be *assumed* nor *assured.* It has to be sought and

TABLE 8.4
TYPES OF POPULAR PARTICIPATION IN THE NIA-LAUR PROJECT (A COMMUNAL IRRIGATION SYSTEM)

Farmer's activities (in order of occurrence)	Types of Popular Participation			
	Preparatory activities for popular participation	Mass sharing of benefits of development	Mass contribution to development	Mass involvement in decision-making process for development
1. Preparation for and participation in group dynamics seminar	✓			
2. Drafting and ratification of a set of bylaws for their irrigation association	✓			
3. Holding elections for their irrigation association	✓			
4. Preparation of their own plan for the improvement of their irrigation system, that is, location of damsite, main and lateral canals				✓
5. Participation in the surveying of their land			✓	(✓)+

Table 8.4 (con't)

Farmer's activities (in order of occurrence)	Types of Popular Participation			
	Preparatory activities for popular participation	Mass sharing of benefits of development	Mass contribution to development	Mass involvement in decision-making process for development
6. Acquisition of water rights				
7. Acquisition of right-of-way waivers				
8. Preparation for and attendance of PIA officers at leadership seminar	✓			
9. Readiness to contribute voluntary labor for construction				
10. Preparation of their repayment scheme			✓	

*A check mark indicates that the activity belongs to whatever type of participation it is classified under.

+The parentheses signify that the participation in decision-making is only partial in this activity.

Source: Delia C. O. Unson, "Social Development and the Communal Irrigation System in Laur, Nueva Ecija: Baseline and Selected Interim Monitoring Results," Ateneo de Manila University, Institute of Philippine Culture, Quezon City, July 1978.

pursued. We must never forget that in these 2 project areas, majority of the respondents considered that their most serious personal and family problems are economic in nature and almost half of them pinpoint the *poor irrigation system* as a major *cause* of their *financial*

condition. To improve their economic status via the irrigation system, improvements in farmers' production must take place. In the more directly production-related activities, such as *water distribution schedule* and *cropping patterns*, there was hardly any change in the former and the latter was completely non-existent. As Unson acknowledges:

"The presence and successful implementation of official planting schedules and of policies on the variety of crops to be planted by an irrigation association reflect a high level of development and sophistication. These two practices save water and fertilizer and prevent the spread of plant diseases and pests. However, they are very difficult to implement and require the full cooperation of the association members. They are also most often practiced in associations where water is very scarce and must be controlled rigidly to be able to supply all members."

It would seem that it is in the implementation of these two major practices (water distribution schedule and cropping pattern) that the technical and social components of the irrigation association come together and it is precisely this "meeting ground" which will contribute to the realization of benefits from irrigation. Furthermore, these are the very activities which require the most of "groupness", "sharing" and willingness to subordinate individual to group welfare. This should be the crucial test for success in community organization. It is also inaccurate to say that these are practices where "water is very scarce" for where water is abundant, much more can be saved if water distribution, utilization and cropping patterns were more effectively carried out. It must likewise be pointed out that in the Unson study, "implementation of water distribution (poor scheduling, inadequate water supply, management)" was perceived by 75 percent of respondents from two associations as the most serious problem in their respective association.

One criterion applied in the selection of the target association for the NIA-Laur pilot project is that the "irrigation association is an indigenous one". Although there are many good reasons for focusing on this criterion, it is also a fact that the tremendous expansion in irrigation development means that there are many farmers who will be reached by irrigation for the first time and therefore will have limited organizational and technical experience to fall back on.

Levine recognizes the significance of the *hardware* (physical infrastructure) and *software* (nonphysical managerial inputs) requirements in fulfilling the three basic functions of irrigation systems – water delivery, maintenance and conflict management. He acknowledges, however, that "the particular combination of hardware and software that is appropriate for specific situations depends on the interaction of several physical, social and economic factors." He further admits that "our knowledge of this interaction is limited and to a large extent qualitative and descriptive".[14]

Soltes reports on an "experimental" attempt to use some hardware in order to obviate the "software" problem of conflicts associated with equitable distribution of available water supply.[15] In the Anayan Communal Irrigation System, the whole service area was divided into the treatment and control areas with Lateral B serving as the treatment area and with Laterals A and C as the control area. The major difference between the two areas is that the control site has minimal improvements in terms of physical facilities and canalization. The system of water distribution follows the conventional farmer's way which is continuous, simultaneous, and first come, first served basis. The treatment site is more developed in terms of its physical characteristics, e.g., turnouts, intensive farm ditches and other facilities. The sub-system management technology is being implemented in the area which practices the *rotation method* of water distribution within the lateral. It is divided into 3 sections for rotation purposes starting at the *tail-end first, middle next,* and *head last.* To fully implement this scheme, improvements and installation of different measuring devices at certain portions of the canal were made. These improvements refer to the construction of concrete turn-outs and checkgates with locks to facilitate control and diversion of water to different outlets based on the schedule. The measuring devices installed were the Parshall flume, Vane instruments, and staff gauges.

Although a year of observation in this "experiment" is too short, early evidences reveal the interaction between hardware and software. The following findings reflect this interaction.

- ☐ Lateral B where sub-system management technology is being implemented showed a better water management and distribution to farmer as indicated by a higher percentage (42 percent) of farmers (as against 24 percent in Lateral AC) report-

ing no conflicts over irrigation water in their area. Water stealing was likewise mentioned more by the latter (44 percent) than by the former (28 percent).

- Nearly 50 percent of Lateral B farmers said that rabus work (cooperative work) was called to clean the farm ditches 1-3 times during the dry season. This allows more contacts among farmers compared to Laterals A-C where 64 percent said there had been no rabus work called to clean the farm ditch. The difference was due largely to the more intensive farm ditches found in Lateral B canal. Lateral A-C would tend to clean the canal section which passes through their farm individually. . . Because of the *individual* scheduling of water distribution at Laterals A-C, farmers had to clean a portion of the lateral canal so that water would flow smoothly to their farms during their schedule. The rabus activities in Lateral B encourage more frequent contacts among farmers which lead to a better understanding as to how they would solve their common problems and thus motivate them for group action fo better water distribution and management. Lateral B farmers also participate more in group activities other than rabus. They likewise have more positive attitudes toward attending meetings and being involved in association activities.
- As to the role of the watertender and satisfaction with their job, farmers at Lateral B identified the watertender's role in terms of water management and distribution and majority of farmers were satisfied with their services compared with Laterals AC farmers. Watertenders differed in the way they allocate time on their jobs. Lateral B watertender cleans the lateral 2 times a month; Lateral C, 3 times a year; and Lateral A, once a month. Lateral B spent 50-50 percent of his time in cleaning and water distribution, respectively. For Lateral A, it was 20-80 percent while for Lateral C, 40-60 percent. From this, it is shown that Lateral AC watertenders were more concerned with water distribution and have difficulties in water supply, hence, they spent more time on this activity.

When asked what the three most difficult problems they encountered in their jobs were, watertenders mentioned illegal

checking of water and water stealing by making holes along the main and lateral canal. Lateral B watertender however realized that the major reason for illegal checking in the past was the absence of turn-outs with locks, checkgates and measures to control the flow of water, thus farmers could easily get water outside of their schedule. When asked what farmers think about the rotation being implemented at the Lateral B canal, the watertender said that farmers at the tail-end portion of the Lateral B are in favor while some of those at the upper portion have started to express their dissatisfaction since this rotation starts with tail-end first. When asked as to the advantages of the sub-system management technology, Lateral C watertender said that he knows when the water decreases or increases and can immediately check why. The farmers at the same time will know the amount of water that is flowing. The Lateral B watertender said that he has control of the water and the farmers need not watch for the water because it is scheduled and controlled thus their job is lightened. The Lateral A watertender also said that farmers know when they will have water.

These findings illustrate how the application of hardware (the sub-system management technology) affects water control and distribution and consequently farmer behavior vis-a-vis access to irrigation water. Given these observations, we find it tempting to take a second look at Weinberg's article entitled "Can Technology Replace Social Engineering?" His basic thesis is that "social problems are much more difficult than are technological problems. A social problem exists because many people behave individually in a socially unacceptable way. To solve a social problem one must induce social change — one must persuade many people to behave differently than they have behaved in the past. The resolution of social problems — by motivating or forcing people to behave more rationally — is a frustrating business. People do not behave rationally; it is a long hard business to persuade individuals to forego immediate personal gain or pleasure (as seen by the individual) in favor of longer-term social gain . . . in view of the simplicity of technological engineering and the complexity of social engineering, to what extent can social

problems be circumvented by reducing them to technological problems? Can we identify Quick Technological Fixes for profound and almost infinitely complicated social problems, 'fixes' that are within the grasp of modern technology and which would either eliminate the original social problem without requiring a change in the individual's social attitudes, or would so alter the problem as to make its resolution more feasible?"[16]

In the implementation of the sub-system management technology in Lateral B, 68 percent of the farmers had not been involved in making decisions regarding the schedule of water delivery and water distribution. Matters pertaining to water and other problems related to irrigation management were decided by the watertender/watermaster, the President of the Association and members of the Board of Directors. Only 7 percent of the farmers say that they decide and implement decisions related to water and irrigation management.[17] Apparently, the nature of the technology does not require that everyone be involved, that everybody participate in decision-making and implementation in order to achieve a more equitable water distribution. As a matter of fact, by design, "tail-enders" receive water first. However, farmers are not so naive as to really leave everything to the few decision-makers. Practically all of them find it necessary to create good interpersonal relations with the watertender/water master in order to facilitate water requests. They are prepared to communicate and make friends with the person who has power over water.

Weinberg also very rightly said that it is very difficult "to persuade people to behave differently than they have behaved in the past. The attitude toward water sharing, for example, is a good illustration. From the results of the Soltes study, famrers would not share water at all or only if they have fully irrigated their own farms or if they do not need the water yet. In other words, it is not really water sharing which they have in mind because they will only be allowing others to use water which they do not need or do not yet need. It is likewise interesting to note that although farmers say that to improve water distribution is to improve the canal system,

turnouts and drainage channels, only a third of them mentioned voluntary labor as a way of carrying out these improvements. Another one-third would rather have the association obtain a loan and hire people to do these. In other words, although they want improved water distribution, majority of them are not prepared to contribute their own labor to get the job done. They would rather have the association borrow money and hire others to do it.

Who belongs to the irrigation association?

Considering that about 60 percent of our total rice lands are rainfed, access to irrigation is a "desired" status in rice farming and irrigation associations are being actively promoted as an essential component of irrigation development. Who belongs to these associations? Are they large or small farmers? part time or full time? share-tenants or owner-operators?

The de los Reyes study of 51 communal gravity systems shows that 41 percent are managed by a formal irrigation association and 59 percent have not organized themselves into an association. Half of the systems are managed by irrigation-specific leaders and the other half by non-irrigation-specific leaders. Most association leaders occupy other important positions in the community's economic, political, and social domains and more than half of the association leaders hold positions in other community organizations. Non-association leaders are those who occupy positions of authority, those whose influence proceeds largely from their wealth, and those who own dams or represent those who do. In 35 percent of the systems, majority of members using the system are engaged in non-farm occupation. Less than one-fourth of the systems have at least one leader who receives compensation; the rest do not have paid leaders.[18] In contrast to this, the Bula Farmers Irrigators Association maintains paid permanent employees who help in its operation and maintenance: the Secretary, Treasurer, watermaster, watertender, gatekeeper, bookkeeper. The President receives a ₱200 monthly salary plus ₱200 monthly representation allowance. The Board of Directors receives ₱50 per diem per Board meeting. Recently, they have also hired a legal counsel with a monthly legal retainer fee. The association also hires emergency laborers when needed. Although 75 percent of farmer-members in this association have 6 or less years of schooling, 9 percent

have college education; 7 percent are government employees; and 9 percent are businessmen. Sixty-five percent, however, have no occupation other than rice growing. While 77 percent of the farms are 2 hectares or smaller, 3 percent are between 3 to 4 hectares and another 3 percent have more than 4 hectares. In this association, 40 percent are share tenants; 37 percent, owner operators; and 37 percent, lessees.[19]

In the 51 systems studied by de los Reyes, 48 percent are owner-cultivators; 19 percent, lessees; 28 percent, share tenants; and 5 percent, amortizing owners. The average number of rice parcels cultivated is two; and average farm size is one hectare. Twenty-eight percent of all parcels operated by respondents are located outside the systems studied, and 34 percent of farmers cultivate rice land outside the irrigation system they belong to. It must be noted here that although farm sizes are small, almost half are owner-operators. Four percent have professional and clerical occupations and obviously, farming is a side-income. Most probably they belong to the new farming category called *"farmer-non-cultivator"*.

The two associations in the Laur project have 44 percent lessees; 22 percent owner-operators; 20 percent, tenants and 14 percent, mixed tenures. The average farm size is 1.3 hectares in one and 2 hectares in another. Theoretically, there should not be any share tenants in Laur, Nueva Ecija because this province has been the "cradle" of agrarian reform but for a number of reasons, they exist and doubtless will continue to do so. Eighty-five percent of members have no other income earners in the household; and only 30 percent have other sources of income. Eighty-six percent borrowed money from institutional sources and reported no difficulty in getting a loan. Fifty-three percent plant secondary crops like onions; 70 percent use mechanized plowing and 20 percent own hand tractors. What is interesting in the case of one association in Laur is that the landowners of lessee farmers have been welcomed as members but with no voting rights. Officers and members feel that although these landowners no longer have the prerogative to make decisions regarding farming and irrigation practices as they had under the share tenancy system, they are still entitled to an interest in the farms and in the association. Other sources of influence on the association come from advisers who are either active or retired farmers. The incumbent mayor was one of them and the association's president was on his fourth elected term

at the time of the study.[20]

From these data on who belongs, who leads, who advises and exerts influence in the irrigation association, it appears that although members are mostly small farmers, non-farmer members and part-time farmers could very well be the wielders of power in the organization.

The irrigation association studied by Senen is not a communal system but one which is served by the Angat River Irrigation System. Although 88 percent of the members are lessees, two share tenants deserve a second look. One was operating on 8-hectare farm while another had 11 hectares. The owner-operators had an average farm size of 2.9 hectares while the lessees had 1.9 hectares. Practically all the farmers were dependent on their twice-a-year-rice-crop as a major source of income. Three were part-time farmers: a *project inspector, ditch-tender,* and a *government employee* (the only respondent who finished college). Almost 80 percent of members, however, have no other source of income. The 20 percent supplemented income through tricycle driving, carpentry, vegetable growing, bakery, employment and cottage industry.[21]

These details are cited here to highlight the fact that perhaps it is not the average farm size, the average education, the average farmer, the average tenure status and the characteristics of the majority membership which deserve scrutiny. We should begin to look at the "minority" members such as the two share tenants who operate 8 and 11 hectares, respectively; the project inspector; the government employee and only college graduate. They are most likely "minority" in number but not in power and control. Leaders of communal systems which do not have formal associations likewise exercise considerable influence for they come from positions of authority, wealth or ownership of the dam. These individuals are probably also the source of "organizational" viability. The arena for developing "people participation" is therefore a very wide one. De los Reyes suggests that "the participatory approach to communal system development which NIA currently employs recognizes the farmers' capabilities and supports their role in managing irrigation systems. But the intensive organizational intervention it requires can foster dependency – a condition which undermines the farmers' tradition of self-reliance and local self-governance generated by their experience in communal system management."[22]

Is this tradition of self-reliance and self-governance a participatory one or is it leader-centered, directed, managed and powered? What would it take to make it participatory, viable, and contributory to farmer benefits?

Indirect beneficiaries of irrigation development

Although landless farm laborers are not members of the irrigation associations, irrigation improvements have an indirect benefit to them in terms of employment. In the 51 systems studied by de los Reyes and Illo, 86 percent of farmers report using hired labor in at least one farm operation during the wet season and 90 percent during the dry season. Seventy-nine percent rely on manual harvesting and threshing and 21 percent on manual harvesting and mechanized threshing. These tasks are usually done by the landless. The data show that only 7 percent of the farmers are engaged in hired farm labor as an additional income source. Farm labor opportunities also tend to be more spread out during all months of the year as a consequence of irrigation and double-cropping (Table 8.5). An estimate of the per hectare rice production costs for 2 seasons shows that 33 percent is spent for hired cash labor and hired labor paid in kind. Hired labor represents about 67 percent of total labor cost.

Another source of impact on hired labor particularly harvesters and threshers is the yield per hectare. Higher productivity means more to harvest and more to thresh. Being fully or partly irrigated makes more difference in yield than being near or far from the dam, given the same cropping season. As expected, fully irrigated farms report significantly higher yields than partially irrigated ones. During the wet season, 92 percent report water adequacy to be "just right", "more than adequate" and "much more than adequate" but during the dry season, 69 percent of farmers regard irrigation water as "inadequate" or "very inadequate". The overall average yields reported for the dry season are 64.5 (cavans) per hectare for fully irrigated and 45.4 for partially irrigated. The corresponding figures for the wet season are 73.9 and 53.2, respectively.[23] Considering these yield differences due to extent of irrigation, there is also that much difference in what could be harvested and threshed by hired farm labor who are usually the landless. The latter, therefore, participate in the benefits of irrigation although they do not belong to the associa-

TABLE 8.5
OVERALL PERCENTAGE DISTRIBUTION OF SAMPLE FARMS BY MONTH OF PLANTING AND HARVESTING OF THE RICE CROP (PHILIPPINES, MARCH-MAY 1978)*

	Overall (all regions)		*Overall (excluding Region 1)*	
	Planting	*Harvesting*	*Planting*	*Harvesting*
January	19	7	17	16
February	13	13	6	19
March	5	16	4	25
April	6	17	9	27
May	11	7	17	12
June	23	10	36	6
July	22	15	25	3
August	18	10	7	13
September	6	14	7	21
October	5	26	7	37
November	15	18	23	18
December	25	14	36	8
Total number of cases	627	627	399	399

*Percentage figures need not total 100 percent. In fact, owing to the presence of doublecroppers, figures exceed 100 percent.
Source: Jeanne Frances Illo, "The Farmers in Communal Gravity Systems: Rice Yields, Work and Earnings," Institute of Philippine Culture, Ateneo de Manila University, 1980.

tion and if water were more adequate during the dry season, there would be even more employment for them. But of course, needless to say, owner-operators would benefit more. Farmers, however, argue that landless hired labor do not assume the risks that they do since laborers' only investment is labor. They do not buy fertilizer, insecticides and hire labor which could all go down the drain when harvest is poor particularly when natural calamities strike. A poor crop, however, is also a loss to hired labor particularly harvesters and threshers but as the farmer would argue: "At least they did not pay for all the inputs."

(3) *Farmers' Association and Other Rural Organizations*

Formally organized groups in the rural areas are relatively new in the Philippines but at present we seem to "enjoy" a proliferation of such groups. On the surface, we seem to be "overorganized". This phenomenon of organizational proliferation is best illustrated by a community where we found a feeding program for 35 pre-school children which was managed by a Mothers' Club (Ministry of Health); Mothers' Class (Bureau of Agricultural Extension); and a Mothers' Craft (Ministry of Social Services and Development). The same mothers belonged to three different organizations who "shared" the same feeding program. This could be the "epitome of integration" except that this feeding program was probably reported as 3 separate projects by 3 different agencies, hence an inflation of program beneficiaries is a distinct possibility.

Rural organizations have come into being mostly from government and some from private sector sponsorship for a number of reasons but mostly to facilitate credit, irrigation, production, marketing, generation and delivery of social services. It has also been said that "The strengthening of Filipino rural organizations may add a new dimension to the development process by giving the peasantry a vehicle for true mass participation. It is hoped that such participation may in turn effect significant changes in the country's social structures."[24] This latter hope relates to the potentials of rural organizations for enhancing "people power", a *lobby* for the poor whose one great source of power lies in *numbers if put together, that is.* Even a government-sponsored organization is optimistically regarded by some as a possible "double-edged sword" which can be supportive either of the *Establishment* or of rural people. However, either or both of these interests can be effectively promoted by the organization only if the organization is strong and viable. But this "achievement" is rather elusive. Indicative of the difficulties involved, a study of agrarian reform technologists showed that next to the problem of "contracting landowners" are the problems of "motivating farmers to join Samahang Nayon, cooperatives, etc." and "organizing and maintaining compact farms". More of them mentioned these two organizational problems than the problem of "mediating or assisting in the mediating of agrarian reform conflicts."[25]

This section presents experiences with rural organizations from studies done by Montiel, Cruzado, Santiago, Weerasinghe, Sandoval, Niduaza, and Talatayod. The organizations studied include barangay councils, Samahang Nayon, cooperatives, farmers' associations, women's group, Kabataang Barangay, Parent Teacher Association, Mother's Class, Barangay Rural Improvement Corps, Sports Development Association, etc. One of the most important aspects of rural organization is *participation* which refers to "the amount and manner of involvement of members in their respective groups. It is through rural organizations that some development agencies try to mobilize grassroots citizens into action, to enable them to chart their own directions both as individuals and as a particular sector of society."[26]

The following are some of the highlights from the studies previously mentioned:

- ☐ Montiel found a change of leadership in rural organizations with the advent of the New Society in 1972. Out of 25 possible posts, only 2 have remained unchanged since 1972. Because of the martial law situation, members were asked how free they felt in expressing personal views during meetings. In general, 68 percent of members felt that they could freely express their views. The rest stated that they were only occasionally free (27 percent) or not free at all (5 percent). More members from government-sponsored groups reported that they were free to speak out during meetings (78 percent) than those in private organizations (44 percent).
- ☐ Only 2 out of the 185 members reported that the establishment of their organization was opposed by some individuals in the village. This could be interpreted as apathy, passive resistance or wait-and-see. No opposition does not necessarily mean endorsement, and enthusiasm for attendance during meetings was low. Those who participated said they did so because they wanted to contribute to barrio development through the group. Those who were not interested felt they had more important things to do in the ricefields, at home or in school (for youth). On the whole, government-sponsored groups exhibited more member-involvement than private-sponsored ones.
- ☐ The average barrio resident is usually asked to participate in

the implementation stage of an organization's activities but is left out in the planning phase. Mobilization of barrio residents was often sought for the free labor they contribute and this was most successful in projects oriented to the improvement of the community's physical appearance (beautification, cleanliness, building repairs). They participated far less in the more development-oriented endeavors of the group, such as cooperative training or health services delivery to mothers.

- With respect to benefits from organizational membership, most respondents felt that they have increased skills in relating to others (*pakikisama*). Some leaders had been helped to be more mature and responsible individuals. Ten percent of leaders felt that the organization was a burden to them and only 5 percent acknowledged economic benefits. Ten percent of rank-and-file members perceived economic improvement as the main effect of organizational membership on their personal lives.
- Perceived formal organizational linkup with other groups is relatively low; the problem of low formal linkage is more acute in the private groups than in the government-sponsored ones. In terms of informal linkages, relatives of the respondents had more connections with government agencies than the members themselves. Government-groups appear to be more successful than private ones in delivering messages from the grassroots to the bureaucracy and in facilitating the delivery of services to the people. Through linkages, they are able to mobilize support from among the higher-ups, particularly government agencies. An organization with more linkages is able to deliver services more efficiently to the local community. Most organization members felt that barrio people did not expect them to solve the problem directly; that solutions rather lay in the hands of higher government authorities, with their group exerting the needed politico-personal pressure. When asked what their particular organizations could do to solve principal barrio problems, most respondents said "don't know" or "there was nothing the organization could do". Only a third felt the group could do something.
- Rural groups studied neither articulate nor process local

needs. The biggest problem in the barrios is agricultural yet the most frequently reported organizational activities are related to cleanliness and beautification campaigns. As Montiel puts it: "As in most nationwide planning schemes, the local unit becomes a cog in a national or regional machine insensitive to variation at the local level . . . The creation of the existing rural organizations thus arises not as a spontaneous response to the farmers' immediate needs but as the fulfillment of a countrywide plan conceived within a highly centralized national bureaucracy."

- ☐ The larger the socio-economic differences between leaders and members, the more an organization is able to produce service outputs. Montiel feels that "the socio-economic resources of rich leaders (i.e. money and contacts) make their organizations more efficient at the tasks at hand. In this way, the variable on better-off leaders functions as an asset, and not as a liability in the organizational machine."
- ☐ A significant finding worth noting is that the characteristics of participation, administrative performance, and financial capability *did not have significant relationships with any of the four* development functions such as: mobilizing support within the rural community; articulating and processing local needs and demands; developing two-way communications; and facilitating the delivery of services. Montiel infers that "perhaps participation helps the members themselves primarily at the level of the individual but in no significant way increases the output services of an organization to its immediate community." This finding on participation is particularly relevant because it is the increasing preoccupation of many development agencies and research organizations.[27]

Just like Montiel's study, Luis found overlapping membership in two or more organizations in the same community in Pangasinan. Thirty-six percent of respondents belonged to 2 organizations; 18 percent to three; 2 members belonged to four organizations and one even had 5 memberships. In this model Barangay, the most common projects were beautification, improvement of plaza and stage, Christmas celebration, improvements of roads and street lights and loan assistance. The latter two projects were least mentioned but the first three gave a lot of visibility to the barrio and made it famous. Al-

though practically all the respondents said that their organization helped in the development of the barrio, more than a third of them also admit that their barrio will progress even without their organization. However, more than half of them feel that "without the organization, there is no unity and cooperation among people." Among the benefits mentioned from the organization, development of the spirit of cooperation, friendship and socialization were most mentioned (72 percent). Financial and technical assistance came next (31 percent). Apparently, respondents perceived their organization as "helpful in the barrio mainly in promoting unity and cooperation among the people, but that the barrio itself is not dependent on the organization for its welfare."[28]

Empirical evidences from Niduaza's study of 52 Samahang Nayons in 4 provinces of Mindanao show that the higher status farmers were more active and more involved in SN affairs. Active SN members had higher educational attainment, higher income and higher rice productivity. They likewise had larger farm size, assets and higher level of living and by inference larger farm business enterprise. These backgrounds seem to have equipped them with confidence and enabled them to be in a better position to influence the direction of the SN operation. Actually many high status farmers got involved in SN affairs when the voluntary workers at the organizational stage of the program invited them to be directors. This was done to improve the image of the organization. Niduaza argues that *"an association of homogeneously destitute individuals may result in a destitute organization."*[29] (Underscoring supplied)

This assessment reinforces Montiel's feeling that "better-off leaders function as assets, not as liabilities in the organizational machine." In a similar study, Talatayod compared two barrio associations and found that the more viable Samahang Nayon exceeded the less viable one in all of the following six indicators: availability of leaders, capital, projects, activities, management competence, and linkage.[30]

Organizational leaders tend not only to come from higher socioeconomic status than members but decision-making also tends to be concentrated in the hands of a few. For example, Cruzado's study of barangay council members in Bukidnon found that only 2 or 3 out of the 7 members were leaders in decision-making and were the ones actively running the affairs of the community. The rest of the coun-

cil members were comparatively passive in the decision-making. Furthermore, only 20 percent of barangay council decisions were ever implemented and only one out of five members were still interested in continuing his present position. The others believed that the job took too much of their time and attention, yet there was no remuneration, or benefits commensurate to the service they rendered to the community. Sixty-three percent of barrio council members had low level of motivation and almost half were not interested in reelection.[31]

From a study of a ten-year old farmers' association, Weerasinghe offers some insights which reinforce these findings and some which are quite dissimilar. The interaction process in the Association was highly centralized. It was greater among the leaders and sub-leaders than among the followers. The sociometric network revealed that there were three "stars" or leaders, the President, Vice-President and one Board member. They were characterized by high incomes and regular attendance at meetings. They contributed ideas and suggestions to the Association and were selected by the members as competent and reliable for decision-making. There was another sub-group which appeared to have a supportive role in the decision-making process but the members did not consider them competent and reliable for decision-making. The rest of the members (70 percent) did not contribute ideas and suggestions and appeared to be followers. Majority of them did not attend meetings regularly. In other words, there is a small group within the association which is responsible for decision-making on behalf of the entire association.

Although 90 percent of the members felt that their level of living improved after joining the association, only 44 percent expressed willingness to remain in the association if there were conflict and disharmony within it. Fifty-six percent had no desire to remain under these "conflict" conditions. Only the "hard-core" members (30 percent) indicated that they will remain in the association under all conditions and take responsibility for developing it. The "isolates" (members in the association who were not "chosen" by anybody in the sociometric questions asked) did not attend meetings regularly and most of them would leave if there were disharmony. Furthermore, almost half of them would leave anyway if they increased their own incomes. It is obvious that opportunity to get credit through the association was the major attraction to them. With increased income,

they would have no need to borrow.[32]

On the other hand, Sandoval reports on a fisherman's cooperative which has succeeded in acquiring its own gasoline station and in pooling its catch to strengthen its bargaining power with middlemen. In 1977, it was not uncommon for the gasoline station to gross about P3,000 in a day's operations. The members were also much convinced of the organization's benefits to them. Officers, board members as well as members of various committees had communication access among themselves and with any one of them. Although a number of the officers were not neighbors, they interacted with each other more frequently than with other members of the cooperative. Some of the officers, however, interacted with non-officer members. Nevertheless, members with key communication roles are also the organization's formal leaders and the "stars" in terms of sociometric choices.[33] Despite the persistence of the "star" leadership pattern even in this fisherman's cooperative (which was organized through "participatory community organization" means), there seems to be a greater dispersion of interaction and a wider network of communication between officers and members. The significance of communication and information sharing is highlighted by Santiago in her statement that "Genuine participation implies a certain parity of knowledge between the decision-makers, leaders, and those affected by the decision. Those in authority can prevent a meaningful dialogue with the people simply by refusing to give information, limiting communication and frequent consultation."[34]

Given a community which is noted to have a high degree of "community-ness", how much organizational and community participation takes place? Santiago provides us some answers to this question through an intensive study she had done of the Ivatans who migrated to Bukidnon practically as a community from Batanes and have had to stick together to survive in the land settlement community where they found themselves.

- ☐ Involvement of respondents in development programs was mainly along "implementation and maintenance". The programs being implemented at the village level were packaged programs whose planning and decision-making processes were made by high level policy decision-makers from the different agencies and brought to the community for implementation. Even in community projects and activities where people and

leaders were supposed to work together in the planning, implementation and maintenance phases, there were strong indications that people's participation in "planning and decision-making" under these conditions was limited to a few. In the Green Revolution and Food Production programs, all respondents were involved in implementation and maintenance because the nature of these programs were in effect reinforcing and improving existing farming practices of farming households with emphasis on increased production and economic self-sufficiency. In Nutrition Education and Population Education, *no one was involved in planning* and more of the wives and the youth than the household heads were involved in implementation and maintenance. However, it was also in these two programs where there was a high proportion of respondents who were *non-involved* even in implementation and maintenance. Community projects such as beautification, health and sanitation, fiestas, beauty contests, fairs and exhibits and field days registered more participation in planning, even if still confined to relatively few. It is interesting that only in fund raising activities, were about two-thirds of the youth involved in planning and decision-making. Together with their parents, the involvement continued up to the implementation phase but youths dropped off considerably in maintenance.

- ☐ Majority of respondents engaged in neighboring practices only "sometimes" except for going to the farm together and exchanging farm favors such as planting, weeding, and harvesting where more than three-fourths and almost 100 percent, respectively, mentioned that it was *always done.* Santiago pointed out that "socializing" activities within the neighborhood were regulated such that they did not interfere with the more important activities of the farm. Sunday was the only free day. The rest of the week was spent in farming activities from sunrise to sunset. This is a community where farm work was done mostly by the farmers themselves and not by hired labor. *This is one place where "bayanihan" is very much a way of life.*
- ☐ Regarding political activities in the community, aside from "voting regularly at elections" and "listening to other people

discuss public issues", other political involvements were very limited. About 5 household heads had campaigned for a party candidate and 6 had run for a political position but no one had even contributed money for a party candidate. About 5 had taken a stand on a public issue. (Although these involvements may not seem much, the situation here may be even better than in many rural communities that we have.)

- ☐ What deserves special mention from Santiago's study are the gains in resources and social services made in the community from the time they arrived to the time of the study. There were significant gains in educational facilities, religion and in the availability of credit, technical assistance for farm and home, health and sanitation services, and of officials and leaders concerned with community improvements. The only retrogression was in the "adequacy of land for every family." There was more land available when they arrived than at present. This is understandable because of increasing population. These community gains in resources and services were attributed by respondents to four factors: community leadership, cooperation between people and leaders, attitudes and drives of the people and social relations among people. Government assistance and God's grace were ranked low by respondents and no one attributed community improvements to "luck".
- ☐ It cannot be ignored that "difficult conditions in their place of origin (Batanes Island) followed by years of settlement life under pioneering conditions in Bukidnon had in part structured participation patterns". Years of shared pioneering experiences in a "new land" cannot be discounted. Despite the positive gains in the community, more than 40 percent of the youth, would not like to spend the rest of their life in it.[35]

(4) *Health Service Delivery Systems*

Cariño in her study of 5 rural health delivery systems attempted to test three hypotheses:

- ☐ Integrated approaches to the delivery of health and other services tend to be more effective than sectoral approaches.
- ☐ In turn, participation also tends to increase the effectiveness of service delivery.

- Integration tends to be accompanied by participation in that intersectoral approaches often call for the mobilization of the people.

From Table 8.6 which summarizes data from Cariño's analysis, we arrive at the following findings with respect to the three hypotheses:

- Of the three integrated approaches (with components beyond health), the community-based project in Leyte registered the highest percentage of actual citizen participation in planning, implementation, and evaluation of the program and actual participation among low-income groups. It also showed the highest proportion of their clientele indicating satisfaction with the program and, in average, number of health services received per household whether for low or high-income groups. The two other multi-sectoral and supposedly very participatory projects such as Project Compassion in Rizal and the Cebu Human Development Program did poorly in these indicators of participation and effectiveness. However, they were highly rated in terms of *adequacy of the service* while the Leyte project (of the 5 approaches) registered the lowest endorsement from its clientele in this regard. In terms of average number of benefits per household and satisfaction with program among low-income groups, the two projects (Rural Health Unit in Bataan and the Comprehensive Community Health Program in Laguna) fared better than the Leyte and Cebu projects although the former were less integrated and less participatory. Based on the data presented, the three hypotheses on the interrelationship between integration, participation and effectiveness are only partly supported.

A number of observations are of interest:

- Respondents from the Cebu Human Development Program which sought total people participation reported the lowest number of health benefits per household; the lowest percentage of clientele claiming satisfaction with the program among the low-income group; and the lowest percentage who think citizen participation is necessary in planning, implementation and evaluation of the program. The other programs felt strongly about citizen participation.
- The issue of *equity* (availability of service to everyone regardless of personal circumstances) is of very little salience to the

TABLE 8.6
INTEGRATION, PARTICIPATION AND EFFECTIVENESS OF FIVE RURAL HEALTH DELIVERY MECHANISMS

	Pilar – Rural Bataan Unit (RHU)	*Bay – Comprehen-Laguna sive Community Health Program (CCHP)*	*Teresa – Project Rizal Compassion (PROCOM)*	*Liwayway – Maka-Leyte pawa*	*Sudtonggan Lapu-Lapu City*	*Sud-tonggan Human Development Program (SHDP)*
1. Rank with respect to development conditions	Fourth most depressed	Third most depressed	Least depressed	Second most depressed	Most depressed	
2. Scope of program activities	Health only	Health primarily	Social services including health	Economic, social services, including health with nutrition as initial project	Health as entry point only with economic, political, social and religious programs	
3. Personnel	Medical professionals and paraprofessionals	Medical professionals, Students and paraprofessionals	Medical professionals, community organizers, local government employees	Community residents, government nurse	Community organizers, residents, medical professionals (non-government)	

Table 8.6 (con't.)

	Pilar – Rural Bataan Unit (RHU)	*Bay – Laguna Comprehensive Community Health Program (CCHP)*	*Teresa – Project Rizal Compassion (PROCOM)*	*Liwayway – Makapawa Leyte*	*Sudtonggan Lapu-Lapu City*	*Sudtonggan Human Development Program (SHDP)*
4. Integration	Sectoral approach	Integration within health using multi-agency scheme	Nutrition, Green Revolution, family planning, environmental management, sports and cultural development using multiple channels	Beyond health integration with single agency (community-based approach)	Integration beyond health with single agency	
5. Citizen participation and involvement	Does not involve residents in planning and evaluation, conduct of mother's, fathers' and youth classes	Uses Barangay Health Technician chosen from community, trained in primary health care and village leadership	Complex structure for people involvement. Basic unit has 20 families with a leader	Village organized into groups of families; community core leaders, community health workers (chosen by the staff and residents from poorer members of the community)	Seeks total people participation in planning, implementation and evaluation (A complex of guides organized by zones or functions)	

Table 8.6 (con't.)

	Pilar – Rural Bataan Unit (RHU)	*Bay – Comprehensive Community Health Program (CCHP) Laguna*	*Teresa – Project Rizal Compassion (PROCOM)*	*Liwayway – Makapawa Leyte*	*Sudtonggan Lapu-Lapu City*	*Sudtonggan Human Development Program (SHDP)*
6. Level of actual citizen participation (1% of people who said "Yes" to the question: Have you participated in the planning, implementation and/or evaluation of the program?	35%	44%	29%	64%		47%
7. Level of actual participation of people in agricultural occupations	39.6%	30.5%	16.7%	71.1%		70.8%
8. Level of actual participation of people in blue-collar occupations	39.1%	21.4%	17.7%	66.7%		50.0%

Table 8.6 (con't.)

	Pilar – Rural Bataan Unit (RHU)	*Bay – Comprehensive Community Health Program (CCHP)*	*Teresa – Project Rizal Compassion (PROCOM)*	*Liwayway – Makapawa Leyte*	*Sudtonggan Lapu-Lapu City*	*Sudtonggan Human Development Program (SHDP)*
people who benefit from the program (Clientele coverage) Recipients as percentage of total respondents	77.8%	72.5%	54.8%	93.8%	97.9%	
13. Average number of services per household	4.90	6.60	5.40	7.30	6.10	
14. Average number of health benefits received by low-income group	4.60	6.34	4.11	6.13	1.80	
15. Average health benefits received by high-income group	5.46	6.93	4.30	7.50	2.17	

Table 8.6 (con't.)

	Pilar – Rural Bataan Unit (RHU)	*Bay – Comprehen-Laguna sive Community Health Program (CCHP)*	*Teresa – Project Rizal Compassion (PROCOM)*	*Liwayway – Maka-Leyte pawa*	*Sudtonggan Lapu-Lapu City*	*Sud-tonggan Human Development Program (SHDP)*
9. Level of actual participation among the low-income group	28.9%	23.4%	25%	58.0%		43.1%
10. Perception of the necessity of citizens participation (Do you think citizen participation is necessary in planning, implementation and evaluation of program?)	90.3%	80.0%	85.4%	91.2%		67.4%
11. Awareness of the existence of the program	92%	76%	59%	89%		97%
12. Proportion of						

Table 8.6 (con't.)

	Pilar – Rural Bataan Unit (RHU)	*Bay – Comprehensive Community Health Program (CCHP)*	*Teresa – Project Rizal Compassion (PROCOM)*	*Liwayway – Makapawa Leyte*	*Sudtonggan Lapu-Lapu City*	*Sudtonggan Human Development Program (SHDP)*
a) *Adequacy* of the service	78.7%	91.3%	97.6%	62.7%		95.6%
b) Favorable *relational qualities*	36.7%	34.2%	31.3%	31.3%		43.5%
c) *Progressiveness* (ability of the service to improve over time)	0.0%	2.7%	0.0%	0.0%		1.5%
d) *Continuity* (sustained nature of service)	0.5%	9.2%	1.2%	4.5%		0.0%
e) *Accessibility*	14.5%	20.6%	1.2%	34.3%		2.1%
f) *Equity*-availability of service to everyone re-						

Table 8.6 (con't.)

	Pilar – Rural Bataan Unit (RHU)	*Bay – Comprehensive Community Health Program (CCHP) Laguna*	*Teresa – Project Rizal Compassion (PROCOM)*	*Liwayway – Makapawa Leyte*	*Sudtonggan Lapu-Lapu City*	*Sudtonggan Human Development Program (SHDP)*
16. Level of satisfaction regarding programs	3.92	4.08	4.06	4.42		3.59
17. Percentage claiming satisfaction with Program among low-income group	83.5%	86.2%	79.5%	92.3%		56.0%
18. Strength of attitude regarding satisfaction with Program personnel	81.7%	87.3%	86.7%	93.4%		58.7%
19. Sources of satisfaction with program personnel as percentage of total respondents						

Table 8.6 (con't.)

	Pilar – Rural Bataan Unit (RHU)	*Bay – Laguna Comprehensive Community Health Program (CCHP)*	*Teresa – Project Rizal Compassion (PROCOM)*	*Liwayway – Makapawa Leyte*	*Sudtonggan Lapu-Lapu City*	*Sudtonggan Human Development Program (SHDP)*
gardless of personal circumstances	1.9%	14.7%	0.0%	1.5%	4.4%	
g) *Timeliness*	1.5%	9.8%	2.4%	8.9%	0.0%	

Source: Ledivina V. Cariño, "Integration, Participation and Effectiveness: An Analysis of Five Rural Health Delivery Mechanisms and Their Effects, (The Assessment of Integrated Mechanisms for Delivering Social Sciences to the Poor: An Integrating Report)." For the Philippine Institute for Development Studies, August 1980. Research and Publications Program, College of Public Administration, U.P.

clientele in the sense that very few respondents mentioned it as a source of satisfaction with program personnel. Adequacy of the service was the overriding consideration.

- ☐ When program effectiveness is measured in terms of improvement in general health conditions of the community, the Rural Health Unit, the CCHP and the Cebu project were found effective in their respective communities. The first two are less integrated and less participatory.
- ☐ On the whole, Cariño concludes that "the 5 programs have been able to improve health conditions, make people aware of their existence, deliver services to a large proportion of the population including the poor, and manage to satisfy its intended beneficiaries. The programs may then be said to all have a salutary effect on the communities they have served."
- ☐ Cariño also concludes that both the Cebu and Leyte projects have been *"successful in involving the poor in their participative schemes* when they made special efforts to seek them out for specific roles in their delivery system. However, they have stopped short of making them priorities as recipients of services. Their *greater participation in the program has not necessarily led to greater benefits."*[36]

(5) *People Participation at the Integrated Area Development Project Level*[37]

One of the most important rationale for the adoption of the integrated area development (IAD) strategy is to provide for the mobilization and involvement of local leadership and local people in the various management activities of the IAD projects. As Olaño puts it: "The purpose is to increase sensitivity of government institutions to local problems and to provide opportunities to insure that these are more accurately expressed and the services and benefits more widely distributed and shared by the greatest majority of the target beneficiaries. Hence, participation of the local people are expected:

- ☐ during the analysis of the existing situation of the area including the identification of problems, constraints, and priorities;
- ☐ during the formulation of policies, programs and strategies;
- ☐ during the social soundness analysis of the project package;
- ☐ during the implementation, operation and maintenance of projects; and

☐ in monitoring and evaluating of project impact."

Given these expectations of local participation from the point of view of articulated development strategy, how do the Bicolano farmers and Project Management Staff (PMS) perceive these concepts and how have they been translated into actual experience? Olaño's recently completed study of 302 farmers and 92 PMS members provide us some indications from four major on-going IAD projects in the Bicol basin, namely: Libmanan-Cabusao; Pili/Bula, Naga/Calabanga and Rinconada, all in the province of Camarines Sur. Among the major findings of the study are the following:

(a) It is very important to note that Bicolano farmers are no strangers to local involvement in development project activities in their communities. Two-thirds of farmer-respondents recalled having been involved during the pre-BRBDP days in such activities as construction and maintenance (30 percent) of communal irrigation systems, community waterworks, barangay roads system, community health center, multipurpose pavement and school building construction. The majority (70 percent) had been involved in health and environmental sanitation; land reform, cooperatives development, nutrition program and Masagana 99. When asked how they got involved in those projects, 43 percent mentioned that personnel of implementing agencies have asked them to participate; 34 percent said that there was a general consensus about their participation; 12 percent said they were requested by barangay officials. Only 12 percent indicated having volunteered themselves.

Those who recalled having taken part in the management of community projects (65 percent) observed that no restriction was imposed on who should be involved. Participation was open to everybody. Among those who could not recall having participated, (35 percent) some claimed that participation was exclusive to project beneficiaries; or only for those people who have the time. A few suggested that participants were recommendees of barangay officials and Project staff. This latter complaint seems to have particular reference to the hired labor component of projects. Asked if they were satisfied with the way participation of local people was decided, 68 percent of the total respondents gave positive answers.

Besides these previous experiences in development project participation, 68 percent of farmer-respondents belong to community-based organizations. Even if most of these organizations are part of national schemes which are mandated for implementation at the local level except for some communal irrigation associatons, activities surrounding such "imposed" organizations nevertheless provide "project participation experience" and leave positive, negative or cynical views on the part of farmers.

(b) With the advent of BRBDP, 84 percent of farmer-respondents are aware of several Basin projects. Ninety-two percent of projects they mentioned are those which include physical construction such as irrigation and drainage, barangay roads network, rural waterworks, school facilities, etc. Only 8 percent of the total projects mentioned which farmers are aware of, deal with extension of improved rice production technology, family planning, animal dispersal and medicinal herbs for intestinal parasites. *Curiously, only one respondent mentioned area development program.* Incidentally, more than three-fourths of PMS members interviewed belong to line agencies more concerned with institutional development. Only 10 percent come from NIA and 8 percent are Project Management staff.

When PMS member-respondents were asked what IAD project component activities they are engaged in, 80 percent of the activities they enumerated were concerned with institutional development such as agricultural extension, land reform, cooperatives development, organization of irrigators' associations and other production units. Only 20 percent of development activities identified by PMS are physical construction. Apparently institutional-educational activities do not have much salience for the farmers. After all, even during pre-BRBDP days, such activities were predominant. Farmers' greater awareness of physical construction activities is very understandable not only because of their obvious physical visibility but also because irrigation and roads were the most-frequently expressed needs of farmers as revealed by Social Survey Research Unit (SSRU) surveys conducted earlier in the life of BRBDP. According to the farmers, their sources of

information about Basin projects include: the PMS (45 percent); neighbors (15 percent); mass media such as radio and local newspapers (19 percent); seminars, workshops and community assemblies (14 percent); and barangay council (8 percent). 4 percent saw the projects themselves. When asked if specific activities were provided by the PMS to enable beneficiaries to be aware of Bicol basin projects, 56 percent of those who acknowledged being aware of them said "Yes". Among those who said "No", they maintained that information, education, communication and motivational campaign activities should be included in the project package. They also pointed out that with such campaigns, people will be well-informed and their participation can easily be obtained. They could even take care of the project if they are aware of their responsibilities in the management process.

According to PMS member-respondents, 40 percent of those they have tapped in the initiation and implementation of IDA projects come from all major line agencies in the area to take advantage of their expertise and to have better coordination of work plans and activities. The rest (60 percent) of those they involved are local officials, farmer-households and their associations, barangay brigades, Samahang Nayon, landowners, rural youth, couples of reproductive age, etc. Their reasons for involving these local groups of people reflect the usual rationale for people participation such as: to know their needs and problems; to educate them; to make them aware and get their support, and finally as the rhetoric says — "Planning must start with the local people. Their involvement is a major component of the project."

(c) Even with an enunciated policy of people participation, someone has to make the decision about the nature and extent to which people will participate in a project. When asked as to who they think makes this decision, 41 percent of the farmer respondents said the matter is usually discussed with the people in the barangay assembly called for the purpose either by the barangay council or by the line agency personnel. Assuming that the barangay assembly is well-attended, this offers wider participation. Thirty-one percent said it is usually decided by the barangay council Chairman and 15

percent said by the members of the barangay council. However, 8 percent observed that the decision is made by the PMS and passed on to the people for approval. Another 4 percent think that either the Mayor or Vice-Mayor makes the decisions for the people. However, 74 percent of the PMS member-respondents and 67 percent of the farmer-respondents expressed awareness of opportunities provided for local people to be informed and to participate. Dialogues and consultations with people in the community are carried out through barangay assemblies, meetings and conferences, seminars and workshops, public hearings, farmers' classes and other training programs, home visits, community surveys and information campaigns. About 79 percent of the farmer-respondents said they had attended various kinds of training activities. As a matter of fact, a third have attended 3 or more training activities.

(d) Participatory functions performed by local people during the initial stages of IAD project activities came in the form of furnishing needed data and information, identifying needs and problems, and identifying, approving and supporting programs and projects. The PMS respondents who said that opportunities for local people participation were not provided felt that since project management is still the major responsibility of the implementing government agency, efficiency should not be sacrificed for the provision of more time for local people to be able to articulate their felt needs and aspirations.

(e) For a rough idea of how many farmer-respondents participated in the different project management activities, Table 8.7 is presented.

In the planning stage, only 41 percent acknowledged having participated in deciding the main components included in the IDA project package via seminar-workshops and public hearings. A check with existing records on project packaging activities further revealed that in many instances, these activities involved technical staff of line agencies, local leaders and the more articulate members of the community. Most physical infrastructure projects chosen for inclusion in the feasibility analysis were taken from inventories of capital projects

TABLE 8.7
PARTICIPATION DURING THE VARIOUS STAGES OF PROJECT MANAGEMENT AS REPORTED BY 302 FARMER-RESPONDENTS

	Information Campaign	Initial Pre-Planning	Planning	Implementation	Monitoring & Evaluation
			— Percent —		
Yes	67	71	42	60	34
No	33	29	58	40	66
	100	100	100	100	100

N = 302

submitted by the local government for national funding but have been shelved for lack of resources.

Farmer-respondents indicated that the initiative to involve them in the planning process always originates from the project management group or from the local government leadership. They could hardly remember any occasion when the people themselves have volunteered their services. Only 37 percent of the PMS acknowledged that local farmers have been involved in the planning process. Farmer-respondents who were not involved said that they were not made aware of the activities, did not have the chance to participate and lack the capability to participate. The PMS gave lack of capability, lack of time and lack of interest as reasons for people's non-involvement in the planning process.

Unlike the planning process, the implementation stage has been more participatory as perceived by both PMS and farmer-respondents. About 71 percent of the PMS reported that project beneficiaries had been given priority in the implementation by hiring them as laborers, construction foremen, engineering survey party members, casual office employees, security guards, right-of-way negotiators, local trainors and seminar coordinators. Some of them were designated as barangay supply points for information materials, medical supplies and family planning paraphernalia. The PMS respondents also added that project beneficiaries were trained, orga-

nized and provided technical and material assistance to make them more effective implementors of the various IDA project components. The training activities were oriented toward the development of knowledge, attitudes and skills necessary to manage and operate physical facilities at the farm level (mostly irrigation, drainage and barangay road network) on a cooperative basis. Some of the PMS respondents indicated dissatisfaction with the performance of project beneficiaries on the grounds that they lacked appreciation of the benefits they will get if they are actively involved, lacked cooperation in carrying out assigned tasks, do not follow instructions correctly, and are too dependent on government assistance.

It is interesting that the PMS emphasized how participants benefited from the projects through hired labor and training programs while the farmer-respondents perceived their participation in terms of activities which they *"contributed"* to the project such as providing free labor: paying irrigation water fees; giving financial share in the maintenance of waterworks system; attending seminars/training programs; organizing project beneficiaries; adopting recommended production technology; relocating housing to new barangay site and helping recruit volunteers. This difference in PMS and farmers' perceptions of what constitutes participation during implementation is worth noting. It is possible that attendance in seminars and training programs, adoption of recommended technology, etc., are regarded by some participants as "cooperation" for the sake of project staff in which case the beneficiaries are the project staff. Although an overwhelming majority of "participating" farmer-respondents (87 percent) admitted being satisfied with their participation in the implementation, the following reasons cited by the few who were not satisfied deserve attention: a) have to pay some kind of dues; b) participation was imposed rather than voluntary; c) ineffective technical assistance and services, and d) delayed completion of supportive facilities.

Monitoring and evaluation were the activities least popular and least participated in. Only a third of the farmer-respondents indicated any involvement in this process. The PMS perceived more people involvement at this stage than

the people themselves perceived. Fifty-five percent of the PMS maintained that there were opportunities for people involvement in this particular phase via occasional feedback and information provided by barangay council and civic leaders, barangay assemblies, meetings and conferences, field and home visits by PMS, and community surveys and interviews by PMS. Those who said there was no people involvement in monitoring and evaluation said that people cannot be expected to participate in this phase of the IDA projects because they lack the capability and skills for impartial reporting; they do not have enough time for this activity; and it is the implementing agency's responsibility to monitor the status of their projects.

(f) Quite revealing are the farmer-respondents' perceptions of barangay officials' and PMS members' leadership styles as shown in Table 8.8. Obviously, the leadership style of the barangay official is perceived by the farmers as much more participatory than that of the PMS. It is not surprising that

TABLE 8.8
BASIC LEADERSHIP STYLES OF BARANGAY OFFICIALS AND PROJECT MANAGEMENT STAFF AS PERCEIVED BY FARMER-RESPONDENTS

	Barangay Officials	Project Management Staff
	— Percent —	
Allow participation of people in some decision-making activities	72	46
Do not allow participation of people in any decision-making activities	14	45
Allow participation of people in almost all decision-making activities	8	7
Do not interfere with people's activities	6	2
	100	100

N = 302

80 percent of them expressed satisfaction with the leadership style which is more participatory. Only 45 percent were satisfied with the PMS whose style is perceived as one which "does not allow participation in any decision making activity." Furthermore, farmers viewed barangay officials as more able than the PMS to elicit local support in the management of projects and flow of communication from them was perceived as "very regular", as against "seldom", "never", and "it depends" from the PMS.

(g) With respect to government assistance and other supportive facilities and services, 53 percent of farmer-respondents reported satisfaction with their availability. The 47 percent who were not satisfied made the following observations: facilities and services are not easily available to all people in the community; they are unable to elicit local people participation in the management of community projects; some of the facilities and services do not meet basic community needs and requirements; technical personnel are often not available for consultation, and project implementation is often delayed.

(h) Almost 60 percent of farmer-respondents reported dissatisfaction with the nature and extent of their participation in the IAD project management activities. Reasons for this dissatisfaction are as follows:

During the initial phase	Frequency of mention — Percent —
☐ Local interest groups were more vocal and articulate than the general membership	53
☐ Our suggestions were not honored by PMS members	22
☐ There was always initiation but no implementation of projects	19
☐ Not enough time was given us to fully appreciate the program	6
	100

Total number responding = 140

During the identification of common needs and problems

☐ Many members of the community were not fully informed of this activity	42
☐ Opinions of the participants are not respected	23
☐ Other members of the community did not show interest	20
☐ There was not enough time given people to identify needs and problems	10
☐ Many are not capable	5
N = 116	100

During the planning phase

☐ Very long process	35
☐ Require some technical expertise	23
There was no immediate result	21
☐ Does not involve majority of people in the community	12
☐ Not much benefit	5
N = 169	100

During the implementation phase

☐ Our suggestion for the location of the irrigation canal/road construction was not followed	30
☐ Ineffective technical assistance and services	28
☐ Our involvement was sort of imposed such as membership in the Samahang Nayon and the irrigators' association	24
☐ Financial obligations imposed on us are quite high like irrigation fees	18
N = 169	100

(i) More active participation in IDA Project management activities tends to be associated with higher education; higher income; satisfaction with their involvement; owner/amortizing owner tenure status; community as against individual value

orientations; favorable attitudes toward participatory concepts; satisfaction with more participatory leadership style of barrio officials and PMS; membership in community-based organizations; more attendance in and greater satisfaction with training programs.

(j) When asked a general question on what they consider was the nature of their participation in the Basin projects, 41 percent regarded being project beneficiary as one indicator of participation; 37 percent look at their being project implementors as the more common form of people participation; 12 percent believe that being a source of information about community needs and problems constitutes another way of participating. The rest contend that being initiators and channels of feedback information are still other means of taking part in project activities.

(k) Ninety-three percent of farmer-respondents believe that local people participation is necessary in the management of IDA projects. On the other hand', only 69 percent of the PMS respondents feel the same way. The rest think that local people have yet to appreciate the wisdom of their involvement in local development efforts and that they are still too dependent on government expertise and its existing machinery to perform development tasks.

(l) Farmer and PMS respondents agreed in their perceptions of problems in generating local participation, i.e. lack of needed information about community problems and aspirations and lack of time on the part of beneficiaries to participate. However, these 2 groups differed in other perceptions in the sense that the PMS tended to view the problems as coming from the beneficiaries as expressed in such responses as: lack of cooperation among beneficiaries; their negative attitudes toward participation; lack of appreciation of the benefits they would derive from projects and lack of education on their part. On the other hand, farmer-respondents tended to perceive the problems more as arising from the side of government agencies as reflected in such responses as: non-credibility of government personnel; delayed project implementation and disregard for local people; lack of coordination among line agencies; and management still of barangay roads by the

Ministry of Public Highways instead of by the community in order to generate local involvement.

Clearly, there is much room for more frequent, more regular communication between farmers and Project Management Staff. As expressed by both groups, there is need for intensive information, communication, education and motivation campaigns.

(m) In general, farmer-respondents exhibited very favorable attitudes toward community action and people participation concepts. However, their reactions to some of these concepts are more intriguing than others. For example, despite favorable endorsement of community-oriented actions, 88 percent of them believe that "one should always give priority to his own needs and problems before those of others" and 27 percent think that "working alone is better than working together when people could not agree as a group." That farmers are not naive about the actual problems in people participation is reflected in the 88 percent of them who said "it is difficult to mobilize local people because of factionalism and competition." About three-fourths likewise realize that "involvement in community development projects is costly and time consuming on the part of the people."

The role of local people in data generation and analysis is endorsed by practically everyone. Perhaps this is evidenced by their "patience" in replying to interviews and surveys. Almost all of them also reject the notion that "Poor people cannot do anything for themselves." However, people participation is not attractive to about a third of farmer-respondents who were inclined to "let barangay officials and local elites decide what is best for the community" and even to "let local people always anticipate government assistance in project implementation." Apparently authoritarian leadership style and dependence on government have not lost their appeal. Although majority prefer people participation, they are not so naive as to think that it comes without problems and difficulties even from the side of people themselves.

(6) *People Participation for Irrigation Development*[38]

Of all the Bicol River Basin Development Program (BRBDP) related projects, the participatory approach to irrigation development which NIA is applying in the Rinconada/Buhi-Lalo (Upper Lalo and Lower Lalo) area probably represents the most intensive effort to mobilize and organize farmers. This project is NIA's initial attempt "to involve farmers in developing a national irrigation project, particularly in the design and construction of lateral canals and terminal facilities (where) the process of engaging farmers' participation in project activities is being utilized as a means to organize them into viable irrigators' associations. The plan is to organize farmers into several irrigators' associations which can assume system operation and maintenance tasks in their respective sections." In 1980, community organizers primarily responsible for organizing farmers into associations were deployed. The project emphasizes that the "principle of popular participation is built into the concept of community organization. It is essentially impossible to organize people without their participation." It has likewise been said that "the participatory approach is aimed at developing the capacity of the powerless members of the community which should result in the emergence of new leadership."

The philosophy is appealing and the rhetoric is even noble but how does people participation translate into day-to-day activities steered by community organizers (COs)?

The activities for the first few months include:

(a) Preparation and verification of farmers' lists for assigned area.
(b) Mapping of the irrigation area parcel by parcel layout of rice lands; delineation of rice fields and coconut lands; finding out of names of cultivators and landowners; indication of proposed canal routes.
(c) Initial community integration activities including contact-building through house-to-house visits and courtesy calls on barangay officials. Groundwork is the CO's initial contact with farmers on a particular issue.
(d) Identification of potential farmer leaders.
(e) Initial organizing work starts with sub-groups within the rotation area to select signatories to the labor contract for each rotational area. Each sub-group elects 2 representatives and

sub-group representatives choose the rotational area signatory by acclamation or group consensus. The chosen signatory to the contract must be a trusted representative who will receive wages for the whole group. The contract contains work duration, manpower requirement and total cost estimate. The construction work is carried out under NIA supervision.

(f) Organization of committees to negotiate right-of-way; prepare manpower inventory to assess skills for labor contracts; survey committee and membership committee.

(g) Conduct *walk-throughs* which are on-site inspections of designed terminal facilities. The routes of proposed farm ditches are traced from start to end. Farmers either approve the route as designed or suggest changes. In the period under review, farmers proposed 21 changes which consist of relocating ditch portions and structures; extension or shortening of ditches; construction of additional ditches or terminal structures or even the removal of a ditch.

The process of generating people participation is not without problems and difficulties even in the hands of COs who are the experts on this job. From the Documentation Research reports reviewed, the following problems and issues emerge:

(a) People participation is time- and energy-intensive both for COs and farmers. In February 1981, for example, a total of 24 meetings and 10 walk-throughs were held in Upper Lalo. Poor attendance in meetings and unavailability of farmers even during house-to-house visits is a problem frequently mentioned by COs. In one walk-through, which was planned, only 4 of the 11 leaders present actually participated. Seven of them said that they were not physically fit to go on long walks. Since the objective of organizing farmers is to involve the majority in project activities, low attendance is not likely to contribute much toward this end.

(b) According to the Project Manager, "the decision to utilize the participatory approach in the project comes from NIA's top-level management and its implementation lies in the hands of project staff." Ironically, adoption of the participatory approach seem to be non-participatory on the part of implementing project staff. It was perceived as a top-down decision.

(c) The role of the COs in NIA is a new one which is not necessarily in harmony with the role of the Technical Staff (engineers, etc.). The latter tend to look at the effects of farmer participation as delaying construction which in turn leads to sluggish technical accomplishments which affect the evaluation of the technical staff. The approach according to them leads to "increased project cost" due to the hiring of the CO and "slack time for the engineers". It will be recalled that construction of terminal facilities was suspended on January 1, 1981 to enable the COs to organize and mobilize the farmers to participate in the design of terminal facilities. Construction will resume as soon as farmers have reviewed, made on site inspection and approved NIA's plans for the location and lay-out of these facilities. It has been pointed out that benefits from CO work are long-term and not immediate and that "the ultimate objective is not to construct but to irrigate." The test, therefore, of effective CO comes only after construction and when irrigation becomes a reality. Unless farmers regard "opportunity to participate" as "good" in itself, they may not see the benefits from these time-and-energy-intensive activities till much, much later.

(d) The entry of the CO into the agricultural and rural development scene at the local level has threatened some of the existing government functionaries whose job description are also organizational and institutional development in nature. The question asked is whether it is necessary to hire a new functionary to carry out this participatory approach. Is it possible to train and reorient the existing workers toward this new strategy?

(e) One of the most important tasks of the CO is to identify potential leaders. There has been some feelings expressed by such leaders that the CO who is hired on a fulltime basis is "unloading" upon them the organizational functions which he or she has been hired for. When is this "transferring of functions" a matter of building local leaders' capability and self-reliance and when is it a "dumping" of responsibilities on the "clients"?

What qualities are the COs looking for in a local leader? The reports indicate that "In general, COs expect the identi-

fied leaders to have initiative; be aware of what goes on; have time for the project and possess willingness to help in the project. Leaders are also expected to pass on to their members what COs have taught them. They plan with the COs the agenda of meetings; disseminate information about meetings and their results; and preside over meetings. In other words, the identified leaders are expected to take over many of the COs' functions on a voluntary basis. With such expectations and demands on their local time and energy, who are the individuals likely to emerge as local leaders? Is it the powerless members of the community?

There are evidences of overlapping leadership functions in one person such as the Nain Farm Ditch sub-group leader who is also the labor contract signatory; and the Right-of-Way Committeee Chairman who is also the secretary of the Rotational Area. Distributing the "leadership load" is therefore part of the participatory thrust, and bringing "new blood" into the leadership role requires intensive training.

On the positive and optimistic side of the participatory approach as applied in irrigation development, the following presents the potentials and promises:

(a) One would like to think that once people have been involved in participatory projects, the process will be irreversible and they will not "put up" with strategies which deny them access to the process. We likewise hope the participatory process in irrigation development will have a spill-over effect on other aspects of life.

(b) When it comes to the "nitty-gritty", the C-O approach really means a great deal of information-generation, processing and dissemination because participation essentially means communication directed two-ways, horizontally and vertically from "inside" to "outside" and vice-versa. Perhaps the farmers within the irrigation area have never been as intensively "covered" by development workers as they are now. Such intensity we would like to think cannot but produce some impact both on people and on agencies. All the efforts to validate farmer's lists, paddy to paddy mapping, etc., must somehow contribute to the emergence of the "truth", and the generation of more accurate and objective information. Per-

haps such basic data can be used as valuable baseline information on the project itself.

(c) It is hoped that the "legwork" currently employed by the C-O will set the pace for other workers. The greatest challenge to the Bicol Program right now is the plight of the agricultural landless. This problem has not been addressed directly except in some ways in the agro-forestation project. The participatory approach in irrigation development which aims to include the powerless says absolutely nothing about the landless. Actually, labor contracts in the rotational areas could very well be oriented toward the landless. The abaca industry is another critical development potential for absorbing the landless. On a more indirect level, irrigation and credit have their corresponding impacts on the landless but these are not being monitored.

B. *Some insights and lessons from the practice of people participation*

Although several experiences in rural organization and people participation have been previously cited, we have added this special section because experiences do not always provide lessons. The lessons described here come from experiences in eight projects:

- ☐ a social development approach
- ☐ an agro-forestation and upland development project
- ☐ small farmers' grassroots organization to enhance agricultural productivity
- ☐ a barangay water project
- ☐ a study of workers in manufacturing establishments
- ☐ the Bangladesh Rural Advancement Committee
- ☐ LINK-COD Programme (Linking with Communities for Development Programme)
- ☐ the Bicol River Basin Development Program

(1) *Social development, income generation and the poor*

Although PBSP's projects are characterized by a particular social development approach, they have an objective analysis and candid presentation of their experiences. This is probably due to a built-in evaluative research in all of its assisted projects in order to

deliberately learn from the development process. If they are to contribute toward the emergence and adaptation of management techniques and further refinement of social development theory and practice, lessons have to be objectively derived. Only then can such lessons be shared through training programs. It is significant, for example, that although the aim is to help the Filipino poor improve their lives, PBSP makes no claim to reaching the poorest of the poor. As a matter of fact, the following findings point precisely to what they regard as the "lower limits" of their "downward reach":

- ☐ A monthly income of ₱300 (1971-76) seems to be the minimum required for individuals to meaningfully participate in the projects. For those earning below this amount, assistance must first be mobilized to meet the family's basic needs before they are ready to risk an income-generating activity.
- ☐ Should funds be made available for income-generating activities, assistance preferably should be extended to groups or to individual entrepreneurs who already have other sources of income or who have an on-going project for expansion.
- ☐ For group projects, a proponent must be responsible for the management of the funds and economic projects in order that capital funds are not used for the basic subsistence needs of these low-income groups.
- ☐ Strategies presently being used cannot be applied to the poorest of the poor since any assistance given to them would be used for survival.
- ☐ In working with low-income groups, income generating activities and social education must go hand in hand to ensure successful and meaningful projects and viable groups.

Other lessons from PBSP pertain to strategies for institution-building:

- ☐ In building up locally based service groups, they have found it easier to effect group development if the group is homogenous hence the strategy indicated is to work with *sectoral* groups.
- ☐ The second strategy is to encourage proponents to acquire skills to run specific types of projects. While proponents need to be generalists in order to respond to a wide variety of community problems and needs, special skills particularly for in-

come and employment-generating components are sorely lacking.[39]

These two trends which have emerged from their experiences put us back to the old issues such as *sectoral* or *multi-sectoral; generalist* or *specialist;* the *"system integrated"* vs. the *"sectoral specialist"*.

- In the search for *"least-cost solutions"*, PBSP has pinpointed the paraprofessional, the community-leader-volunteer who will be trained at the initial stage of organizing a community to continue the work of the project staff. The search for an alternative was prompted by *fast turn-over of professional workers,* reluctance to work in remote areas and slow integration or acceptance by a community being assisted.[40]

Earlier in this Chapter, we asked the question of the Community-Organizer's working life span and level of motivation required to keep them in a long period of "participation" with low-income groups. Apparently this is a real problem. The need for shortening the waiting time for the benefits from participation has been recognized. As the 1979 Annual Report says:

> *Impatience with the length of time needed to see tangible results in our projects has been commonly expressed at all levels.* However, as we gained more experience in our work, the time needed for a project to get off the ground and show results, has shortened. But there still exists a need for refined systems and procedures for project development, accelerated learning modules and alternative methods of technology transfer. The nagging presence of poverty among our beneficiaries is a constant reminder to us that while we may be able to wait, the poor cannot afford this luxury.[41]

Perhaps it is precisely this sense of urgency and need to show tangible results that in the past have led to non-participatory technology-oriented programs which are now being criticized for not reaching the poor. Is there a quick way of doing this which is participatory, self-reliant, viable and not charity? Is it the poor who are objecting to charity?

Even in a deliberately participatory social development approach working with grassroots associations, tasks such as defining problems, planning, implementing, evaluating, sharing responsibilities and authority and even maintaining cohesiveness are easier accomplished

than eliciting *group participation, mobilizing resources* and *resolving conflicts.* All these three latter tasks are essential for the viability of the approach itself. Communicating a social development philosophy to grassroots organizations likewise emerged as a problem with a third not knowing anything about PBSP, the organization, let alone be aware of any benefits from it.

(2) *Participation and community organization in agro-forestation and upland development*

De los Angeles summarizes for us the role of participation and community organization in upland development:

Agro-forestation being implemented in upland communities where farmers are usually distantly located from each other and where infrastructure and social facilities are markedly inadequate need to be implemented through the *formation of strong farmers' organizations.* This is emerging as a *necessary condition for a sustained effort at agrisilvicultural practices.* More specifically, the building of organizations may be necessary for the following: (a) *conduct of activities via cooperation* and mutual support; (b) *preservation of peace and order;* (c) as a venue for *establishing linkages with government agencies* for the latter's provision of inputs, facilities and the like. The effectiveness of organizations in carrying out a project which seeks to benefit the poor members of upland communities, in particular should thus be analyzed . . . [42]

To illustrate the role of organizations, we cite specific examples:

> The summer months were difficult ones for the farmers. The only source of water for the farms was the nursery and a gully below it. SAMABUN (the upland farmers' association) members had to *form human chains* for passing buckets of water from the source to the nursery seedlings everyday.
>
> One of the strategies being tried to solve the water problem is the digging of farm ponds on lower sloping areas of the farms to catch and store rainwater for use during the dry season or part of it. The pond will also serve as source of water for fire control, as a fishpond and also for monitoring sedimentation. Problems related to the digging of this pond include . . . . . lack of financial and material resources for building the pond; and, the considerably heavy manual labor (which will compete with labor needs of other farm activities) needed to dig and build the pond. The farmers plan to raise funds through their marketing cooperative, to subsidize the needs of those who will build farm ponds.

Fire was also a big problem in the farms. While the SAMABUN members agreed to stop using fire to clear and prepare their farms for cultivation, they had to protect their farms from nearby farms. At the advent of the dry season, firebreaks were already built, such that virtually only the farms of the Villaricans did not burn this summer. The SAMABUN members were also more motivated to protect their farms because of their tree seedlings, and because they experienced having *put out grass fires effectively* through their *strong organized group* . . . . .

The old practice of kaingin-making having been stopped, the farmers found themselves clearing their farms by hand and with the use of the hoe, and with the help of women and children. As this activity still falls within the dry season, the summer heat as well as great exertions required to clear the area from cogon grass, which is difficult to weed out is putting quite a stress on the workers; frequent rests are needed in between weeding tasks.

The SAMABUN members are still confronted with the problem of land tenure security; their applications for a 25-year lease from the Bureau of Forest Development have not yet been processed. They are hoping that success in their agro-forestry activities would convince authorities that they deserve to be allocated land for cultivation during a long period of time. Perhaps, even more noteworthy is the psychological, educational and organizational preparation that the farmers underwent to implement the concepts of agro-forestry. The *presence of an organization* through which they *aired their ideas, expressed their fears, settled personal differences* and other problems was very important in the dwindling optimism of the members whenever the time-consuming and back-breaking agro-forestry activities were experienced . . . . Recently the officers and members of the SAMABUN . . . decided to form a marketing arm (1) to serve as venue through which the agro-forestry activities of the SAMABUN and their benefits would spread to other members of the community; and (2) to handle farm input and marketing needs of the farmers . . . it was felt that for an agro-forestry project to succeed, the farmers must be able to control both the production and marketing aspects of the project.[43]

Some very important lessons on *Project Design/Development Process* from another pilot project in Upland Development have been reported by Dugan. Because these lessons offer operationally significant guidance in how to enlist people participation or as Dugan calls it "beneficiary involvement", the following account is cited in some detail:

The development of a design for this project followed a fairly conventional methodology. Socio-economic surveys were conducted and maps and biophysical data were assembled. Seminars and workshops took place tapping

the most competent expertise available. Dialogues were held with farmers, municipal officials, community leaders and line agency personnel. Site inspections were completed and a good overall picture of current physical status of the watershed was obtained. With these inputs a project paper was written, studied, amended and approved. Finally, funding was secured and implementation was started.

After six (6) months of work in the field it became quite evident that the most important element in the project had not been sufficiently sounded-out, namely *the people* who were supposed to be the beneficiaries of this entire exercise. Only after six (6) months had elapsed did the project began to benefit from the ideas contributed by the watershed residents. These ideas and concerns were not revealed in the surveys, dialogues and other standard tools employed earlier in the project design.

The two factors that brought about this active involvement were the *physical proof* that activities were being undertaken for the farmers' benefit and the *demonstrated respect* for farmers' opinions and ideas.

Physical proof consisted of the nursery, seedling production and the graded trail. *Demonstrated respect* was offered (to the farmers) by changes in seedling production targets to conform with their preferences for certain plant species and by aborting the partially completed construction of a fishpond which the farmers openly opposed.

It was not until the two factors stated above were established that the first concrete progress in beneficiary involvement was achieved. Perhaps this is best illustrated by quoting a farmer who was expressing himself to all who would listen (including the project staff and myself) during the graduation ceremony for our first group of farmer trainees. He said, "When this project first started I said to myself this will be like all government projects . . . just a lot of talk and no action. All my family and my friends had the same opinion. It wasn't until I saw the nursery producing seedlings and learned that these seedlings were for us, that I began to believe in this project. When the graded trail was built I believed even more. When you agreed to plant the seedlings I wanted then I learned that my suggestions were being paid attention to. Now we have this graduation ceremony and I see municipal officials and Bicol River Basin officials here enjoying with us. You can count on my cooperation."

These sentiments were expressed in a mixture of Buhinon and Pilipino. Much of the essence is lost in this translation. However, the lessons are clear.

- ☐ farmers need evidence of sincerity before they will express their concerns

- ☐ until this sincerity is proven, responses to dialogues, socio-economic surveys and seminars may not be reliable and are probably a considerable waste of time, money and effort. They should be deferred until project activities have provided the evidence farmers seek before committing themselves.
- ☐ our present project design process may be "putting the cart before the horse."

There are several simple steps that will need to be taken in any upland development project.

- ☐ Build a nursery and start producing seedlings.
- ☐ Build a graded trail to make it easy to reach the nursery.
- ☐ Station project staff at the nursery where farmers can visit them, get to know them and eventually feel free to speak openly.
- ☐ Ask the farmer what trees he wants to plant and produce the seedlings he wants.

It does not take any sophisticated design, or require any in-depth studies to take these first simple steps. It does require commitment, patience and skill on the part of project designers and implementors to move forward from that point.

Experience suggests that any project design process which does not include these simple steps, or similar activities to overcome skepticism and distrust in the minds of beneficiaries, may be of questionable value. Beneficiary, involvement and cooperation are crucial for meaningful design of interventions. An investment of time, funds and effort for the purpose of establishing credibility with the beneficiaries before a project paper can be finalized seems to be an important requirement. In essence this means some implementation activities need to be undertaken as part of the project design process, and prior to the finalization of a project paper. In the Buhi project this was possible because it was recognized as a pilot effort from the very beginning. Other upland projects probably will need to be guided by this experience.

The above suggests that the following sequence may be more appropriate for project design than the methodology that has been followed to date.[44]

In addition, Dugan mentioned some pitfalls they encountered in the design of their upland development project:

- ☐ *Wrong assumptions.* Because most of the *proposed beneficiaries* were *perceived to be subsistence farmers,* it was assumed they were *more interested in food production* than in *generating cash income.* It was subsequently learned during the process of implementation, that the

farmers have worked out their own methods of subsisting quite well if subsistence means primarily food on the table. *Most of* their *kaingin making* and the deforestation it implies, was *done to produce a cash crop of yellow corn.* Since the basic assumptions were inaccurate . . . changes were incorporated that were designed to increase cash income.

- ☐ *Unresponsive nursery planning.* The technical studies that were conducted to decide on tree species appropriate for the area were incorporated into project design. This resulted in an over-emphasis of some; underemphasis of others; and complete omission of quite a few species the farmers wanted to plant . . . species most interesting to them.
- ☐ *Ineffective extension agents.* Only after working with farmers in the pilot phase did the project find out that line agency extension personnel did not seem to have good rapport with the farmers. This discovery has led to one of the most useful innovations resulting from the pilot activities, which was the training of people the farmers trusted and looked up to for leadership in the barangay as Upland Extension Leaders.
- ☐ *Mistaken priorities in addressing the land tenure issue.* Although the tenure issue was recognized as important from the outset, *it was assumed* (and probably still is, in most upland projects) that *tenure means first* and *foremost the land which the farmer tills.* This did not turn out to be the most important tenure consideration at the project site, but this was not known until 9 months after field work has started. It was only then that the farmers expressed their *first tenure concern* to be *security on the lands* where they *had built their homes* and where they kept small backyard mixed gardens or kept some livestock. When this was recognized, it was not without a considerable degree of chagrin on the part of project designers . . . . Isn't our first consideration a home wherein our families will be safe and secure and why should the priorities be any different from an upland farmer than they are for most of the rest of society? [45]

From these project design pitfalls which were recognized during the implementation process emerge two larger lessons which may sound trite and therefore not taken seriously. These lessons are:

- ☐ *Felt needs have to be experienced to be felt!!!*
- ☐ Pre-project surveys to determine "felt needs" have to be regarded as "pre-project" and largely indicative, not definitive. Only when the project becomes a "reality" for beneficiaries that needs, participation and involvement acquire operational meaning. Before that, both project designers and

project beneficiaries are "reality testing" in a mutual discovery. Question asked of *prospective participants* before a project is launched or in anticipation of "development actions" are by their very nature theoretical or hypothetical because it is yet to happen. Therefore, the perceptions and responses are also very likely hypothetical. A *project design* is therefore best treated as a *"rough sketch", not* as a *"detailed blueprint"* for action. This has implications for the project development and funding process.

(3) *Small farmers' grassroots organizing to enhance agricultural productivity*

For two and a half years the small farmer organization project mentioned earlier in Goodell's paper[46] was implemented as a research effort to determine whether a bottom-up system of organization can be more effective in stimulating joint action by groups of farmers for the purposes of integrated pest management, systematized water management and group credit. Preliminary reports show promising results. For example, "there is evidence that improving the timing of farming activities to make them more synchronous, can have positive benefits in insect control and may reduce irrigation demands. These kinds of group pest management and water management efforts can only be implemented through organized farmer groups . . . . One notable accomplishment was in group credit management when in the dry season of 1980 the farmers were able to collectively pay in excess of ₱1 million in past due Masagana 99 loans." Although this is quite a feat in the light of serious repayment problems, the research staff admit that they "cannot explain the timing and causes of this breakthrough and whether the highly personal organizational skills can be transferred on a wide scale."[47]

In a manner of speaking, *the results from organizing small farmers are promising but the lessons are not clear. They have yet to be discovered.*

The project, however, enumerates some things they have learned about Central Luzon farmers with respect to devising new technology. From our point of view, these lessons are also vital inputs into community organization work with farmers considering that they were also derived from a community organization approach to intensified rice production.

- *Farmers are not accustomed to abstract thought* (Need constant field practice; despite mastery of the material in lessons, farmers may apply little of what they know).
- *Farmers are extremely pragmatic* (Lesson content should be timed to events in the field and lessons need to be imparted through activities).
- *Farmers are very sociable in their intellectual habits* (Group instruction is better than individual instruction; reluctance of farmers to rely on individual judgement).
- *Farmers require authority* (They are unsure of themselves, their ability to experiment and their own common sense, they are uncomfortable when advised to think on their own).[48]

All of these lessons learned about farmers lend support to the preceding discussion regarding pitfalls in project design. The more project experiences we analyze, the richer our knowledge base becomes. But certain things are less susceptible to being known in advance of project implementation precisely because of project being designed is "abstract" in many ways until it gets on the ground. Only then can farmers respond with pragmatism to something at hand.

(4) *Barangay water project*

The Barangay Water Project is an attempt to provide household water supply to more people in the countryside. It is in effect a project to increase benefits reaching rural people. Who can argue against such an undertaking when there is such a clamor for greater equity in social services? The lessons reported by Valera *et al* are eye-openers in the true-to-life difficulties of pursuing such a laudable objective even with the best intentions:

- In most of the 18 sites visited, the actual number of users are far less than the expected or reported beneficiaries. One important reason they hypothesized is the *water quality.* Where water quality is low, level of use is also minimal. The other reasons is that there are other sources of water in the vicinity.
- For sites with problematic water quality, there are real environmental or physical problems. In some instance, water is hardly available due to the location. There appears to be no

immediate solution to these physical problems because the terrain and the location of the desirable water table could be far-off from the residential locations. Water may be of drinking quality in other sites but supply is meager. In another area, water is free flowing, but it is salty. Hence it is rarely used, if ever, for drinking.

- In general, where the water is of good quality there are already other systems where people can fetch water. Thus the barangay water project (BWP) is located in schools or in strategic places for easier access. Sometimes the BWP is just another system within 100 meters of old but still functional pumps.[49]

The lessons learned from this project are tough indeed particularly in the light of our desire to bring water supply where there is none or where there is not enough. Environmental and physical endowments are such that some barangays are more blessed than others in terms of favorable "water sites" and therefore these are precisely the sites where more pumps could be made operational. In unfavorable sites, where people have limited water supply, these are also the sites where it is very difficult or impossible to locate the water project. How does one achieve equity in access to water services under these unequal physical endowments? As they say, "Them who has gets!" How do we change this state of affairs? Do we have the technological answers?

(5) *Manufacturing establishment workers' response to participatory opportunities*

Although the study which will be cited in this section refer to 21 Metro Manila manufacturing establishments and not to the rural and agricultural populace, we include it in this review because of the more general implications of the findings regarding workers' response to "participatory" measures. Researchers from the Asian Labor Education Center (ALEC) observed that "despite newly-formulated laws encouraging workers' participation in deciding issues affecting their general welfare, workers generally remain passive and often need an initial push to enable them to air their views." They likewise noted that "workers are often seen as passive and docile creatures" and therefore a lot of help is needed to give them impetus to participate in deciding matters which affect them.

The findings showed that while 94 percent of all management personnel and 62 percent of all workers claimed that workers' participation existed in the firms studied, "the scope, frequency and extent of such participation was very limited. Decision-making on sensitive issues is almost always managements' prerogative, noted the study. Rarely are workers consulted regarding work schedules, rules, production, work procedures, forecasts and expansion plans. Generally, workers do not assert their right to participate in decision-making except on such issues as wages and fringe benefits. Thus workers' participation is limited only to their negotiations with management on collective bargaining agreements which are renewed once every three years." In some cases the researchers discovered that management seem even more aware of the workers' potential and capacity to make decisions than the workers themselves.[50]

The results of this study tell us that the "need" or "desire" to participate in decision-making may not be salient or may not yet be "felt" by the workers themselves. It would probably take an educational process to transform what may be "latent" into something much more "manifest". It should be noted however that workers are more assertive in matters of wages, fringe benefits, and collective bargaining agreements while decision-making on company procedures is regarded almost always as management's prerogative. Perhaps this is a trend reinforced by tripartite structures which define problems in terms of worker, employers and government rather than as problems affecting the manufacturing firm which have implications for all three sectors.

(6) *The Bangladesh Rural Advancement Committee (BRAC)*

Although this review is basically centered on the Philippines, we are presenting here some gems of wisdom from Bangladesh because they are very germane to the issues of people participation which we are concerned with. The following are some fundamental lessons from their experience:

- ☐ The BRAC strategy is "to organize and develop appropriate village and loca-level institutions in order to effectively involve the masses of rural population in mobilizing the community's Resources for their own development and to provide services to those whose needs are being ignored."

- ☐ **In their work with rural women and the landless, BRAC concluded that:**
- ☐ *Organization of disadvantaged groups is only a beginning.* After that, one has to *explore viable economic alternatives* for them. Rural women's demand for social and economic alternatives is greater than the supply. These women (subsistence and below subsistence) face a strong financial motivation. Non-economic incentives such as prestige and social contact come later through the joint economic ventures. But to *identify and design viable economic projects* which would *ensure* a *reasonable return* to each member is *extremely difficult.* But this identification and design is crucial to all else. Much can be done to involve women in health, family planning, education and other social development efforts both as beneficiaries and as staff. However it is economic development activities which urge most strongly for and to the rural poor women.
- ☐ The *conscientization process,* the *dialogues are methods of recognizing problems* and *motivating them to seek solutions* actively but *in the search for solutions, there is no escape from productivity increasing technology.* Agricultural solutions from new rice seeds, irrigation, poultry, kitchen gardening, goat rearing, paddy husking, sweet potato cultivation etc. were in the end the source of the solutions, and so were the technologies in family planning, scabies eradication, weaving, silkworm culture, fisheries, horticulture, oral rehydration etc.[51]

We must therefore be reminded that although the ideology is very much social in its call for organizational and institutional development, the *operational measures to deal with the problems of the rural poor are as much technological.*

(7) *LINK-COD Programme*

Similar lessons were expressed by a political activist engaged in community organization. Karina Constantino-David says of their experiences in the community of Pantoc, Sariaya, Quezon Province:

"Community organization, as developed in the West and practised in the Third World has its own clear-cut methods for stimulat-

ing popular participation in social change; but in practice, it often runs into contradictions: how to arouse awareness without creating new dependence, to lead or not to lead, to manipulate or to facilitate, to break restrictive laws or to respect them . . . . Without a clear alternative vision of society, the efforts of community organizers can easily come to nothing . . .

The *average community is confronted by the problem of economic welfare. Most of the time the people expect an organizer to improve their economic conditions.* On the individual level, the problems of death, illness, malnutrition and sanitation cannot be dismissed by the organizer even while he realizes that organizing a community means raising levels of consciousness, confronting basic structural problems and not merely improving physical conditions. Economic projects most of the time serve to inspire the people towards the benefits of collective action and self-reliance . . . .

It is only through praxis that political consciousness can be strengthened and it is only when people are convinced that change is in fact taking place that they will listen and learn the abstract concepts that must be actualized in experience. Unfortunately the *poor are unused to the practice of conceptualizing and abstracting.* The mental frame of generations of hand-to-mouth existence is one that is rooted to what a person can immediately see and hear."[52]

Although "community organization is widely held to be the most effective means through which people's participation in their own development can be achieved," and "community organization has a comparatively well-developed methodology," it has yet to improve people's lives by *their own* definition and not that of the "activist." *The use of poverty groups for the community organizer's own dissent is a constant temptation.*

(8) *The Bicol River Basin Development Program*

The latest assessment (1981) of participation in the Bicol River Basin Development Program made the following comments which deserve to be shared because these insights were derived from actual experiences in implementation:[53]

(a) The BRBDP had made a strong case that the wide range of projects which had been designed was intended to satisfy the needs of the poor majority of Bicol. One mechanism for

attaining this goal is the *participation* of all concerned in the development process — the project designers, implementors, and beneficiaries. This participatory approach could be seen on two planes: a *lateral* (coordination) link among the various agencies and institutions involved in planning and project implementation; and a *vertical* link between these institutions and the rural people of Bicol.

(b) *Beneficiary participation* was defined as:

- ☐ Enhanced capability to *respond* effectively to *development opportunities* in a manner that protects their collective interests (including *protecting themselves against the* projects planned for them if deemed contrary to their common good);
- ☐ Built capacity to *mobilize local* or *external resources* for externally or self-initiated projects on a long-term basis;
- ☐ Strengthened confidence of beneficiaries on themselves and in their own efforts to *control events affecting their lives,* so that "if development projects do not come, they won't die," and
- ☐ Enhanced capacity to *bid for participation as* a group in the *various projects* which sooner than later will come their way.

(c) Concern for *participation* by the poor majority in the development process was *manifest in various projects in Bicol fully two decades before BRBDP was established.* Popular *participation* took varied and innovative forms with ideas drawn from *agricultural extension techniques, community development* practices, urban *social work,* and *social action*-oriented missionary work. The conceptual tools and ideological biases ranged from: eliciting felt needs; identifying basic human needs; building christian communities; management by objectives; consciousness-raising; politicization; organizational development; behavioral engineering; attitudinal change; cooperativism; and the technocratic approach. These tools, seldom found in pure form, *yielded a rich blend of strategies and approaches* practiced by development workers of all kinds. In Bicol, as in many other places, the development scene is characterized by *criss-crossing paths* taken by at least a dozen frontline workers but as one exten-

sion worker noted: "our paths meet, but we do not see each other."

(d) The present overall climate in Bicol is *conducive to greater participation* by the people, based as it is on *negative factors* (faulty designs, delays in construction). Because people live in the area, they cannot help but be involved. As a matter of fact, there is a *growing clamor* from the *project beneficiaries for project planners and implementors to listen to them* mainly in an attempt to fine-tune designs, for when "planners err, the farmers pay". In this sense dissent and objections are indicative of some form of participation.

(e) Overtime, "participation" in the strategies of various agencies have been reflected in these forms:

- ☐ Soliciting people's labor or cash resources, sweat equity counterparts, (whether voluntary or mandatory).
- ☐ Organizing participants mainly for control purposes;
- ☐ Enjoining local organizations or communities to help plan and implement projects with assistance from technical staff (let the people lead and the experts follow);
- ☐ Seeing participation as an instrument (an intermediate goal to broader human development; and finally,
- ☐ Ensuring popular participation in crucial policy analysis, evaluation, correction, plans revision . . . in short, decision-making. Varying in style, in degree of success and in the extent to which participation is envisioned, all these efforts are decidedly moves in the right direction. In short, in Bicol today, the stage is set, the climate is right.

(f) A hopeful vision, as trends now indicate, is that before long there will be a *sufficient number of believers, practitioners and beneficiaries* who will clamor for participation in development efforts and thus make this *trend irreversible.* Mechanisms for *managing* the *participatory approach* will have to be made more *systematic* for *replication and spread.*

(g) There are numerous opportunities for bringing together rural people from different areas to learn from each others' experiences, to *compare notes* on vital issues such as water management etc. or how to *relate to the bureaucracy and to negotiate with government and private agencies.*

(h) There was *general agreement* among projects field staff on the *necessity of beneficiary participation* in the overall project planning, implementation and evaluation but there was *less agreement on how* to effect the participatory approach. The general impression of the *participatory approach* is *very evocative but its realization remains elusive.*

(i) The *test* which confronts the BRBDP is that of means of *ensuring that the benefits* of *development* do in fact *reach the poor majority* who are the intended beneficiaries.[54]

GENERAL ASSESSMENT

As an overall assessment of the various participatory approaches reviewed, the short-term interim verdict is that: benefits from participatory development have yet to substantially accrue to the rural poor.

SUMMARY AND CONCLUSIONS

To obtain a picture of how concept translates into action, this Chapter reviewed actual field experiences with so-called "Standard" rural organizations and people participatory approaches and identified insights and lessons from the practice of people participation in eight different projects.

A. *Field Experiences With "Standard" Rural Organizations and People Participatory Approaches*

1. *Non-government social development approach to assisting low-income groups*

The core philosophy of PBSP (Philippine Business for Social Progress) is self help based on the firm conviction that disadvantaged Philippine communities can and do want to help themselves. Social development practice indicates that what is usually needed to change this desire into reality is initial external assistance in the form of financial resources and know-how and the internal competence to use this assistance. Translated into action, this meant 5 projects: food production; small business program set up through non-collateral loans; cooperative training and development and human resource development. PBSP's assistance used 5 strategies: Community organization; small scale industries; skills training, agricultural development and cooperative development. An analysis of the first 33 projects revealed the following impact:

(a) The community organization message seemed to have gotten across. It was an accepted objective at least among more than half of those willing to go on participating in the interest of improving the community as against thinking only of their own personal benefits.

(b) In terms of *project management competence, conceptual knowledge of social development management* concepts taught through a seminar showed no one-to-one correspondence between "educational input" and "learning output" because the learners were not starting from the same base. For some learners, the information was *new;* for others, it was *additional, reinforcing,* clarifying, expanding, and even conflicting. The *end result was only half of the participants understood two-thirds of the concepts.* On management tasks performed, the task *least performed* was *implementing activity.* On management practices, half of the projects showed poor financial management and more than half had obvious inadequacies in program implementation. *Fast turn-over* of *personnel* was a common problem.

(c) On group development and leadership formation, *the groups performed better in setting up their organizational structure but had more difficulty in implementing organizational objectives.* It was easier to design the

organizational format than to make it work. The *group leaders rated themselves lowest in eliciting group/community participation;* mobilizing local and outside resources and needed skills for resolving conflicts.

(d) An evaluation of PBSP's experiences with 25 agri-business projects showed that the attainment of the increased income objective was the most difficult of all.

(e) PBSP's institution-building network consisted of *first-level* proponents, both indigenous and professional, ranging from sectoral and religious organizations to local foundations which are capable of initiating and sustaining development projects; *second-level* institutions which had been developed as resource centers where new proponents were sent to learn the rudiments of a particular project's management. The *third-level* in this service network is the *consolidation of learnings on field, pilot testing* of new programs and continuing to develop *least-cost* solutions.

(f) It was apparent that *community organization* (C-O) for PBSP meant more of *organization and management* and not so *much of conflict-confrontation.*

2. *The Institutional Component of Irrigation Development*

The National Irrigation Administration (NIA) regard success of irrigation developmental undertakings as greatly dependent on the active support and total involvement of organized groups of water-users themselves. The studies reviewed on farmer response to irrigation association in a large irrigation system and farmer participation in communal irrigation systems yielded the following highlights:

Large irrigation system

(a) When asked whether members of the irrigators' association *should, can,* or *want* to own, operate, and maintain the irrigation system, more than *two-thirds* said "No", they *should not;* they *could not* and *did not want* to own, operate, and maintain the system. Reasons for the negative replies were lack of capability;

lack of time; lack of knowledge and lack of cooperation among farmers. Others candidly remarked that NIA was already doing the job and should just improve their performance; *farmers did not like the* additional responsibilities; *somebody else should be in charge, not the farmers.* Although a majority of the members indicated willingness to give voluntary contributions and perform irrigation functions, when *asked what functions they wanted to perform,* more than half either *gave no response or wanted no responsibility at all.* Those willing to take on a role were mainly interested in gainful employment with NIA.

(b) The test of the *benefit-participation contingency hypothesis* which said that: "the more that a member obtaining benefit from an organization is dependent on his participating in the organization to obtain the benefit, the more he will take part," showed that *receiving irrigation service was not at all contingent upon their participation in the association.* As a matter of fact, even non-members could avail of the irrigation service. The benefit which was perceived as *most contingent upon participation* was identified as the *ownership, operation,* and *maintenance* of the irrigation system by the farmers. Ironically, this was the one thing which farmers said they should not do, could not do, and did not want to do. The question raised was whether it was possible to design a large-scale irrigation system such that receiving irrigation services would be contingent upon their participation in an irrigation association. Furthermore, one suspects that many farmers would prefer to obtain benefits without "participation" in the association, if this were possible.

Communal irrigation systems

(c) A study of communal gravity systems found that the larger systems tended to have a more structural organization. It was likewise evident that among medium and larger systems, *those with insufficient water supply were better organized* than *those with sufficient water supply.*

The reverse situation appeared among *small systems* which had sufficient water but also *had structured organizations managed* by strong leaders, usually operated under the *leadership of one person.*

(d) One of the most important reasons for wanting to improve the management of irrigation systems is to increase productivity. The study showed that communal systems which had a water distributor, water distribution units and regularly scheduled maintenance tended to have higher yields than those who did not possess any of these management attributes. However, when water was scarce, the positive relationship between these management characteristics and farm productivity in a system became nil. In other words, organization and management could not substitute for water.

"Participatory" communal irrigation association

(e) In a participatory pilot project aimed at developing "two communal irrigation associations to such a degree that their members would fully participate and become self-reliant in managing their irrigation system", it was found that changes in degree of organization participation, leadership style, and system management had occurred after several months of project implementation. However, the question of whether the participatory scheme contributed to greater sharing of development benefits was not dealt with at all. As a matter of fact, the project report simply stated that: "their eventual mass sharing of benefits seems assured".

(f) It must be pointed out that majority of the farmers considered that their most serious problems were economic in nature and almost half of them pinpointed *poor irrigation* system as a major *cause of their financial condition.* To improve their economic status, improvements in farmers' production must take place. Unfortunately, in the more directly production-related activities such as *water distribution schedule* and *cropping patterns,* there was hardly any change in the former and the latter *was completely non-existent.* It was acknowledged by the

project that these two practices are very difficult to implement and require the full cooperation of the association members.

It would seem that it is in the implementation of these two major practices that the technical and social components of the irrigation association come together and it was precisely this "meeting ground" which would contribute to the realization of benefits from irrigation. Furthermore, these were the very activities which required the most of "groupness," "sharing" and willingness to subordinate individual to group welfare. This could have been the crucial test for success in community organization.

(g) In this project it was also expected that farmer participation in system planning and construction would result in "better designed and constructed irrigation system more likely to meet farmer needs." Ironically, the irrigation dam was washed away more than once just as it had been before the "participatory" approach was implemented. A more important question might be: Where a technical solution to a problem is difficult to find, what could community organization contribute to the solution of the irrigation problem? Considering the environmental realities in the area, perhaps a more realistic solution is the deliberate planning for a "wash-away" dam which would be rebuilt after each flood. The role of C-O could then be defined in the context of "replaceable" technology.

Combined "hardware" and "software" in water management

(h) An experimental attempt was made to use some hardware in order to obviate the "software" problem of conflicts associated with equitable distribution of available water supply. The major difference between the treatment and control areas was that the control site had minimal improvements in terms of physical facilities and canalization. The treatment area with the *sub-system management technology* was more developed in terms of turnouts, intensive farm ditches, measuring devices etc. The

rotation methods of *tail-end first, middle next,* and *head last* was used. A year after implementation, farmers in the *treatment area reported fewer conflicts* than the control site. Furthermore, because of the more intensive farm ditches which had to be cleaned in the treatment area, cooperative work was called for more often thus encouraging more contact among farmers and more participation in other group activities. They likewise expressed greater satisfaction with irrigation services.

(i) The watertenders realized that the major reason for illegal checking in the past was the absence of turnouts with locks, checkgates and measures to control the flow of water, thus farmers could easily get water outside of their schedule. With the sub-system management technology the watertender knew when the water decreased and increased and could immediately check why. The farmers, at the same time, knew the amount of water that was flowing.

(j) In the implementation of the sub-system management technology, *not many farmers had been involved in decision-making* regarding the schedule of water delivery and water distribution. Apparently the *nature of the technology did not require that everyone be involved* in order to achieve a more equitable water distribution. As a matter of fact, by *technological design, tail-enders received water first.*

(k) These findings illustrate how the application of hardware (the sub-system management technology) affected water control and distribution and consequently farmer behavior vis-à-vis access to irrigation water. Given this observation, it was tempting to take a second look at the article entitled *"Can technology replace social engineering"* which asked: "In view of the simplicity of technological engineering and the complexity of social engineering, to what extent can social problems be circumvented by reducing them to technological problems?" The article also rightly said that it is *very difficult* "to *persuade people to behave differently than they have behaved in the past."* The attitude toward water sharing, for exam-

ple, is a good illustration of this difficulty. From the results of the experimental project reviewed, farmers would not share water at all or only if they had fully irrigated their own farms or if they did not need the water yet.

Who belongs to the irrigation association?

(l) From the data on who belongs, who leads, whose advice exerts influence in the irrigation association, it appeared that although members were mostly small farmers and many were owner-operators, it is very possible that non-farm members and part time farmers could very well be the wielders of power in the organization. Perhaps it is not average farm size, average education, average farmer, average tenure status and the characteristics of the majority membership which require scrutiny. We should begin to look at the *"minority" members* such as two share tenants who operated 8 and 11 hectares respectively; and the *non-farmer members* such as the project inspector and the government employee who was the only college graduate. They were most likely, "minority" in number but not in power. Leaders of communal systems which did not have formal associations likewise exercised considerable influence for they came from positions of authority, wealth or ownership of the dam.

Indirect beneficiaries of irrigation development

(m) Although landless laborers are not members of the irrigation association, irrigation improvements have had an indirect benefit to them in terms of employment in the different production and processing tasks. Irrigation helped spread out farm labor opportunities during the year. To the extent that irrigation improved production, harvesters and threshers benefited that much more.

3. *Farmers' Associations and other Rural Organizations*

Formally organized groups in the rural areas are relatively

new in the Philippines. At present we have a proliferation of such groups. On the surface, we seem to be "overorganized". From a review of experiences with a variety of rural organizations the following trends emerged:

(a) With the advent of the New Society in 1972, a change in leadership in rural organization occurred. Despite martial law, majority of the members felt that they could freely express their views.

(b) The average village resident was usually asked to participate in the implementation stage of an organization's activities but was left out in the planning phase. Mobilization of village residents was often sought for the free labor they could contribute and this was most successful in projects oriented to the improvement of the community's physical appearance.

(c) Government groups appeared to be more successful than private ones in delivering messages from the grassroots to the bureaucracy and in facilitating the delivery of services to the people. Through linkages, they were able to mobilize support from among the higher-ups particularly government agencies.

(d) The larger the socio-economic differences between leaders and members, the more an organization was able to produce service outputs. It was felt that the socio-economic resources of rich leaders (i.e. money and contacts) made their organizations more efficient at the tasks at hand. Better-off leaders functioned as an asset, and not as a liability in the organizational machine. Another study reinforced this conclusion and argued that "an association of homogeneously destitute individuals may result in a destitute organization."

(e) The characteristics of *participation, administrative performance,* and financial capability *did not have significant relationships* with any of the *four development* functions such as: mobilizing support within the rural community; articulating and processing local needs and demands; developing two-way communications; and facilitating the delivery of services. It was inferred that perhaps *participation helped the members themselves primarily at the level*

of the individual but in no significant way increased the output services of an organization to its immediate community.

(f) Overlapping membership in 2 or more organizations in the same community was quite common.

(g) In one study, members perceived their organization as helpful in promoting unity and cooperation among people but that the *village itself was not dependent on the organization for its welfare.*

(h) Higher status members were more active and more involved in organization activities.

(i) Organizational leaders tended not only to come from higher socio-economic status than memers but decision-making also tended to be concentrated in the hands of a few: A study of barrio councils showed that majority of the members had a low level of motivation and almost half were not interested in reelection.

(j) The interaction process is a decade-old organization and was highly centralized despite its years of existence. The significance of communication and information sharing was highlighted for it was admitted that *"genuine participation implies a certain parity of knowledge between the decision-makers, leaders, and those affected by the decision."*

(k) Many of the programs being implemented at the village level were packaged programs whose planning and decision-making processes were made by high level policy decision-makers from the different agencies and brought to the community for implementation. *Rural organizations were created as the fulfillment of a countrywide plan conceived within a highly centralized national bureaucracy.*

4. *Health Service Delivery Systems*

(a) A study of 5 rural health delivery systems attempted to test three hypotheses: "Integrated approaches to health service delivery tend to be more effective than sectoral ones. In turn, participation also tends to increase the

effectiveness of service delivery. Integration tends to be accompanied by participation in that intersectoral approaches often call for the mobilization of the people." These three hypotheses on the *interrelationship between integration, participation and effectiveness were only partly supported.*

(b) All the 5 programs had been able to improve health conditions; make people aware of their existence; deliver services to a large population including the poor; and managed to satisfy its intended beneficiaries. The programs all had a salutary effect on the communities they had served.

(c) Two projects had been successful in involving the poor in their participative schemes when they made special efforts to seek them out for specific roles in the delivery system. However, *their greater participation in the program had not necessarily led to greater benefits.*

5. *People Participation at the Integrated Area Development (IAD) Project Level*

One of the most important rationale for the adoption of the IAD strategy was to provide for the mobilization and involvement of local leadership and local people in the various management activities of the IAD projects. A study of people participation in an IAD project made the following general observations:

(a) Practically all farmer-respondents (93 percent) believed that local people participation was necessary in the management of IAD projects. On the other hand only 69 percent of the Project Management Staff (PMS) felt the same way.

(b) More active participation in IAD project management activities tended to be associated with higher education; higher income; satisfaction with their involvement; owner/amortizing owner tenure status; community as against individual-oriented value-orientations; favorable attitudes toward participatory concepts; satisfaction with more participatory-leadership style; membership in com-

munity-based organizations; more attendance in and greater satisfaction with training programs.

(c) The implementation stage had been more participatory than the planning stage. Monitoring and evaluation were the activities least popular and least participated in.

(d) On the nature of participation during implementation, it was interesting how the PMS and farmers differed in their perceptions. The *management staff emphasized* how *participants benefited from the projects* through hired labor and training programs while *farmers perceived* their participation in terms of activities which they *"contributed"* to the project such as providing free labor; paying irrigation water fees, etc.

(e) Dissatisfaction with the nature and extent of their participation in different phases of the project included such things as: local interest groups were more vocal than the general membership; many members of the community were not fully informed of the activity; planning was a very long process; their suggestions were not followed; there was always initiation but no implementation of projects; their involvement was imposed, etc.

(f) When asked about the nature of their participation, farmers mentioned being *project beneficiary; project implementor;* and being a *source of information about community needs and problems.*

(g) PMS and farmers' perceptions of problems in generating local participation differed in the sense that PMS tended to view the *problems* as coming *from the beneficiaries* while *farmers tended to perceive the problems as arising more from the side of the government agencies.*

(h) In general, farmers exhibited very favorable attitudes toward community action and people participation concepts. However, they realized also that involvement in community development projects is costly and time consuming on their part.

(i) People participation was not attractive to a third of the farmers for whom an authoritarian leadership style and dependence on government had not lost their appeal.

6. *People Participation for Irrigation Development*

(a) Using the participatory approach, community organizers were deployed to organize farmers into irrigation associations. Generating people participation was translated into such day-to-day activities as preparation of farmers' lists; mapping of the irrigation area; *groundwork* to contact farmers; identification of potential farmer leaders; organization of sub-groups and committees; conduct of walk-throughs, etc. The C-O approach, in effect, means a great deal of information-generation, processing and dissemination because participation essentially involves communication directed two-way, horizontally and vertically from "inside" to "outside" and vice-versa.

B. *Some Insights and Lessons from the Practice of People Participation*

Lessons from the practice of people participation in eight different projects include the following:

1. *Social development, income generation and the poor*

(a) Strategies presently being used cannot be applied to the poorest of the poor for any assistance given to them would be used for survival.

(b) While social development project proponents needed to be generalists in order to respond to a wide variety of community problems and needs, *special skills for income and employment-generating components were sorely lacking.* They likewise found it easier to *effect group development if the group were homogenous.* These observations bring us back to the use of *generalist or specialist; sectoral or systems.*

(c) In the search for *"least-cost solutions"* the *community-leader-volunteer paraprofessional* had been pinpointed as an alternative to the fast turn-over of professional workers.

(d) The need for shortening the waiting time for the benefits from participation had been recognized.

2. *Participation and community organization in agro-forestation and upland development*

   (a) The formation of strong farmers' organizations emerged as a necessary condition for a sustained effort at agri-silvicultural practices.
   (b) Active involvement of farmers in upland development was brought about by two factors: *physical proof* that activities were being undertaken for the farmers' benefit and the *demonstrated respect* for farmers' opinions and ideas. *Implementation activities* needed *to be undertaken as part of the project design process* and prior to the finalization of a project paper.
   (c) Most of the kaingin-making and the deforestation it implied was done to generate cash income although it was assumed that they were more interested in food production.
   (d) The *first tenure* concern of *upland farmers* was *security on the lands* where they had built their homes and not on the land which the farmer tills.

3. *Small Farmers' Grassroots Organizing to Enhance Agricultural Productivity*

   The results from a small farmer organization project to determine whether a bottom-up system of organization could be more effective in stimulating joint action by groups of farmers for the purposes of integrated pest management, systematized water management and group credit, were promising in terms of possible benefits in insect control and reduced irrigation demands. A notable accomplishment was the farmers' collective repayment of past due Masagana 99 loans worth more than a million pesos. The research staff however could not as yet explain the causes of this breakthrough. Some things the project had discovered as to how farmers learn are very valuable in devising new technology. Some of these lessons are: Farmers are not accustomed to abstract thought; farmers are extremely pragmatic; farmers are very sociable in their intellectual habits; and farmers require authority.

4. *Barangay Water Project*

The Barangay Water Project was an attempt to provide household water supply to more people in the countryside. In effect, it was a project to increase benefits reaching rural people. In a preliminary analysis of its impact, the actual users were found to be far less than the expected or reported beneficiaries. *Water quality* was an important reason. Where water quality was low, level of use was also minimal. For sites with problematic water quality, there were real environmental or physical problems. In general, where the water was of good quality, there were already other systems where people could fetch water.

Some barangays were more blessed than others in terms of favorable water sites. The question is: How does one achieve equity in access to water services under these unequal physical endowments?

5. *Manufacturing Establishment Workers' Response to Participatory Opportunities*

Findings from the study of Metro Manila manufacturing establishments were included in this review because of their more general implications regarding workers' response to "participatory" measures. Researchers observed that despite newly-formulated laws encouraging workers' participation in deciding issues affecting their general welfare, workers generally remained passive and often needed an initial push to enable them to air their views. Workers' participation was limited only to their negotiations with management on collecting bargaining agreements involving wages and fringe benefits which were renewed once every three years. In some cases, management seemed even more aware of the worker's potential and capacity to make decisions than the workers themselves.

6. *The Bangladesh Rural Advancement Committee (BRAC)*

Gems of wisdom from Bangladesh were presented because there are some fundamental lessons on people participation offered such as: *Organization of disadvantaged groups*

is only a beginning. After that, one has to explore viable economic alternatives for them. The conscientization process, the dialogues are methods of recognizing problems and motivating them to seek solutions actively, but in the search for solutions, there is no escape from productivity increasing technology.

7. *LINK-COD Programme (Linking With Communities for Development)*

Similar lessons were expressed by a political activist engaged in community organization who said: *"The average community is confronted by the problem of economic welfare. Most of the time the people expect an organizer to improve their economic conditions. . .* the poor are unused to the practice of conceptualizing and abstracting. The mental frame. . . is one that is rooted to what a person can immediately see and hear".

8. *The Bicol River Basin Development Program (BRBDP)*

The latest assessment (1981) of participation in the BRBDP concluded that:

(a) *Concern for participation* by the *poor majority* in the development process was *manifest in various projects* in Bicol *fully two decades* before BRBDP. Popular participation took varied and innovative forms with ideas drawn from extension, CD, urban social work, and social action-oriented mission work. Conceptual tools and ideologies seldom found in pure form yielded a rich blend of strategies and approaches practiced by development workers of all kinds.

(b) The overall climate in Bicol was judged as conducive to greater participation by the people based as it was on *negative factors* (faulty design, delays in construction). In this sense, *dissent and objections are indicative of some form of participation.*

(c) There was *general agreement* on the *necessity of beneficiary* participation in the overall project planning implementation and evaluation but *there was less agree-*

ment on how to effect the participatory approach.

(d) The test which continues to confront BRBDP is that of means of ensuring that the benefits of development do in fact reach the poor majority who are the intended beneficiaries.

GENERAL ASSESSMENT

AS AN OVERALL ASSESSMENT OF THE VARIOUS PARTICIPATORY APPROACHES REVIEWED, THE SHORT-TERM, INTERIM VERDICT IS THAT BENEFITS FROM PARTICIPATORY DEVELOPMENT HAVE YET TO SUBSTANTIALLY ACCRUE TO THE RURAL POOR.

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COMMENTS

The following pages present the comments of the four discussants invited to react to Dr. Gelia T. Castillo's study. Their comments were presented during a seminar sponsored by the PIDS on July 28, 1982 at the Operations Room of the NEDA Makati Building.

COMMENTS OF MANUEL SOLIVEN*

I am grateful to Dr. Castillo for a thorough and very interesting paper. I have been asked to comment specifically on the subject matter of the Masagana 99. I presume that Dr. Castillo's long thesis on bayanihan has a great deal to do with the use or abuse of the concept of bayanihan on the Masagana 99 program. Obviously, sociologists and economists have different priorities. Our priorities are in the manner of physical attainment like tons of increase in the yields of certain crops, etc. Whatever abuse might have been used in the concept of the bayanihan in Masagana 99 was due to the lack of any other label to adhere to in the implementation of the program. Admittedly, the program was a crash program. A Singaporean friend of mine once commented that it is all right if a crash program at least achieves its goal before it crashes. We did achieve our objective in the first 2 or 3 years of the Masagana 99 program. We brought the country out of a very sorry state of rice deficiency. This is when we suffered from a 20 percent reduction in production from the previous peak yield in 1972-73 and then we suddenly achieved a 26 percent increase virtually overnight largely through the Masagana 99 program. True enough, we picked up the bayanihan idea as something to latch on and created the production unit called *selda* as the main foundation for the supervised credit program. We felt that with the bayanihan spirit, a *selda* could work for the appreciation of a credit program. Hence, we instituted a credit scheme whereby the usual provision requiring security in the form of a collateral or a second signature for a loan could be satisfied by a bayanihan type of organization. At that time, a *selda* comprised of a minimum of 5 farmers (each of whom is a borrower) to as many as 15 farmers. The idea was to pull together people who are related to each other one way or another, either brothers, fathers and sons or close neighbors in the village. We also prescribed certain guidelines in the determination of who could constitute a *selda*. Such rules involved the selection of farmers who have some common features in their activities or who

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have similar-sized farms. The yields were to be more or less the same. There should be no high-performer group nor any "notoriously" low-performer group. There should also be a predisposition to employ new technology commonly accepted by all the members of the *selda* and the members must be willing to submit themselves to the guidance of the government extension worker who would be involved in the credit scheme.

There was therefore no intention to abuse the concept of bayanihan, which was believed to be part of Philippine morals. The idea was to use it and adopt it as a means of achieving the goal of reaching as large a number of farmers as possible and of getting the farmers to use new rice varieties and adopt new technology that came in the scene. The record clearly shows that it worked.

The process of crash, as we call it, took place in the third season when the banking institutions, after getting a 90 percent collection in the first 2 crop seasons, went overboard and expanded their lending recklessly. Perhaps, there was a lack of quality control in the formulation of additional *seldas* especially when the Ministry of Agriculture extended the coverage of Masagana 99 to non-irrigated and rainfed areas. The results came during the third crop season and the banks were already in big trouble. From then on, it was a process of slow decline. So much so that many of the banks that got involved in the program are now facing a situation where they experienced bad loans constituting 90 percent of their outstanding loans as of last year and left only 10 percent for lending for the current year. However, let me qualify this. We did achieve a cumulative collection performance of 80 percent of actual loan flows. In other words, we got back 80 percent of what we actually lent out. It is a statistical fact that the accumulation of 20 percent every year builds up in the bank's portfolio so much so that it comes out 90 percent of its outstanding. This is what is killing the banking institution since the allowable Central Bank default rate is being surpassed in many cases.

I agree with Dr. Castillo's observation that there was a tendency for the banks in the countryside to become mere dispensers of the wholesale credit available from the Central Bank and not really financial intermediaries in the sense that they forgot the role of generating savings from the rural community in order to let these savings flow into such programs as Masagana 99. We cannot really blame the rural banking system nor the other banks that participated in the program

because that was the only beneficial way for them at that time since generating deposits is costly especially if 20 percent is kept as reserve. The money obtained through the rediscounting facility of the Central Bank would cost as low as 3 percent, so let us not place the blame where it does not belong.

On the other hand, in the case of the Philippine National Bank, we actually generate more money from the rural communities than we actually invest in the rural communities. The head office, in fact, is being subsidized by funds generated from its rural branches. But we are trying to correct this. This is the case in so far as deposits or real savings are concerned.

COMMENTS OF MELIZA AGABIN*

I would like to comment on a few, specific items particularly on compact farms and credit. I have taken the liberty of inviting 2 persons who have been very much involved in compact farm implementation, Mr. Bob Porter, Officer-In-Charge of the Agricultural Credit Agency (ACA) and Mr. Greg Ramirez. I thought this would be of interest to them.

From Gelia's treatise, I get a feeling that if you look at the positive and negative findings on the compact farm studies, you seem to end up on the negative side. I think this has to do with the fact that most of the studies reviewed were done during the early 70s. But present-day experience on the compact farms, if these were known, can tilt the balance to the positive side.

I am quite familiar with the operations of some of the ACA compact farms and they are quite successful in many respects which would tend to present a different picture. Let me just quickly enumerate some of the things that I have closely observed with respect to the operations of the compact farms that I am familiar with. A few of these are the compact farms that one finds in Ilocos Norte – the garlic-based compact farms – and the rice-based compact farms in Isabela as well as in Pangasinan.

They operate in a relatively successful manner. First, because there is a strong leadership and the members believe in this leadership. The members of the compact farm take part in planning and decision-making with respect to the activities of the compact farm. Second, the ACA personnel and the farm technicians are there to supervise the production aspect. They relate closely with the farmers' group; they are also quite conspicuously present, not conspicuously absent. The farmers see them and when they are needed by the farmers, they are there. They respond immediately to the calls of the farmers. Third, in these compact farms, credit delivery is also what one might describe as "doorstep delivery." The farmers individually do not have to go back and forth to the ACA Office to file the loan application, follow-up the loan, get this loan and so on and so forth.

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By "door-step delivery", the transaction cost incurred by farmers in getting a loan is tremendously reduced. The farmers, since they as a group purchase inputs in bulk, are also able to get discounts on the inputs obtained from the loan. These then become savings of the group.

Fourth, marketing arrangements also exist. Post-harvest facilities are within reach and as a result of all these, they are able to feel the benefits. ACA, in turn, is able to get very good repayments, no less than 100 percent in at least 3 compact farms that I know of. Such good collection is experienced in a sustained basis.

The compact farm project has, in some respect, enabled the farmers to undertake expanded farming operations. Farmers do cooperate and feel tangible benefits. The group becomes viable and is able to exist on a continuing basis. In fact, farmers have demonstrated that they will do anything, comply with anything, pay anything and will even be willing to pay much higher price for the loan inasmuch as they can feel the benefits. These are my observations on compact farms.

Now on the observation regarding the benefits of higher productivity, which Dr. Castillo finds to be neutral with respect to membership in organization, whether it is compact farms or Samahang Nayon, – I agree with her observation.

But what I believe would be a better measure to take would either be the increase in yield which translates into higher income because of the arrangement or the pricing received by the farmer.

On the economies of scale, let me go back to the compact farm. This has to do with land consolidation. The author refers to the objective of compact farms which says that land consolidation is an objective because it will bring about economies of scale. I agree with the author's observation that this is not necessarily so with respect to small farms. I agree with her when she says that smaller farms have higher productivity. This is true in the Philippines. This is also true in other Asian countries. The economies of scale principle does not really work with the plan consolidation per se. The economies lie elsewhere – in getting inputs, in transporting the product, in marketing. And in places where the land has to be prepared mechanically especially in places where labor becomes scarce during land preparation time, economies of scale can also exist in the use of machineries.

Let me now go to credit. Manny Soliven has touched on the seldas and banking institutions' side of the Masagana 99 credit. I am happy to know that the author has used a lot of the Technical Board for Agricultural Credit (TBAC) studies and I guess my observation would not be in the form of disagreement but only clarification with respect to group lending.

Group lending as practised in Masagana 99 and other programs is not really a group loan per se. Loans are still individual loans. The only significant feature of group lending is the joint loan liability but loans remain individual accountabilities. Group lending is really adopted as a measure to compensate for the lack of collateral and Dr. Castillo observed this in her study.

On the ability to repay, the author observed that (a) conventional measurement bases ability to repay only on the basis of the return from the farm enterprise; (b) credit is based on the normal cropping season which does not take into account calamities, and also on price assumptions that the farmers will receive under "ideal" conditions. I would like to go one step further and say that in measuring the ability to repay, we have also failed to consider the farm household, the cash flow, all his income and all his expenses plus all the other obligations and debts that he might have at the time that he is transacting the loan in the bank.

My last points will be on the informal sources of credit. These are presented more as additional insights rather than criticisms or comments on what Dr. Castillo has in her treatise. The first observation with respect to informal sources is that the interest rates have declined over the last 3 decades. We would like to attribute this decline not only to the expansion of the countryside banking outlets but also to agrarian reform and, of course, to Masagana 99 and all the other government credit programs. In areas where tenurial arrangements have improved a lot, this has changed the structure of society, and credit is based on a different relationship. We have found that where landlords are no longer there and banks are able to extend financial services, input dealers more or less are able to provide credit comparable to what it would be if you get the loans from the bank even at regular rates.

Dr. Castillo also observes that interest-free loans are quite substantial in the informal market. This is one point which I'd like to stress and is oftentimes overlooked. You know, when one starts talk-

ing about informal sources, the traditional biases and stigma are always there. We find however that zero-rate loans were available even in the 50s, 60s or the 70s. In one TBAC study in the late 70s, about 1/5 of such loans were reported to be truly interest-free. But it is also true that traditional credit arrangements in the informal sources like *talinduan* and *takipan* are still ubiquitous and seem to be active in areas where the farmers or the community are economically or tenurially disadvantaged. In fact, we observed that the determination of the cost of credit under such arrangement is less dictated by market forces and really more by the traditional practices. We still find quite a bit of credit from informal sources at excessive rates. This is using 3 different yardsticks. If we use the legal rate, the ceiling rate or 14 percent, this would amount to about over 70 percent. If we compare it with the economic cost of lending, the cost that is incurred by the informal lender, then this is still substantial. The third yardstick is when you compare it with the borrowing cost of relatively small farmer when he gets his loans from banks. We find about 2/3 of loans from the formal sources would be comparable to the effective borrowing cost of farmers. We also noted that the extent of the burden of the high interest rate seemed to be the same across farm size and educational background but not tenure. By tenure, loans to share tenants seem to be more highly priced.

Dr. Castillo also noted that the default rates in formal and informal sources of credit do not seem to be much different. I agree with this, but this is not a recent phenomenon. This was also happening in the 50s, 60s and in the 70s. And we have evidences. In earlier studies, one finds that 28 percent of the loans were defaulted loans. In a TBAC study, we found the same proportion but what happens is that the informal sources seem to be able to recover these defaulted loans over the 3 cropping seasons. That is why informal lenders are able to reduce the cost of risk to about 3 percent on the whole.

COMMENTS OF EDGARDO QUISUMBING*

When we were packaging the Masagana 99 program and deciding on a legal provision that would substitute for the provision of collateral or joint signature of the co-maker, the information available from the sociologists at that time were the volumes written about "hiya" and how Filipinos would do anything because of it. There were also volumes written about the bayanihan spirit. These were what we had at that time and so we thought that if the sociologists are right, then we could package a program based on this premise.

As we went along, though, many things happened and "hiya" no longer became as strong as it was. The bayanihan spirit no longer became the way it was supposed to be. However, at a certain point in time, I think bayanihan was really very strong but as times changed, the bayanihan spirit also changed. Now, because there seems to be a tendency to organize production programs in a similar manner as the Masagana 99, that is, using "bayanihan" and "hiya" as the basic foundation, I would encourage the sociologists to put their observations in paper since the importance of their inputs should be recognized.

Perhaps one of the most important things that had happened at the Ministry of Agriculture is the recognition by our Minister of the importance of the inputs of the sociologists. He sees the need for a strong teamwork of sociologists and technocrats and has made this a high priority in the Ministry. The kinds of questions raised by Dr. Castillo are vital for us to anticipate. We need certain information to anticipate things, to tell us what went wrong or what is good. These could be used in helping us package more effective programs. It would therefore be unfortunate if the lessons that we have learned from Masagana 99 are not heeded and not utilized in the formation of new programs. There are a lot of publications documenting the lessons that could be learned from the Masagana 99 and the problems it had encountered especially on the *selda.* The alternatives that the

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sociologists can offer may be tested perhaps on a pilot basis. We therefore welcome whatever assistance and suggestions the sociologists can offer because the human dimension has been the most overlooked dimension in almost all our programs so far.

COMMENTS OF LEDIVINA V. CARINO*

It is an honor to be a discussant for Dr. Gelia Castillo's work in a public forum like this. When Gelia was making her introduction, I wondered why she was talking about Maria Clara and Tetchie and never giving the last name. And then I realized that when you also talk of Gelia, you don't have to give the last name. Everyone would know you are referring to Dr. Castillo. So when she says she made a modest attempt, I'm overwhelmed because what would our attempt be if hers is modest? I would rather use four big adjectives regarding her work and I'll try to document them as I go along. First, monumental, second, iconoclastic, third, tantalizing, and fourth, provocative. The part assigned to me is Part II. Part II is on integrated rural development and participatory development. I will therefore concentrate my comments on this part.

The first adjective is monumental. Her work brings together a huge volume of studies, both published and unpublished. Some of these studies are very difficult to get and some I had not even heard of until I saw them in her footnotes. Surprisingly, there is no reference to underground literature. The work takes a broad sweep and summarizes stacks of materials. It is very interesting for me, having become a sociologist after the community development (CD) era to have a good, compact and concise summary of CD history and its comparison with integrated rural development. However, the inventory approach to the literature which was discussed by research project rather than by topic hides certain commonalities and differences in the studies that I will bring up when I talk about the other adjectives.

The second adjective is iconoclastic. You know the original meaning of that is a destroyer of idol. Integrated rural development and participation are high in the current hagiography of administrators, social scientists and international money lenders, but Dr. Castillo has raised a number of important issues against them. Gelia's

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probing eye does not allow idols to rest; that is why she is Gelia. She also showed very clearly why we should not mourn the passing of these idols.

Now, tantalizing. Many projects which would seem to be most promising were not discussed in terms of their effects. Maybe this is because they were in their conceptual stage when Gelia came upon them and maybe because for some, there was little information as yet on how they worked out in the field. For instance, I was interested in how the team mix – in Quezon and the BNHS – the nutrition project, food, "AIRAD" and agro-forestry project, all of which seemed to be conceptually very good projects. Do they look good because they have not yet been allowed to work? Here, with apologies to Gelia, let me quote a favorite Gelia statement. I've heard it two times before and I've seen it also in this volume. She said "Some programs are successful because they have not yet been allowed to fail." So I am tantalized by some of these projects.

Now for provocative. There are a number of statements that she made throughout the volume that need further analysis and study. For instance, the statement that institutions take the blame when technology does not work; or that one makes social problems less intractable by turning them into technical problems; or that integration should be a planning, not an implementation, device; or that, in the case of an integration program, one of its elements is bound to work. I am not sure the last is accurate. I am aware of some programs where not even one works.

The conclusion in Chapter 6 that integration was conceived as a solution to certain problems in rural development but the implementation of integration created its own problems provokes a lot of questions. For instance, what went wrong? Is it inherent in the concept of integration? Is it in the implementation? Is it the implementors? Or is it the regular situation in the environment that did not allow integration to work? Is it the complexity of integration? In other words, the questions are: What factors may be related to successful integration or to unsuccessful integration? I think this requires attention to such mundane things as the size of the integrated areas, the leadership in those areas; the role of the initiator, and the participation of the people. Even funding sources and levels. There was very little discussion of funding sources and levels. I think this is a common failing of sociologists. So the question really for the first chap-

ter here is "What is integration?" In our own study, we defined integration in two dimensions: that is, the range of activities and the number of agencies involved in the planning and implementation processes. Now Gelia's definition is really more complicated. She introduces other dimensions, for instance, beneficiaries' integration which is area-based, integration around a program or the integration of personnel. She discussed all of them in succession in this paper. The remaining question in my mind is: are all of these types creating their own problems? Or does each type have the same effects as the others? If so why? If not, why not?

On the question of the dynamics of integrated rural development, she mentioned several techniques: team building, using the lead agency approach, using the mode of integration. What are the differential effects of each type? Under what conditions does one work better than the others?

She also suggested that the leader must be provided with adequate authority to command respect and exact cooperation from the agencies being coordinated and suggested that this reads like a means of centralizing control of functions, funds and personnel of different development agencies in the name of more effective pursuit of development objectives. Further on, she asked if dependency is not a risk but the essence of integration. There is a point at which I can concede this, that is, that absolute dictatorship can be the ultimate form of integration. However, in areas where we studied administrative integration, domination and dependency were not necessarily concomitants of administrative integration. On the other hand, integration is supposed to be a partnership of co-equals. But political scientists talk about the tragedy of the commons where a case of the responsibility of all becomes a case of responsibility of none. That is the other extreme of integration. But let us not deal with extremes because we are talking here about integration in an empirical sense. It is a process which is always a difficult balancing act, where negotiations have to be made frequently and analyzed constantly.

Another issue relates to development management. This time, I think I am not speaking as a sociologist as much as a student of public administration. Gelia says that integration is problem-oriented, functional, situational, operational and therefore one in which you should not take a development management perspective. Again I concede that some people regard development management in a blue-

print perspective. But that blueprint perspective does not invade all of development management. In any case, that is not the development management we teach in the College of Public Administration. We try to deal with solutions in all their specific problem-oriented operational contexts. Development management, or even its macro-counterpart development administration, does not require that integration be regarded as an overarching central irrelevance.

Now to Chapter 7, which I enjoyed the most. There was a discussion here of a typology of felt needs. First, one gets a feel of felt needs from participatory research where people are made the subject of surveys. Second, empirically derived felt needs. That is, you ask people what they are. Third, physically determined needs where the experts tell you what the needs are that you should feel. Fourth, seduced felt needs. You know when a government person comes and says, I have a benefit to give if that happens to be your felt need. Then the fifth is educationally induced felt need. I have no quarrel with this typology. I just wish that Gelia spent more time discussing what an educationally induced felt need is because I think this is very important and it would relate to other references she made later to Karina David's participation with vision. Unless felt need has some educational component in it, then perhaps, we also can not relate it to the vision of society that we want to have here. Given that each type of felt need requires different measures, would it not also lead to different results? Doesn't a seduced felt need have a different effect from an empirically derived felt need? The implications of each part of the typology should be discussed.

Dr. Castillo has a long discussion on the argument for people's participation which she said led her to some thoughts which need further empirical verification and analysis. Because she did not discuss it this afternoon, let me just mention them to you. First, is participation utopist? Is the catalyst a miracle worker? Is people participation an achievement in itself? What is the relationship between people participation and the present authoritarian trend in government? What are the contradictions and expectations regarding participation? In her discussion, she mentioned that maybe a way of relieving the burden of the rich is by making the poor bear the burden of development. In practice, she says the bottom-up approach and the top-down approach look like the same thing especially when the bottom-up approach is sponsored by outsiders who belong to the

upper portion of society. Another point that she mentioned here is that freedom not to participate is an important freedom. All these thoughts that she mentioned are provocative enough to require a separate research agenda. What is the definition of people's participation? Who are the people? Again, this is very easy. She started by looking at the categories of people. What do you mean when you say "people"? At some point, she also mentioned that experts are also people, something that is sometimes forgotten. And then the next question, who are the leaders of the people? I want to point out that leaders of the poor people have a special characteristic that is not found in all leaders of various human groups. That is, they all want to leave the group as soon as possible. In other words, they don't want to be poor any longer than necessary. This would have an implication on questions of their representativeness, on their responsiveness and on their accountability to the people they are supposed to lead.

I appreciate also the point she mentioned about community organization as a technique that uses a confrontational methodology. Gelia asserts that confrontation is really not a Filipino methodology and to have participation as confrontational would seem to be alien to the character of the people. Using it may then affect some participation negatively. In fact, it may even be one of the reasons why participation has not given the results we were expecting.

Another point I like is her argument against the assertion that participants only in benefits are recipients of charity. This is a favorite of some participation experts. Dr. Castillo however shows that people are not naive. They realize that the rich have been subsidized for too long and it is time the poor receive some things *gratis.* And I would add: if poverty is more of structural than an individual failure, then maybe we have to assert in our works that the government does owe the poor reparations.

Now to Chapter 8. This is the last chapter on field experiences with rural organization. Gelia lists eight works that deal on participation with experiences in that field and points out eight other organizations where she got lessons. My question is: why can't lessons be learned from experiences?

The last point – Gelia said as a last statement that "the short term interim verdict is that benefits from participatory development have yet to substantially accrue to the poor." I'm dissatisfied with

that conclusion. What is a short-term interim verdict? How long do we have to wait? In other words, is it going to take next year, longer and perhaps more important, how long do the poor have to wait before we can devise a program that will work for their benefit. I think some of the programs she mentioned already give some conditions under which some benefits are given to the poor. Shouldn't we evaluate them on this? Another question we have to raise is: What kind of benefits do accrue to them and under what conditions? Also, if you are delivering a lot of services, surely, somebody gets the benefit. Who then captures the benefit? How? What can we do to reverse the process?

Gelia really has done a lot in bringing the data together. And I hope you can seduce her to follow up on some of these major points.

INDEX

THE AUTHOR

Gelia T. Castillo is a Professor of Rural Sociology at the University of the Philippines at Los Banos. She has an A.B. in Psychology *(magna cum laude, U.P. 1953)*; M.S. in Rural Sociology (Pennsylvania State University, 1958); and PhD. in Rural Sociology (Cornell University, 1960). Professor Castillo is a recipient of many national and international awards in recognition for her outstanding contribution to research and publications in the field of rural sociology. Among the most recent ones are: an honorary degree of Doctor of Agricultural Sciences conferred by the Agricultural University at Wageningen, The Netherlands during its 65th anniversary, for her excellent merits in the field of sociology; the 1984 Outstanding Researcher Award conferred during the University of the Philippines' 77th Foundation Day in June 1985; and an Outstanding Professional Award in Social Sciences from the International Social Science Honor Society of Pi Gamma Mu, Alpha Chapter, in April 1985.

Professor Castillo has sat in various review and advisory panels including the ILO Comprehensive Employment Strategy Missions to the Philippines and Ceylon; the World Bank Research Advisory Panel on Agricultural and Rural Development; the Advisory Group on Nutrition of the UN Sub-Committee on Nutrition; and the United Nations University Rector's Advisory Committee. She is also the Deputy Chairman of the Independent International Commission on Health Research for Development (Secretariat) based at the Harvard School of Public Health, from 1987-1989. On July 9, 1987, she was appointed by President Corazon C. Aquino as Commissioner of the National Commission on Women.

Dr. Castillo also sits as one of the Board of Trustees of the International Potato Center located in Peru (Chairman, 1983-84); the International Service for National Agricultural Research (The Hague); the International Development Research Centre (Canada); and recently, the International Institute for Labour Studies of the Governing Body of the ILO in Geneva for a three- year term until 1990.

She was cited by the *Federacion International de Damas Abogadas* as one of the Ten Outstanding Women of the Philippines for 1968 for her work in rural sociology. She was a senior consultant in the workshop on "Gender, Technology and Development in the Third World", sponsored by Rockefeller Foundation and International Development Research Center in New York on February 26-27, 1987.

Dr. Castillo has written numerous articles in books and journals here and abroad and has previously published two books, namely: *All in a Grain of Rice; A Review of Philippine Studies on the Social and Economic Implications of the New Rice Technology,* 1975; and *Beyond Manila: Philippine Rural Problems in Perspective,* 1979, which won the annual U.P. Research Award. She is currently working on a research project on "Understanding the Household and Quality of Life" sponsored by Winrock International through the Center for Policy and Development Studies of U.P. at Los Banos.

Professor Castillo's development concerns at home have brought her to 31 provinces and her international development activities have taken her to 34 countries in Africa, Europe, Asia and Northern and Southern America. Despite all these, she never forgets where she came from and remains "terribly Filipino" even as a doting grandmother.

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