A PATTERN OF STATE AND NON-GOVERNMENTAL ORGANIZATION (NGO)COOPERATION- THE PHILIPPINE CASE

by

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THESIS ABSTRACT

Third World development organizations including governments and NGOs, had been drawn to an increasing realization that the central task of development was not simply the transfer of resources but rather the development of the human and institutional will to put whatever resources are available in a democratic and sustained manner. In the rural development scene, the impact of both government and NGOs efforts had been limited because of the failure to exploit beneficial areas ofcooperation. While models of public-private sector cooperation were well-established in theory, they lacked fuller understanding in practice. The study illustrates that there are particular roles that the state and NGO can assume in the formal context of a rural development program, that reinforces the power and legitimacy of both rather than diminishing them. It also outlines the possibilities and requirements as to how such interdependence between the state and an NGO in participatory rural development can grant the poor more economic and political power and provide better access to resources.

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Finally and most important, to the Almighty God who moved men and organizations to serve my best needs and purposes at the right times.

PREFFACE

My interest in State-NGO relations grew out of my exposure and involvement in the field as project manager for five and a half years of the Local Resource Management (LRM) Project, a major rural development program implemented by the Philippine Government in 1983. Within that period and until the takeover by a new government in 1986, I became convinced that enough empirical evidence had been generated and with the more supportive political environment, it was very timely for the government to lay down a clear policy on NGO role in rural development activities. It was with this purpose in mind that I took a one-year leave from my position to document the policy implications of the LRM experience.

This study fall short of the standards of what would constitute a good case study. I am aware of the inadequacies of data and specific examples and the pitfalls of generalizing from limited and imprecise findings. I offer this study and its conclusions as someone who articulates a pro-government viewpoint with the understanding that the results stand as hypotheses to be discussed, evaluated and tested in other settings or through alternative viewpoints.

I have attempted to write the study bearing in mind the interests of students of government-NGO relations. However, I have had the predisposition to write imbibing the optimism of

public policy implementation. Thus I have also particularly addressed myself to those who are directly involved with the use of NGOs in programs and projects in different settings inculcating beneficiary participation as an approach.

Although I have tried to be objective, I regard myself as a supporter of the role of the state as the lead intervener in development. At the same time I also believe in the virtues and strengths inherent in NGO work but not in downplaying government. I see a place for both the state and NGOs as major channels for helping the poor cope with the problems of living in a rural society.

To my wife Roxanne, whose artistic and creative talents have been the inspiration of my intellectual pursuits and to my sons, Noel Paul and Christian.

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CHAPTER I- INTRODUCTION

National governments of developing countries have been drawn to an increasing realization that the central task of development is not simply the transfer of financial resources but rather the development of the human and institutional will and capacity to put whatever resources are available into productive and equitable use of the people, particularly the poor, in a sustained manner. This task can only be accomplished under more democratic conditions that give poor people the opportunity and the incentive to control, mobilize and manage the resources in the service of themselves and their communities.

Democratization has sometimes been operationally translated by the State into decentralization of public sector authority. But it became apparent that real substantive democratization can only be accomplished if there is a similar development at the community level of a network of independent local organizations through which people define and pursue their collective and individual interests within the guiding framework of national policy. These organizations in order to prosper must be supported by State institutional structures and policies that create the necessary social and political space for them to function in their members' interests. It is within this context that we now see the emergence of substantially increased interest

of the State in the developmental roles of non-governmental organizations (NGOs). In an era of declining financial resources and increasing poverty, national governments are turning to NGOs as a means for broadening the base of political and economic decision-making and getting more benefits more directly and cheaply to the poor than governments have been able to accomplish on their own.

Similarly, many international and national non-governmental organizations have gone through considerable evolution in their programs over time starting primarily as relief organizations and gradually making the transition to a more developmental orientation. International NGOs particularly have moved beyond a direct operational role to serve more as intermediaries in support of national NGOs. Yet whether assuming more operational or more intermediary roles, their developmental work has primarily involved supporting scattered small projects producing impressive results in a few localities but too often with limited prospects for sustainability and replicability. Partly as a consequence, they have been viewed as bit players by the major actors in the development scene.

But awareness of the limitations of the scattered small projects approach has been growing over the past few years. And a growing number of NGOs are beginning to think more broadly about effecting the necessary institutional and policy linkages with the State to sustain local development action on a significant scale and about how these organizations might be

effective in helping develop these linkages. The potential has been impressively demonstrated by NGOs in helping to reshape national population policies and birth control delivery programs around the world. However, the potentials for comparable impact on rural institutions and rural development programs remain to be realized.

Yet in the last three decades, NGOs have been very much a part of the rural development scene in developing countries. Third world governments have welcomed NGOs as alternate providers and deliverers of public goods. Their emergence as a "third sector" was symptomatic of the failure of the public sector to deliver the kinds of services that benefit the poorest of the poor. To a certain extent, this was due to their possession of special attributes that have enabled them to be successful particularly in the design and implementation of discrete, small rural development projects. However, despite some initial success in the design and implementation of poverty-focused projects, NGOs potential contribution that has remained untapped is their ability to initiate more democratic decision-making at the village level. NGOs can enhance the empowerment of poverty group sectors through the creation and strengthening of rural organizations that promote private-public sector partnership in development work.

Still, the NGOs' impact in the overall rural development scene has been limited. In part, this can be explained by NGOs which take a distant and a suspicious attitude towards the idea

of working in partnership with local and national government structures. NGOs view politics and red tape in the bureaucracy as limiting factors for effectiveness. Governments, on the other hand, regard NGOs as threats and sources of competition. And because NGOs never get to understand and generate the necessary expertise in working with government, they fail to access the single biggest development resource in a country and therefore fail to reach a larger client population. NGOs fear government control that comes with funding and this partly explains their heavy dependence and aggressive competition for scarce foreign donor funding.

Much has already been said on this relationship of ambivalence between the State and the NGO sector. In many cases of greatest impact on the poor, however, the empirical evidence on impact is particularly strong in cases where development activities work through the mechanism that allows for public sector amplification of NGO action. Successful examples of State-NGO cooperation are rare but the preliminary list continue to grow around the theme that there are areas for State-NGO collaboration that strengthen and mutually reinforce rather than diminish the power and autonomy of both.

Effective Collaboration- Is It Possible?

This study attempts to demistify the myth of ineffective State-NGO partnership by defining a specific area for cooperation in a rural development program. In so doing, it aims to fill a

gap in the literature where successful accounts on the impact of State and NGO cooperation on rural institutions rarely exist. More prescriptively, it seeks to answer the question of what roles can be assumed by the State and NGO and how these roles interplay so as to forge the necessary institutional and policy linkages necessary for grassroots decision-making in rural development. Through the presentation of a concrete experience, the study aims to demonstrate how the strategic responses of an NGO to the changing character of State development initiatives and programs are the key to its legitimacy and long-term survivability as an institution. As such, the study then proposes that the ensuing State-NGO interactions leave an indelible pattern for effective State-NGO cooperation which can be useful bases for rural development programming and implementation. The study also further attempts to theorize on how the commonality of ideology and values, development priorities and approaches can be critical factors in the formulation of a successful implementation strategy for State-NGO cooperation in participatory development.

The study utilizes the case of the Philippine Business for Social Progress (PBSP) as the key platform to build a pattern of State-NGO cooperation towards participatory rural development. The choice of PBSP was logical, it being the largest and the most prominent of the Philippines' NGOs. The country itself is an interesting case for study since the recent emergence of a popular government from two decades of dictatorship was made

possible with the support of NGOs.

Organization of the Study

Chapter I outlines briefly the theoretical underpinnings of the study namely the general bases for State-NGO relations, the government as the lead development actor and intervener and the emerging developmental role of NGOs and management of State-NGO relations. Chapters II and III examine more closely the evolution of Philippine rural development policies as well as the history and the strategic responses of PBSP to these policies and resulting conditions. The two chapters probe into the State and NGO partnership in a rural development program and analyze the nature, rationale and results of such collaboration. Chapter IV explains the factors accounting for successful collaborative experience. The chapter frames from that experience a prototype strategy for State-NGO cooperation in participatory development. It is more prescriptive in orientation in that it would define some courses of action and mechanisms for State-NGO partnership as a possible take-off point for State policy formulation for NGOs in poverty-oriented interventions. Chapter V summarizes the conclusions that can be drawn from the study.

In sum, the study proposes that there is a significant place and a role for both the State and NGOs in generating significant impact in helping the rural poor. The relationship is a legitimate and a mandatory one that needs to be vigorously pursued by both groups. What should be the proper roles and

interrelationships of each sector is what is intended to be discovered. This study aims to contribute to that search by first providing a theoretical map of the area.

Beneficiary Participation And Rural Development

Various definitions of beneficiary participation have been proposed reflecting the divergent views on the nature of the development process. They reflect the reexamination going on about development theories that were referred to earlier. Generally, there can be three definitions of participation that can be cited on the differing perspectives on the relationship of participation and development. The definitions can be classified as a continuum from a lesser to a greater role of people in the participation process.

First, participation is defined in its broad sense to sensitize people and thus increase receptivity and ability of rural people to respond to development programs as well as to encourage local initiatives (1). In this mode of participation, decisions regarding development plans, objectives and activities have already been made by central government bureaucrats, and people's participation is limited to implementing those decisions. Second, participation with reference to rural development includes rural people's involvement in decision-making processes, in implementation, in sharing of benefits of development programs and the evaluation of such programs (2). When combined together, these four types of participation

comprise an ideal cycle for development programs, although in practice, participation in these stages is limited or unequal. Third, participation is defined also as organized efforts to increase control over resources and regulative institutions in given social situations on the part of groups and movements hitherto excluded from such control (3). In this definition, participation is equated with the process of empowerment in terms of more economic and political action and access to resources. It is in this third definition of beneficiary participation that the study will focus on.

On this area, the validity of beneficiary participation as social empowerment in concept is well-established (4). Since beneficiary participation can initiate fundamental changes in the very structure of society, resistance is encountered from various sources. This is clear from people and institutions like governments and NGOs who try to give it greater impetus. One source of resistance is at the community level where obstacles to participation can be categorized as operational, cultural and structural (5). The other is from the government itself where impediments to beneficiary participation are centralized decision-making, attitudes, values, and skills of government personnel, activities-based evaluation systems and the instability of personnel placement (6). One could also add lack of information, lack of resources, complexity of planning processes, inadequate delivery mechanisms, lack of coordination and inappropriate project technology.

Three is not much that emerge from theoretical discussion on how to overcome resistance to beneficiary participation on these two fronts. The little that is known of the methodologies on how this is done can be drawn from a very limited number of case experiences. There is a growing body of literature, however, on a number of Third World NGOs working with their governments in different program settings that give rise to the conviction that while resistance to participation seem insourmountable, they are not impossible to overcome. In this area, Third World NGOs draw lessons from their First World counterparts.

The Search for The Commons

A number of propositions and models have been developed from the experience of United States and Canadian NGOs on NGO roles in public policy implementation (7). These four empirical propositions are specialization, consumerism, services provision and advocacy. In specialization, NGOs concentrate on a problem or a target group, usually low priority or controversial ones not addressed by government. Under consumerism, NGOs involve clientele in policy-making. Under service provision, the NGO is part of a delivery system in which it may complement, supplement, extend or substitute for the government delivery system. In this category, the NGO becomes a public agent purchased by government. In advocacy, the NGO performs its distinctive role and historic mission, identifying and articulating the needs of disadvantaged groups, urging improvements in development policy and practice

and criticizing or defending government services.

The above models of State and NGO relations are littered with cases examples that did not work. For the few cases that worked, the relations did very well when NGO competition with government agencies was not severe (8). These are the instances when NGOs were playing intermediary roles between the poor and the public sector. They were the brokers and advocates for the poor, helping them get access to the public sector. The NGO supplied the intermediation while the public sector supplied the resources. Under this set-up, relations often worked best when done in remote areas. Thus under these conditions, the NGO was the only tolerated institution that provided the assistance and performed organizing among the poor.

The situation changes, however, when the State moves into a territory previously occupied by an NGO. There it becomes politically difficult for government to tolerate NGOs. The alternatives open to the NGO given this situation are either to go elsewhere, bow-out or place itself in the service of the government. This dilemma is heightened particularly by cases of government turnover. Under a repressive government, the NGO may be reformist in image but this may suddenly turn reactionary under a more progressive government. The new government's reformist programs may so completely overwhelm what an NGO is doing that the NGO contribution loses its distinctiveness, become marginal and redundant. Sometimes in order to preserve its self-image, the NGO is forced to do something different or do work

somewhere else.

In addition to this ever-shifting character of the bases for State-NGO relations, there are other factors that complicate the idea of partnership work. NGOs pride themselves on being more innovative and efficient than government. The idea of government funding places them in a difficult position and they work very hard to avoid being a 'tool of government'. Sometimes by choosing to work with government, they lose their claim to distinctiveness and innovativeness by being just another non-governmental public service provider. This claim to distinctiveness and innovativeness is in fact a thorny issue (9). Available evidence show that NGO programs were shaped more by governmental interests, priorities and funds than by experimental and innovative initiatives of the NGO themselves (10).

If there is one area where the relationship is less complicated and NGO contributions are properly acknowledged, it is when the government copies, takes over or expands on what NGOs have done. When government adopts NGO programs, the NGO contribution could be described as having lowered the cost to government entities of embarking upon certain programs by first showing that they can be done (11). In this case, the relationship is often significant and often very good. There exist a good number of success cases in this area, particularly in the field of health, family planning and nutrition, but only a limited number in production-related activities.

But why does government-NGO interdependence work well in

some cases? The answer may lie in the evolving intergenerational role of NGOs themselves. The activities surrounding these roles have more or less dictated the boundaries of how far and how deep they would collaborate with national and local governments.

The Developmental NGOs-- The Third Generation

Over the years, there has been a continuing effort by the NGO community both, international and national toward making NGO assistance efforts a major force for self-sustaining, broadly-based development in the Third World. Towards this effort, there arose a considerable diversity in the assistance strategies of NGOs, reflecting what are categorized in the literature as three generations of thought and action (12).

Many NGOs of the first generation started as charitable relief organizations, relying on private contributions to deliver welfare services to the poor and unfortunate wherever they might be found. As a response to emergency situations, relief and welfare efforts represented an appropriate response to a real and immediate need, and it is expected that such situations will continue to arise, demanding immediate and effective relief action. But as a development strategy, relief and welfare currently has had a diminishing number of adherents.

Then in the mid-1970's, among NGOs and other organizations in the development community, there was an increasing recognition that attempting to relieve poverty through the direct delivery of food, health care and shelter attacked only its symptoms without

addressing its cause. NGO attention was directed towards small-scale development representing a second generation of private development effort. The new focus was towards developing program capabilities in areas such as preventive health, improved farming practices, local infrastructure, and other community development activities intended to promote local self-reliance. Some governments attempted to discourage and control such NGO efforts, seeing them as competitive with their own public development programs and fearing that independently created local organizations might represent competing political interests. Some NGOs, perceiving government as corrupt, incompetent and hostile to their efforts, have sought to avoid or bypass it, even claiming that their own activities are intended as models for emulation by public programs.

The third generation role of NGOs adds a sustainable systems development dimension missing in second generation efforts. Currently, the NGO community is conducting a reexamination of strategy around issues of sustainability, breadth of impact and recurrent cost recovery. At the heart of this reexamination is the realization that sustaining the outcomes of self-reliant village development initiative depends on a system of supportive institutional linkages and policies which in many cases do not exist. Indeed in many instances, local initiative is substantially discouraged and overshadowed by bureaucratically sponsored and administered programs of the State which create local dependence on central subsidies and extend societal control

to the lowest societal levels. In such instances, the successful outcomes of rural development initiatives may depend ultimately on working collaboratively with government and a wide range of other institutions-- both public and private-- to put into place policies and institutional linkages which will support self-sustaining local private initiative.

The number of NGOs committing themselves to third generation strategies is growing rapidly. Most such efforts are presently in their infancy, presenting demands on NGOs that undertake them to achieve a clearer definition of their own purpose and distinctive competence, while simultaneously developing a range of new capacities-- as for example in policy and institutional analysis, networking and coalition building with private and public sector institutions.

Laying the Groundwork for State-NGO Relations

It is now more or less explicit that NGOs that take on a third generation strategy would find themselves working in one way or another with government. Usually, government programs already possess the resources necessary to attain broader impact but use them ineffectively. Similarly, government command of the institutional and policy setting may stunt self-reliant initiative that can result in the effective mobilization of resources. For the NGO, this means facilitating changes in these settings on a municipal, provincial or even on a national basis. This implies a less direct operational involvement at the

community level and more involvement with a variety of public and private organizations that control resources and policies that bear on local development. But sometimes given the mutual suspicions involved, if not outright hostility, forging a harmonious and effective government-NGO relationship becomes a serious challenge.

Though difficult as it may seem, the task is not impossible. The relationship can be initiated at the minimum in one of two ways. One is by the mutual acceptance of the development agenda and the common realization that the task at hand is so large that it requires the pooling of resources and efforts to carry out the development agenda. Thus the relationship can be one of complementarity and open cooperation. The second type of relationship can be described as critical collaboration where the NGO views the government as corrupt and incapable of doing anything right while the government is distant and suspicious of real NGO intentions.

Be that as it may, the potential for cultivating a long-term and sustainable relationship presents itself, if managed and harbored to mature in accordance with the following stages (13).

First, the State allows the NGO the opportunity and the freedom to work within the context of the national and local power structure. The NGOs delivers the contracted assistance and services to the poor segments of the population. At this stage, the NGO also develops an expertise over skills and range of services made available to community clientele whether public or

private.

Second, the NGO proves that it can deliver the assistance and services at lowest possible cost and the opportunity presents itself to transfer the technology to others. The government replicates the technology and puts in additional resources to achieve a greater impact.

Third, having established credibility in its organization and programs, the NGO can move into policy advocacy over and above its role in program implementation. Since it has the expertise base and organized support from the population, government accepts and permits advocacy to influence reorientation of policies, programs and decision-making in its institutional structures.

The above enumerated steps do not proceed in a neat, coordinated fashion. In fact, the process is bound to be a messy one as the prototype case-- the State as represented by the Government of the Philippines and the NGO as represented by the Philippine Business for Social Progress (PBSP)-- illustrates.

CHAPTER II- THE STATE AND NGO IN RURAL DEVELOPMENT-- PAST AND PRESENT

Challenges of a New Regime

In just about two years, President Corazon Aquino's administration has initiated important political reforms designed to redemocratize Philippine society and to bring the government back to its republican structure. Two decades of rule under

former President Ferdinand Marcos (fourteen years of them under dictatorial control) inexorably emasculated the country's democratic institutions and eroded people's constitutional rights. Since 1972, the thwarting of popular sentiments and the consequent deceleration of economic growth in the early 1980s led to the polarization of Philippine society, the disenfranchisement of the poor, and the rapid expansion of the insurgency movement. All these conditions point towards the direction that the Philippines was ripe for a revolution.

But the resilience and the democratic principles imbibed by the Filipinos as part of their colonial heritage made them opt for a less violent means of political change. In a rare display of people power, Filipinos took to the streets on February 22-25,1986 supported a breakaway military group, installed their own duly-constituted civilian government headed by Mrs. Aquino as President, and thus ended Marcos' dictatorial regime.

The transition from dictatorship to democracy has been swift, without historical precedent and continues to enjoy massive popular support. Immediately, the new government restored basic freedoms, undertook military and judicial reforms and initiated bureaucratic reorganization. The overwhelming ratification of a new constitution and the holding of congressional and local elections placed the government on a solid legal basis and accomplished the main agenda for full political normalcy.

The euphoria that greeted the ascension of the new

administration, however, was accompanied by high popular expectations, on the one hand, and diminished public resources on account of the economic crisis, on the other. The government, therefore was under very strong pressure to improve quickly the lives of a large percentage of the population particularly, the rural poor. The extent to which this revolution of rising expectations can be met in the next few years is a crucial issue with serious political implications for the future stability of the country.

Given the economic recession since 1983, estimates are that seventy percent of the population live below the poverty line-- a disproportionate number of these undoubtedly live in rural areas. Notwithstanding what appears to have been an economic upturn in 1986-87 attributable to progressive and enlightened strategy and policies, assured economic recovery and development is not yet in sight.

Among the guiding principles of the new government's program for development are a strong free market orientation with a heavy reliance on the private sector, increased efficiency and the overall reduction of poverty. The core of the strategy is rural-based employment generation with special attention to agriculture. This priority sector is to be supported by agricultural marketing reforms, strengthening of the rural banking system for the expansion of credit to producers, price supports on selected commodities and other forms of risk reduction as incentives for agricultural development.

It is clear that the present government gives emphasis the the mobilization of the rural sector and poverty alleviation. A cursory review of rural development policies in the 1970's shows that the policies at least on the rhetorical level, remain substantially similar to those of the past. If they are at all different, it is on the matter of assignment of a more generalized role and space for NGOs in rural development.

Participatory Development In The 1970's-- Fact or Fiction?

By the early 1970's, it was quite evident in the Philippines that the prevailing development strategies had not brought the results they claimed they would. Although if the economy had attained significant gains in GNP, absolute poverty and inequality had increased. As a result of the reappraisal of development policies and programs, the new development approaches emphasized a greater role for agriculture and related industries in the development plans, the use of labor as an abundant resource, employment generation and wider distribution of benefits. They also gave a more central role to community participation through an emphasis on decentralized administration and flexible planning, on efforts to raise production among small farmers, and on providing the poor with better housing, health care and education. Since then, the concern for more beneficiary participation in development has become quite widespread. Because much of the expressed interest was simply rhetoric, participation was divested of its real significance for development. Thus by

the late 1970's, government sponsored and coordinated programs supposedly based on participatory approaches mushroomed in the areas of primary health care, communal irrigation development, integrated rural development, marketing cooperatives, communal farming systems and social forestry (14).

During the same period, the anchor for the Philippine rural development strategy was the integrated rural development program (IRD), a program that claimed beneficiary participation as one of its primary components. It was distinguished by its holistic or total systems approach to development within a defined geographic area. The overall objectives of the program were to expand physical infrastructure, improve basic services, further land reform, increase agricultural productivity, and promote private sector investment. Despite its claims of enlisting beneficiary participation in its planning and implementation processes, the IRD program was still essentially a top-down approach to rural development. Substantive decisions regarding the sites and the primary components of an IRD project are made by government bureaucrats and consultants of the foreign lending agencies. Also, the IRD program focused heavily on infrastructure development and on increasing productivity, are the priorities of the funding agencies, rather than, for example, land reform of which might assume the beneficiaries would be in favor.

Concomitantly, various types of rural organizations, particularly cooperatives, have been widely promoted as significant media of government development policy. However, the

Philippine experience with cooperatives can be described as dismal. A study of post- 1970 rural organizations concluded that they have not succeeded in furthering the interests of the rural masses or in mobilizing their participation in rural development efforts (15). Rather, the organizations reinforced the inequalities of the larger society insofar as the services and benefits they provided went to the privileged rather than the poor of the rural populace. In general, these rural organizations merely served as channels for government programs and services but have not resolved the problems of rural poverty and inequality. Furthermore, these rural organizations were used by the government and elite sectors to control the rural masses by neutralizing peasant radicalism and leadership and thus served to obstruct the articulation of peasant interest and demands, thereby supporting the political interests of the dominant groups in society.

Under martial law from 1972-80, despite government attempts to restructure rural organization and participation in development schemes, the rural poor did not control their own organizations and were unable to use them as vehicles for participation in decision-making processes. When militant rural organizations emerged, they were viewed as subversive threats to the state and inevitably were suppressed. Such oppressive tactics neglected the legitimacy of the issues and problems raised by rural protest movements and over time have only served to heighten peasant actions into increasingly more radical

manifestations.

There was no doubt therefore that by the early 1980's, rural insurgency was growing in steady proportions. It was clear that the so-called participatory development efforts have not brought substantial benefits to the poor and the disadvantaged. In essence, the Philippine experiment in participatory development through the IRD and other programs was not especially participatory because real beneficiary participation was never really allowed to occur. The nature and scope of popular participation oftentimes represented pseudo-participation that did not grant rural people significant roles in development activities. Another major finding that had direct implications in the failures of real beneficiary participation to take place was the total lack of significant involvement of NGOs. Among Philippine institutions, only NGOs possessed the technology and experience in community organization and self-reliant community development activities.

Current Government Attitude Towards NGOs

Historically, NGOs have played a more and more important role in the economy of the Philippines. Growing disenchantment with the Marcos government in the 1980s caused a sharp rise in the number of NGOs as they attempted to span the shortcomings of the government at the grassroots. For its part, the Aquino government is in the process of working out structural and policy reforms but so far has only began to engage NGOs in

project and program implementation.

Even if the tempo of government actions increased and meaningful policies and actions were applied, there remains a conceptual and programmatic floor below which government programs are barely visible, if at all and can have little impact on the grassroots. NGOs, on the other hand, are already in direct contact with and have among their participants the rural poor to whom the national government is according priority. It is then apparent that complementarity between NGOs working from the bottom-up and the government and large donor organizations extending downward, could form a valuable linkage for sustaining widespread economic and social development.

Statements regarding government attitudes and support for NGOs do not yet constitute a coherent national policy. However, on the basis of precedents, as well as the occasional announcement of plans and programs from government entities, it is generally understood that the Philippine government actively welcomes volunteerism and that government policy tends to regard NGOs as important partners in national development. Never before was the need been more relevant and necessary for the formulation of a national policy and strategy that define the role of government and NGOs in jointly working towards participatory rural development programs.

Involving NGOs in a Rural Development Program

A concrete expression of the Philippine government attempts

to formally introduce NGOs into the mainstream of government development activities was the Local Resource Management Program (LRM).

LRM was a ten-year multi-phased program designed to help local governments become more responsive to the needs of their more disadvantaged constituents (16). The program entailed a long-term institutional development effort aimed at gradually reorienting local government capacities towards supporting the self-help efforts of specific poverty groups, i.e., upland and coconut farmers, fishermen and landless rural workers. Through the development, replication and institutionalization of innovative approaches to local development, the program supported national government efforts to reform its policies and institutions to achieve more decentralized and locally responsive development action.

The program required local governments to move beyond their top-down, blueprint approach to a more open, flexible and adaptive mode of planning and local project implementation. The program promoted self-reliance among local governments by helping them increase their influence over the allocation of central government resources and improve their ability to mobilize effectively local financial and human resources in support of locally identified programs.

The first phase of the program initiated the process of identifying new, more responsive planning approaches for poverty groups that could be replicated and sustained over time and

across different localities. It initially focused on helping seven provinces develop and install locally appropriate approaches to planning, evaluation, budgeting, financial administration, and beneficiary participation. The process entailed continual experimentation, incremental adjustment, evaluation of new approaches and processes (17). To support implementation, the program relied on local and private resource institutions which provided a combination of services involving systems development, technical assistance, and training while increasing their capacities to better serve the country's development needs.

As local governments and other local institutions, both public and private, developed sufficient capacities and reoriented their priorities more towards meeting the beneficiary group needs, program activities in the provinces and municipalities moved more fully into the key aspects of the process. The next stage involved the development of full working partnerships between provincial and municipal government officials, the private sector and members of targeted beneficiary groups. Through these arrangements, poor groups were assisted to identify their own needs, organize for self-help action, and develop basic business skills related to negotiation, financial management, legal requirements and other areas. By maintaining a sustained dialogue with them, provincial and municipal government officials further assisted disadvantaged groups to establish priorities acceptable to them, to develop initiatives responsive

to these priorities and to gain access to additional resources which helped them obtain their objectives. The process resulted in the increased use of locally available human, financial and physical resources as evidence of local commitment, and supplemented by additional resources available from higher levels of government, line agencies, and other organizations, including international donors.

LRM was implemented at the national level by the National Economic and Development Aothority (NEDA). Being the central Philippine agency for national development planning, it was responsible for coordinating implementation, maintenance and promotion of LRM. NEDA coordinated local government activities through its regional offices and was also in a key position to mobilize support and resources from national line agencies. At the regional level, Regional Development Councils (RDCs) coordinated the implementation of LRM policies, programs and projects. The RDCs provided the decentralized mechanisms for linking national line agencies, councils, boards and authorities working at the subnational level with local governments and beneficiaries at the municipal and barrio levels. Under LRM, the provincial governments had primary resposibility for planning, implementing, monitoring and evaluating all local activities under the program. The municipal governments work through the province. They are primarily responsible for establishing an environment conducive to local development, given that all development activities and linkages to the beneficiaries take

place at that level.

Beneficiary Participation Component

The LRM beneficiary participation component focused on successful NGO efforts in linkaging beneficiary organization with municipal level development activities which support target poverty group strategies. The main objective of this program component was to test the feasibility of integrating bottom-up planning approaches with provincial and regional planning and budgeting systems. Successful approaches were then incorporated into municipal and provincial subproject planning and implementation systems.

There were many local NGOs with substantial experience in community organizing in the Philippines. However, an important constraint to the effectiveness of these organizations was that there was no link with the government sector, the NGOs preferring to almost universally work quite independently. Consequently, most NGO efforts have had limited spread effect and only localized impact. Government, for its part, has seldom looked to these organizations as an important development resource, despite its own general lack of capacity in beneficiary organization.

The program provided resources to NGOs to test approaches for building cost-effective, collaborative linkages for development between local government and beneficiaries. The individual approaches generated showed potential for expanded application beyond the pilot provinces participating in the

program. The efforts were considered highly experimental and requiring substantial flexibility. They also involved the development of an institutional capacity in the provinces and municipalities to support the expansion of the approaches to new communities and to other private agencies, and to facilitate transfer of experience and methods.

The Philippine Business for Social Progress (PBSP) was one of the three NGOs encouraged to work closely with municipal governments. Aside from assessing the extent by which municipal governments' capacity in working with beneficiary groups could be developed, the participating NGOs were expected to provide an additional perspective to the poverty analysis and planning based on direct beneficiary contact and input. Prior to LRM, PBSP had little direct involvement with government. Starting with LRM in 1982, this changed dramatically as it undertook a variety of collaborative activities involving foreign donors and various agencies of government. The following historical analysis of the evolution of PBSP strategy shows dynamic responses to concrete development conditions fostered by the State. Its evolution portends a narrowing of the ideological gap and differences in priorities and approaches that set the stage for closer government-NGO cooperation in rural development initiatives.

CHAPTER III- THE PHILIPPINE BUSINESS FOR SOCIAL PROGRESS (PBSP) EMPOWERING RURAL ORGANIZATIONS AND STRUCTURES

The Search for a Model

In 1970, the Philippines was a nation in turmoil. The country was racked by floods and typhoons, high prices, tight credit, an economic slowdown, student and labor unrest, insurgency, random urban violence and pervasive political corruption. On September 19, 1970 fifty Philippine business leaders met at a workshop conference sponsored by the Council for Economic Development, a private Filipino business association, to discuss how the business community might stem the national decline.

Participants left the workshop convinced of the need for an organization through which the business community could channel resources to promote a new style of Philippine development, a development that would increase the well-being of the national community and especially the well-being of the poor. They had been inspired in part by a briefing from Dr. Hugo Manzanilla, Executive Director of Venezuela's Dividendo Voluntario Para La Communidad (Voluntary Dividend for the Community), an organization sponsored by Venezuelan industrialists to expand economic opportunities for the poor of Venezuela.

On December 16 1970, with the sponsorship of three business groups, namely the Council for Economic Development, the Philippine Business Council, and the Association for Social Action, representatives of fifty Filipino and international business firms signed a document creating the Philippine Business for Social Progress (PBSP). Each corporate member pledged to set

aside one percent of annual net profits before taxes for social investments. Sixty percent of this was to be managed by PBSP, the remaining forty percent would be managed by the company for social projects of its own. Within a year PBSP's corporate membership had increased to 137 companies.

The mission of PBSP was to improve the quality of life of the Filipino poor as an expression of the corporate responsibility of the business sector (18). Unlike typical business philanthropies, PBSP was not a charity. It was a professionally managed development agency dedicated to developing self-reliance among low-income groups. It was a vehicle for making social investments that would pay both economic and social returns. While it undertook some projects directly, its normal mode of operation was to fund project proposals from a variety of proponent organizations. It would provide grants for social, educational, or organizational components of a project and low-interest loans for economic activities. Over almost two decades of existence, the evolution of PBSP strategy was reflected in a series of five years program of work (19).

During its first five years, from 1971-75, PBSP was primarily engaged in the testing of prototype social development project models for potential replication throughout the country. During this period, it was heavily involved in the direct management of projects intended to produce such prototypes, including a housing project, a nutrition project, and an integrated area development project. It also provided funds and

technical assistance to a variety of social development organizations throughout the country with the intent of increasing the total national capacity to carry out effective social development. Each project so funded was also intended to serve as an action research project to test a prototype development intervention. Regional offices were established to enhance PBSP accessibility to project proponents and to facilitate project monitoring.

PBSP's second five years from 1976-1980 were a period of consolidation, focusing resources on those activities that had shown greatest promise of effective contribution to improving the lives of the poor. In addition to two managed area development programs, priority was given to development of proponent projects focused on working with cultural minorities, small scale industry development, programs for women and youth, functional literacy, appropriate technology, and applied nutrition. Flexibility was maintained by including a category called "assisted projects" that covered other activities identified by proponents or PBSP staff that met locally defined needs. Attention was given to strengthening the capabilities of proponent organizations through regional training centers established at three regional institutes and universities. After ten years, PBSP had assisted some 300 proponent organizations. However in 1979, due to inflation and shrinking member contributions, a key decision was made to enable PBSP to contract out its services, and to seek co-financing grants from external donors. Co-financing agreements

were to be accepted only for programs consistent with PBSP's own organizational mission and objectives and with an explicit and mutually acceptable understanding that they would be under the management and control of PBSP.

The third five year plan, 1981-86, reflected further program consolidation around three major themes, namely food production, small business and human resource development. Increased attention was directed to its proponent development program and its role in strengthening the management capabilities of proponent organizations. After roughly fourteen years of grant making, it has completed over 800 projects, established a network of 402 proponents nationwide and put up a credible presence in rural areas in the different regions of the country. It generated proven appropriate technologies in integrated farming, organization-building, community credit and micro-enterprise development. Organizationally through the years, it has gradually developed a capable and motivated professional staff and a financial resource base that was diversified and institutionalized. Adding strength were linkages established with international donor agencies, close tie-up with the business community and working relationships with a number of effective private social development agencies.

However, as a grant making NGO which channeled resources generated through contributions from the business sector to poverty groups and communities, PBSP had always been confronted with the grantees' limited capacities to properly utilize

resources provided. In order to do development work, PBSP as a donor had to rely on its network of private development organizations, educational institutions and grassroots organizations.

PBSP was presented with two courses of action. One was to deal with only the most qualified NGO-grantees, but these were by definition limited in number. The other was to make resources available to organizations with the condition that if the assistance were not put into good use, no further assistance would be extended in the future. This was related to the first since only those with the capacity for doing effective development work would survive this process.

PBSP correctly assessed that the existing capacity of NGO-grantees to do effective development work had reached their limits and that a basic training intervention on social management had become necessary. By the early 1981, PBSP began to slowly shift its role from being strictly a resource provider to becoming an organization-builder, starting to establish a wider base of viable NGO structures in the country. With the mandate to contract out it services and seek co-financing with other donors, it began to seriously consider expanding its involvement with government in joint initiatives in rural development. As a consequence, PBSP became increasingly sensitized to the importance of the policy context of village level development and increasingly recognized its potentials and that of its proponent organizations to have a beneficial

influence on government policies and programs.

Getting Involved in a Government Program

It was in the context of this shift in its strategic role that PBSP participated as a key NGO under LRM. It correctly evaluated that the LRM program design was consistent with its mission "improving the quality of life of the Filipino poor". LRM provided PBSP an opportunity to situate in real terms answers to the basic issues on the poverty situation that could be generated by undertaking poverty-focused participatory research and activities. For many years, it had been interested in understanding the nature of Philippine poverty, its causes, quantification and location, key factors that would help define the nature and type of development interventions for the poor. Thus the LRM program was in total congruence with the PBSP mission by helping to clarify qualitatively and quantitatively the poverty concept.

Another major consideration that precipitated PBSP's entry into the program was the opportunity of working with national and local government while using the resources of government. At that time, most PBSP resources had been primarily earmarked for assistance to private sector development organizations. Due to worsening insurgency, private sector development organizations were under moral and political pressures to help local governments operationalize a poverty alleviating development process that would require the active involvement of poverty

group beneficiaries, poverty structure analysis, strategy formulation and implementation, program/project planning. monitoring and evaluation. The task given under LRM was something which PBSP has already started doing -- that is organize the poverty groups into functioning organizations that were able to negotiate with the local government or other power structures which control resources so that they were able to deal with these structures. This was necessary in order that their interests would get incorporated in their development programs.

A final consideration that convinced PBSP to work with the government through the LRM program was its social learning orientation. The LRM program was experimental in nature and its operationalization was based on a design that allowed flexibility in making the necessary adjustments in the program delivery system in the spirit of learning along the way. In other words, the learning process characteristic of the program gave PBSP the opportunity to make the necessary modifications on specific aspects of the program based on the assessments of concrete experiences encountered from one implementation phase to another.

Given the above program considerations that fitted PBSP's practical, management-oriented, non-traditional approach to development work, it entered the realm of NGO-government partnership via a grant agreement that formalized its participation under the beneficiary participation component of the program. Under LRM, it subsequently formulated and implemented a technical assistance strategy appropriate to the

role and functions of a third generation NGO, capacitating and building linkages with private and public institutional structures to attain a more democratic, poverty-focused planning process and program implementation in a rural context.

Of Poverty Groups and Municipal Development Councils

Some of the key client beneficiaries of the LRM program are the poverty groups in two pilot provinces-- Antique and Southern Leyte. In the Province of Antique, these were the sustenance fishermen, marginal upland farmers and the landless agricultural workers who live in the municipalities of Tibiao, Bugasong and Pandan. The poverty groups comprise the majority of the residents of the three pilot towns subsisting mainly in off-shore fishing and limited farming activities. They largely live a hand to mouth existence. The migratory workers go to nearby provinces during the sugarcane planting and harvesting seasons. The sustenance fishermen do traditional off-shore fishing either using their own or rented non-motorized boats. Some engage in salt-making during the dry season. Others serve as crew to motorized pumpboats owned by some well-off families. the fry gatherers which represent the greatest number of fishermen in the industry have low incomes because capitalists dictate the selling price of their catch. The system was so exploitative that it was more beneficial to the capitalists and middlemen. The right to gather fry and buy the produce is given to the highest bidder by the municipal government. The fry gatherers are always outbidded

in the process because they lack the necessary capital. The upland farmers serve as tenants to landowners who are not living in the barrios. They plant rootcrops and other vegetables for subsistence. They go down to fish during the peak fishing months. Mean fish catch has been computed at 404 kilograms for a family of six because of the prevalence of traditional fishing practices. Similarly, the two-crop production cycle per annum was reported to be generally low. Regardless of occupation, 1983 statistics showed that the poverty groups were earning an annual income of $390 (or $33 per month). At those figures. the monthly per capita translates into approximately $5 which is way below the poverty threshold of roughly $33.

In Southern Leyte, on the other hand, the poverty groups include marginal upland farmers and sustenance fishermen who dwell in the municipalities of Padre Burgos and Tomas Oppus. With an average household size of six, per capita income in a month is $8.50. Due to lack of control over marine and agricultural resources, as well as poor technology and lack of capital has been low. Self-employment either in individual family activities or through selling of labor to others in exchange for minimal cash or material payment has been the main source of livelihood. The marginal upland farmers were cultivating pieces of land one-fourth hectare or less. Notwithstanding the fact that some were owned and others merely tenanted, some farmers still sell their labor for a day's income. On account of their individualistic farming style, the

monoculture cropping systems and practices resulted to low productivity and inefficient crop production patterns. Among sustenance fishermen, the use of traditional fishing gears and equipment attributed to the low fish production. By and large, their standard of living was comparably similar to that of the marginal farmers.

In addition to poverty groups, the other PBSP client beneficiaries who were also provided with technical assistance services were the Municipal Development Councils (MDCs). The MDCs were municipal government structures created through a memorandum circular of the Department of Local Government and Community Development, a government agency, with the responsibility of coordinating the development interventions of the various government instrumentalities operating in each town (13). At the time PBSP commenced its field activities, MDCs were in fact non-functional and existed only on paper. Not a single local structure on the government side was actually focusing efforts at synchronizing the implementation of development projects, much more seeing to it that the delivery of such projects were accruing to or targeted at poverty groups.

In the pilot municipalities of Antique and Southern Leyte, the MDCs which were supposed to integrate municipal level plans and coordinate the development porgrams of the municipal government, line agencies and local organizations were rarely convened and not functioning as they should. If plans were produced, they were more in compliance with national directives

and generate allocation of funds.

With the MDCs non-functional, various municipal officials took the lead role in plocy-setting and program development. Usually, the mayor is the leading force behind the scenes. In cases where the mayor is at loggerhead with the legislative councils, the latter usually prevailed. Thus it was inevitable that most municipal programs and projects undertaken were based on needs as perceived by the mayors and the legislative councils. They were also mostly infrastructure in nature and were chosen more for their visible and immediate political impact. Other development activities were being performed by national agencies based in the municipalities. However, these activities were pusued independently and there were little efforts to effect program linkages and coordination.

With the poverty groups, PBSP formulated and implemented a community organizing strategy to mobilize poverty groups into functioning rural organizations. And with the MDCs, it directed a organization capability building program to develop MDC capacities to manage poverty-focused development program interventions.

Empowering the Poverty Groups

The poverty group mobilization adopted by PBSP relied heavily on the use of community organizing (CO) as a core strategy. Though not an original social development strategy, the actual translation of the community organizing process into

action had undergone several adaptations to fit the institutions' interests after more than a decade of accumulated experience in undertaking development work.

The CO strategy followed by PBSP contained a three-stage process: awakening, empowerment and restructuring. The awakening stage focused on the developing the client-beneficiaries awareness of the realities obtaining in the environment. This was considered in arousing the people's interest and in developing their commitment to do something about their situation especially, their common problems and needs. The second stage concerned itself with building the client-beneficiaries capabilities and skills on how to undertake concrete action to combat their difficulties. Some of the skills developed were in the area of planning, implementation and evaluation. The last stage, restructuring, gave focus to the setting-up and strengthening of people's initiated structures that would carry out planned action undertaken to meet the group needs and problems.

Organization Building Framework for Poverty Groups

Operationally for purposes of technical assistance, the CO strategy was translated into a common organization- building framework for both the Provinces of Antique and Southern Leyte. The framework reflected the stages of growth that poverty groups' organizations could undergo as well as the key inputs in organizational development that would be applied.

The stages of growth that the poverty groups could undergo were seen as: leadership orientation/organizational formation, organizational consolidation/capacity building and organizational expansion and maintenance. Leadership orientation and organization formation as the first stage in the organization building process gave emphasis to consciousness-raising activities to help the poverty group beneficiaries define and understand the causes of the poverty situation. This served as the basis for rationalizing the inevitability of the need for them to bond into working organizations that respond to the requirements of improving their quality of life. Heavy participatory research activities were done during this stage. At this stage, the field staff familiarized themselves with the local environment and established rapport with the formal and informal community leaders and local residents, while assisting client poverty group members to spin-off the organization building process. On the average it took PBSP six to eight months to complete the first stage. Then the second stage which on organization consolidation and capacity building was initiated. This stage focused on the consolidation of the bits and pieces of organizational and project concerns, systems and procedures developed and operationalized by poverty groups in their respective organizations while enhancing their capabilities in organizational and project management. Critical activities undertaken by PBSP included conduct of training programs and clinics on organizational and project management, organizational

assessment and linkage building activities for resource mobilization. After eighteen months, all the assisted poverty organizations were classified in either the first or second stage. The third stage of organizational maintenance and expansion is the period of independent and functioning poverty group organizations with active and skilled leaders, refined organizational systems and procedures and active advocacy aimed at policy changes in the municipal development and legislative councils. This meant that the organizations have reached the empowerment stage or the full realization of the CO concept in operational terms.

Key Concerns In Organizational Development

PBSP also directed its efforts to key areas in organizational development that were given emphasis during the period of its involvement under LRM. These key areas included the following: organizational management, project management and advocacy.

The organizational management component of the poverty group organizing effort focused on the provision of inputs that had to do with building structure and developing institutional capability development. On structure building, the emphasis of PBSP was to lend support to the type of structure which the poverty groups themselves decided to set-up and organize e.g., barangay-based organization or barangay federations of poverty groups. Areas of assistance included defining organizational

systems and procedure both for operations purposes and for sustaining organizing efforts in each poverty group organization.

PBSP assistance on project management was generally geared towards helping the organizations define their priority group projects. This was done for short-term and long-range social and economic group projects whose specific procedures varied according to project type. Interventions were made in defining project opportunity areas, systems and procedures and specific project technical skills required.

In promoting the advocacy pursuits of poverty groups' organizations, specifically tailored inputs were provided e.g., the milkfish fry catchers in the province of Antique. This was with particular reference to lobbying with the provincial and municipal governments for access and control over milkfish production zones or concession areas as well as in mobilizing local available funds as working capital. PBSP assistance was directed towards developing the skills of leaders of the catchers' associations in negotiating with local policy-makers and officials for changes in local policies supportive of poverty group concerns. Another success story on advocacy by poverty groups' organizations was for land stewardship by marginal upland farmers. In all these cases, PBSP assistance was instrumental in developing the poverty groups' skills in negotiating and bargaining with local and national government structures on matters that facilitated their ability to access and control productive resources.

Accomplishments of PBSP Program Interventions

After the first eighteen months of poverty groups' organizing in collaboration with national and local government institutions under LRM, program success was expressed in the increasing number of trained and functioning grassroots leaders, committed members of the poverty groups and action-oriented rural organizations of poverty groups (21).

The trained and functioning grassroots leaders in the provinces of Antique and Southern Leyte included the officers and the volunteer community organizer of each organization of poverty group beneficiaries. These officers have been responsible for looking after day to day operations, including the overall maintenance of the stability of the organizations. The volunteers have been installed to assist the officers and take the lead role in continuously providing organizational inputs to the organized groups. In terms of capability, the grassroots leaders exhibited skills in conducting group meetings, facilitating group planning and assessment sessions, promoting plan implementation and project management .

All in all, a combined total of 1,749 poverty group leaders were assisted and trained with PBSP technical assistance in the two provinces. In all the training programs, efforts were always made to reflect on the extent of their poverty situation which has always been the basis for concerted group action. This opportunity given regularly to client beneficiaries opened up

their horizons in pinpointing the effects and causes of problems that confront their daily living. It also enabled them to work out concrete measures that would respond to their plight.

Also out of a small nucleus of potential leaders, thirty-nine action-oriented rural organizations were organized, with expanded membership from the poverty group sectors. The collaborative group efforts done by the assisted organizations started with short-term social and economic projects, e.g., small infrastructures, backyard food production and fund raising social activities and long-term livelihood projects such as milkfish fry concession management and coconut-based food production. The successes or failures of the groups in undertaking short-term social and economic projects were the key decision points of the organizations' members in choosing the type and duration of projects that they eventually undertook. In most cases, three to four rounds of successful short-term project implementation experience enabled the organizations to make decisions to undertake long-term projects even as short duration endeavors continue to be done.

For PBSP, this process of institutional development was not an easy one as some of the implementation problems encountered would show. Among the poverty groups, attendance to training programs was difficult due to financial constraints. There was also some haphazardness in the selection of group leaders and beneficiaries. Difficulties were encountered in sustaining commitment of group members due to family survival activities.

Some poverty group members showed apathy towards local government programs and officials due to negative experiences in previous government projects. In some areas, there was initial lack of cooperation and interest by political leaders in poverty group concerns. Some leaders were hesitant in getting involved in activities promoted by PBSP for fear of vindictive reactions from uncooperative political administrators. Other problems originated from basic lack of information such as awareness of the basic services provided by the municipal and line agencies of government. All these problems were dealt with in varying proportions and effects by community organizing and capability building programs implemented by PBSP. While negating certain project operational objectives, they were not forces powerful enouhg to invalidate the poverty restructuring objectives of the LRM program.

Breaking Structural Barriers

In more structural terms, while organizing coconut workers in Southern Leyte, for example, PBSP found asset control a fundamental issue (22). The economy of the province was severely depressed as the prices of coconut products in the international markets fell to historic lows. During more favorable times coconut had produced a good living for land owners with almost no effort or investment on their part. As a consequence, the province grew almost none of its own food and had developed no other industry. When prices fell, it became an economic disaster

area with severe and widespread hunger.

PBSP's poverty analysis brought to light the fact that many of the coconut landowners were not really farmers and had no interest in actually working their land. They had simply collected for years the earnings from the coconuts. The landless laborers had no rights of tenure and so were in no position to convert the lands to diversified crops. the analysis suggested that the transfer of the land to the tiller was the only viable hope, both for economic recovery and for improving the lot of the poor in the province. Prospects for government action seemed limited. Land reform of coconut lands were exempted because of the political power of the landowning groups involved. PBSP experimented with private approaches to land transfer. One approach was encourage the now-organized landless laborers to obtain credit to buy the land at depressed prices. Another involved encouraging municipalities through their MDC to take possession of the lands in default for their unpaid taxes for redistribution to prospective tillers.

In Antique, on the other hand, breaking the hold of local capitalists on the milkfish fry concessions was the key to raising the sustenance fishermen's share in the industry's rewards (23). PBSP organized the fry gatherers into associations that competitively bid for concession rights. They then controlled the concessions having paid for the rights. Final incomes have increased by 100 percent as the fry gatherers cum concessionaires realize a larger share in the sale of the fry.

The key has not only been the organization of the fry gatherers but equally important the organization and activation of the municipal development councils to deal with the poverty group and to transform through advocacy the normally competitive bidding process into one of negotiation. The Antique experience has been that the MDC was readied to negotiate with the organized poverty sector as an empowered group. Since the province did not have a fishpond industry, the fry must be moved to the fishponds in nearby provinces. PBSP's next intervention was to federate the fry gatherers associations in order to displace the middleman. Thus by replacing the local capitalists as controller of the resource, the milkfish fry gatherers have been transformed into a powerful sector in the municipality. For once, a poverty group in the province had the upper hand.

Reaching the Poor Through the Municipal Development Councils

The Municipal Development Councils (MDCs) were the lead development actors of the State collaborating with the NGO under LRM program. The MDCs were local government structures whose membership consisted of the heads of national government line agencies operating in the municipality, the municipal mayor, legislative council representative and representatives from the private sector. Their mandated function was to synchronize and unify all development efforts in the municipality through integrated development planning, coordination and plan implementation, provision of technical services and sourcing of

technical assistance and financial resources.

PBSP saw through the MDCs' functions and composition opportunities for developing them as truly dynamic structures of the municipal government. LRM provided PBSP with legitimate entry points to realign MDC functions to capture basic program concepts such as poverty analysis, strategy formulation, program and project planning, implementation, monitoring and evaluation and resource mobilization (24).

Building the MDC As Partner Development Organization

Like the framework for organizing poverty groups, PBSP also adopted an organization building framework used as a guide in developing MDCs into functioning structures. It also contained three levels of organizational growth which are organizational formation, organizational consolidation and organizational expansion.

By actual implementation experience, PBSP noted that a MDC can be made functional at the first stage within six to eight months. The speed and growth of a MDC organization can be attributed to two factors-- the nature and consistency of inputs provided by the NGO and the willingness of the MDC members to work with poverty groups even as they pursue their mother agency biases. PBSP persistence in groundwork activities particularly among the key MDC members such as the municipal mayor and other members who command influence especially in decision-making paid off. Equally, the time and efforts contributed by MDC members in

undertaking common activities, e.g,. attendance to training programs whose ultimate outcomes were collaborative organizational response to the poverty situation, were also critical factors that facilitated the speed of growth of the MDC into functioning organizations.

Key Concerns In MDC Organization Building

The first area of concern was to develop the capabilities of MDC members in managing their respective MDCs and to generate resources that could support its internal as well as program and project operations. Critical activities undertaken in developing MDCs included conduct of baseline studies with highlights on the local poverty situation, team-building activities, planning and plan implementation sessions.

In trying to develop the MDCs into functioning organizations with the above-cited critical activities, structural features of the assisted municipalities varied. In Southern Leyte, the members of the assisted MDCs decided from the very start to work and be provided with assistance even as the entire body later on operationalized work to speed up the completion of short-term and long-term tasks. In Antique, standing committees and later on executive committees were created to focus on specific poverty programs. In all of the assisted MDCs, the various committees whose functions were properly defined by members evolved based on needs.

Closely related to developing the capacities of the MDCs, a

key concern of municipal strategy formulation and implementation took off from the findings of the municipal baseline studies which highlighted the specific poverty situations in the pilot towns. Critical activities were directed at reorientation of the MDC mission vis-a-vis the poverty groups, formulation of a change strategy and determination of the development program packages.

Program management, another key concern, has been treated as a component of the municipal development strategy implementation process especially with reference to the development program packages. Resource management was a critical component of project management. This was responded to by mobilizing the MDCs in linking with possible resource sources, especially funds to support project implementation. The activities undertaken in this regard were groundworking to provide technical assistance to the members on project proposal preparation, establishing the feasibility of poverty-focused projects and setting-up of implementation, monitoring and evaluation procedures.

Finally, the critical activities undertaken on poverty structure and analysis and resource mobilization contributed in making MDCs converts to the cause of poverty groups. They transformed the MDCs into local government development organizations whose efforts were now focused in advocating for the needs of poverty groups before the national and provincial governments even as they continued to attend to municipal-wide concerns.

Trained Leaders and Functioning MDCs

PBSP technical assistance inputs helped to a great extent in activating MDCs as local government structures that looked after the synchronization of municipal development efforts. The proper definition of duties and responsibilities of key officers facilitated the division of labor while transforming into reality the coordination of efforts towards common directions. This also held in the creation of ad-hoc and standing committees which with a more defined agenda effectively managed local development programs. The municipal mayors with the assistance of key MDC officers have closely worked together in managing these programs packages.

In Antique, of the program and projects jointly identified, developed and implemented by both the poverty groups and the MDCs, there two prototypes that generated remarkable project innovations. These are the fry gatherers management projects and the upland integrated farm projects. In case of the fry gatherers projects, some MDCs imposed no or very low initial payments on the associations to operate the concessions. The sharing system was also devised by the MDCs and the associations whereby 70 percent of all fry production went to the association and 30 percent to the municipal governments. Instead of a lump sum concession fee, the municipal governments now received payments in percentage shares from total sales. On the other hand, the integrated upland farm projects were considered pioneering inthe province since they were the first group-owned,

operated and managed upland integrated farms. They were the first instances where a group or an assocation leased hectares of upland areas where social cultivation and sharing prevailed. Together with upland farmers, the MDCs and line agencies facilitated the availability of forest zones to target beneficiaries as well as provided inputs in project implementation.

In Southern Leyte, the poverty group associations participated in the selection, planning, implementation and evaluation of development projects under the aegis of the MDCs. Among these area-based development programs and project packages were in farm development financing which capitalized small, upland-based livestock and crop projects; in micro agribusiness such as palm (romblon) crafts, mat and bag weaving; in the application of sloping agricultural land technology; and in fishing industry development such as boat acquisition, deep sea and purse seine fishing and fish processing. Essentially, these program and project prototypes were financed by both the provincial and municipal governments and revolved thematically around gaining access to resources, conservation, replenishment and resource control.

Also majority of MDC members were reoriented into advocating poverty -focused development thrusts. They have reached the realization that the synergy in various agencies' efforts would not only promote the welfare of the entire populace in their respective municipalities but much more positively

affect the lives of their less privileged sectors. This realization helped build-up the MDC members sense of responsibility and program bias for the improvement of the living standards of local poverty groups.

CHAPTER IV- TOWARDS A STRATEGY FOR STATE-NGO COOPERATION IN PARTICIPATORY DEVELOPMENT

From the ensuing interactions between PBSP and the poverty group organizations on one hand, and the MDCs on the other, one can derive a pattern for State-NGO cooperation that can serve as a basis of a strategy for participatory rural development programming and implementation. Rather than formulating a model, an implementation strategy is put together because being more action-oriented, it contains measures to be undertaken or the necessary conditions to put into operation the normative propositions of conceptual models of State-NGO relations. This broadly oriented strategy contains procedures or mechanisms that are to be implemented by the State and NGO in order to promote wider-based participation in rural development initiatives. It has been stated previously that macro policy reforms such as nationally mandated policy supporting participation are not enough. To succeed, it is also necessary that micro policy reforms at the community level are undertaken such as systems development and capacity building for the transfer of power and control in tangible and direct ways to local level rural structures whether public or private.

The derived pattern for State-NGO cooperation and the succeeding strategy for implementation that is proposed are focused on two primary dimensional roles: the NGO and the poverty group organizations and the national and local government development agency. Under the role of the NGO, the validity and efficacy of community organizing as a process is elaborated together with the resulting empowerment of poverty group organizations. These elements address directly poverty group participation in rural development initiatives by outlining some useful NGO-initiated procedures at the community level to promote more participation. While conceptually distinct, each element has to be pursued by an NGO in conjunction with the others. This is so because the nature of the obstacles to participation are similarly interdependent. The PBSP case for example proved that merely alleviating the structural constraints to participation without addressing the ideological obstacles evident in people's attitudes and perceptions turned into a useless exercise.

The other side of the strategy for implementation is the role of the national and local development agency, the restructuring of the local government bureaucracy, decentralization of authority, and advocacy of participation of poverty groups as the basic approach in rural development programming and implementation. Together these elements comprise the external requisites necessary to implement a successful participatory strategy. They delineate the changes that are required in the local government development agency in terms of

its policies, structures and procedures in order to facilitate poverty group participation. These components of the strategy represent policy recommendations. Such policy recommendations are concerned with the mitigation of anti-participatory obstacles within the local government development agency that are necessary to promote poverty group participation. Thus, the proposed implementation strategy can be seen to function at two levels: the local government level in terms of the procedures that are necessary in the field to foster participation of poverty groups and the central government level with regards to policy issues that need to be addressed at the national level.

Validity of Community Organizing As An Approach

It is clear from PBSP experience under the LRM program that the rural poverty groups have to be organized in order to participate on a substantive basis in development projects. Community organization is necessary to ensure that participation is fostered on a collective basis such that all members of the poverty groups have equal access to project benefits and decision-making and that local elites do not monopolize the benefits or authority and thus reinforce local stratification and cleavages. As to its internal properties, an organized poverty group can act cohesively as a unit in mobilizing and coordinating its members and their social and material resources for collective action in pursuit of their common interests. As for its external properties, a poverty group once organized can

express its shared concerns and articulate its demands to the appropriate government agencies to influence or challenge their policies and decisions. Thus an NGO can utilize community organization as a methodology in order to organize people for power through rural organizations by which the poor can participate in decision-making. Community organization has been employed with notable success by PBSP in Antique and Southern Leyte because it directly addressed the powerlessness and submissiveness of the poor and endeavored to rectify their situation with a specific methodology and also because emphasis was given to membership awareness and participation throughout the organizing process. Because of the neglect of this basic principle previous rural organization in the Philippines particularly those established by government development programs have not succeeded in promoting the interests of the rural poor or in mobilizing their participation in development (25).

In organizing poverty groups, the NGO can either strengthen established or traditional organizations in the community where already existent or develop new ones where there are none. However, what approach to use depends on the structure and nature of existing organizations. Particularly important is the extent to which they and their leaders facilitate community participation in project initiatives. In Antique, PBSP capitalized also on its previous association with fishermen's cooperatives. In Southern Leyte, the lethargic organization of poverty groups was due to barrio leaders who had a strong

tendency to work primarily for their own benefit, for example, selecting projects for implementation that would benefit them or their relatives, or who demanded sole control over activities. In the setting-up of new poverty group organizations, PBSP's strategy was to work with individual members of all poverty groups and factions in the municipality and to encourage existing patterns of cooperation. By that strategy, existing cleavages were not reinforced and a formal organization was not imposed upon the poverty groups. Thus the organizations were established and controlled by the poverty group themselves. The NGO role was to facilitate the organizing process and mobilize the poverty groups to take action as corporate units. By serving as a means for participation in project activities, the poverty group associations promoted the development of organizational, leadership and technical skills that enabled the people themselves to assume responsibility for resource distribution and management from the NGO field staff.

Thus, it is clear that NGO community organizers are necessary to assist a poverty groups to prepare itself to participate on an organized basis in a development project. Such organizing, however, should not be merely concerned with mobilizing to participate in project activities but also with the organizational capacity of the poverty groups to take collective action on its own to improve its socio-economic condition. PBSP community organizers worked with the people on activities that enhanced their skills and resources for sustained development.

They viewed the preparation of the poverty groups to participate effectively as important project activities themselves, both apart from and in advance of activities of a more economic nature, since the latter were built upon effective beneficiary participation.

The NGO organizing process should begin with potential clients identifying and assessing their more salient interests or problems. The poverty groups should then propose possible strategies or solutions to their perceived problems and needs by evaluating their skills and resources in terms of labor, local technology, time and capital and by considering the organizational procedures necessary to implement their solutions. The PBSP organizing process provided for beneficiary participation well before project design activities and implementation were begun. It was found that organizing the poverty groups through problem identification and resolution at the outset of project planning has been found to be a more viable approach to project development than presenting the poverty groups with prepackaged solutions to their pre-identified problems. Also in organizing people around their needs and concerns, PBSP experience proved that it was best to move from simple, concrete short-term and personal issues to more complex, abstract and long-term structural issues over time. Thus, on the whole, while the NGO should assume an active role in organizing the people, it must not take decision-making from them nor assume a leadership position. Throughout the community organizing

process, the poverty groups should make their own decisions.

Empowering The Poverty Groups

Empowering the poverty groups is a primary element of the proposed participatory strategy since empowerment is ultimately the basis for the poverty groups' substantive participation. This emphasis on power follows from a definition of participation as the organized efforts to increase control over resources and regulative institutions in given social situations and on the part of groups and movements hitherto excluded from such control. In the context of a formal development program like LRM, the key issue was how to empower the poverty groups so that they could accept the rights and responsibilities of their status under the program. Previous Philippine experience in participatory rural development programs revealed that while a stated central government policy supportive of participation is necessary, it is not sufficient. Other necessary conditions are local level strategies and procedures for the transfer of power and control in tangible and direct ways to the poverty groups. Simply to transfer authority to the poverty groups or their representatives will not ensure their participation in the program. What was crucial in the success of PBSP under LRM was the poverty groups' control over their projects under the program and the extent to which their capabilities were developed to address their pressing needs or concerns. The PBSP capability- building program empowered the poverty group members to develop organizational and

leadership skills. It provided resources for them to eventually assume operation and maintenance of project activities from the NGO staff once technical assistance was terminated. Such capacity building was a necessary aspect of the participatory approach insofar as it promoted poverty group self-reliance and the sustainability of development efforts.

One means of empowering the poverty groups in a rural development program is to grant them certain legal rights over resources. For example, in Antique, empowerment was through legal recognition given to fry gatherers' associations and through their rights over concession areas. In Southern Leyte, empowering the poverty groups was accomplished by according coconut farmers and landless laborers leasehold land rights that facilitated the granting of land tenure rights and the establishment of local control over some forest resources.

Another means of empowering poverty groups is to assign to poverty group organizations decision-making rights in development project activities from planning to evaluation. Under LRM, it was particularly important that the poverty groups have had substantive roles in the formulation of project objectives. This ensured objectives that address the groups' more significant perceived needs and problems. In both Antique and Southern Leyte, poverty group representatives were members of various MDC executive and project steering committees that had responsibilities for overseeing the long-term planning, policy-making and monitoring of municipal and national development

projects in their respective areas.

It is worth mentioning at this point that the NGO organizing efforts were successful on this score in that the empowerment process as reflected in the advocacy of poverty group interests was directed at local government bureaucracy. The bureaucracy underwent significant restructuring in order to come out with a planning and project development process that allowed for participation by poverty groups. Under LRM, such organizational restructuring to foster participation took place among the MDCs.

Activating and Restructuring the Bureaucracy

Bureaucratic reorganization is necessary in order that the entire administrative structure and operations of the development agency are directed and committed to the participatory approach so that participation does not remain at the level of development policy rhetoric. In essence, to implement a more participatory approach required a restructuring of local government bureaucracy to allow a greater sharing of decision-making and ultimate control over development activities with the poverty groups. In effect, the State through its instrumentalities both national and local, should promote the necessary policy environment that will encourage the generation and expansion of participatory initiatives at all levels. It must also be open to a bureaucratic reorientation process that removes structural and ideological obstacles among those development agencies that obstruct poverty groups' participation.

In implementing a participatory strategy, the MDC required changes in its personnel, policies and procedures, norms and attitudes. For example, it developed a staff of community organizers who worked with poverty groups in eliciting their involvement in municipal planning and implementation. A one year time lag was imputed in the planning cycle in instances where institution-building activities had to take place prior to actual development project implementation. Mechanisms were developed for closer institutional and technical coordination between the MDC technical agency members and poverty group associations. Procedures were established in allowing poverty group associations in hiring and construction work in infrastructure projects and monitoring of construction costs. These policy and procedural changes engendered a fundamental change in the attitudes of MDC members from viewing the basic goal of their task as simply building a physical framework for municipal development but also building a social capability for sustaining such a structure on extended basis. Such attitudinal change on the part of the MDC members was required so that they now perceived the poverty groups as their active collaborators in development efforts rather than as passive beneficiaries with no decision-making authority in planning, project design and implementation.

Through its capability- building program, PBSP effectively addressed the anti-participatory structures and ideologies in the MDCs. The reoriented MDC policies and procedures ensured that

the poverty group organizations developed organizational capacity to design, operate and maintain poverty-focused projects. Real empowerment of poverty groups was evident in the legal authority accorded to their rural organizations. And because the poverty group organizations were allowed to participate in MDC planning and programming, they were further able to develop organizational skills necessary to design and implement more complex, beneficiary- initiated development activities and projects upon determination that they already possessed such capability.

The MDC experience under LRM provides various lessons for other development agencies in government. The primary lessons involve developing local social capacity in poverty-focused rural development planning and programming that may be relevant in other settings. The first factor is the clear authority of poverty group associations insofar as they are legal entities with defined rights and responsibilities in the design, implementation, monitoring and maintenance of development projects. These rights give them clear reason for committing their labor and time to developing their association. The second factor is the use of existing poverty group organizations as a base for building more organized groups. A third factor is that the poverty group organizations must mobilize their own resources to contribute to the cost of financing development projects and maintain the projects over time. The fourth factor is the policy of developing the capability of the organizations by allowing them to participate in planning and project development

decisions. Thus before the projects go in the pipeline, the poverty groups already have a viable organization with considerable experience in making and implementing decisions.

It is now clearly apparent that village-level strategies are a necessary condition for the effective transfer of power to take place in a participatory program. A government mandated policy that advocates beneficiary participation, however important to program success is still a de-facto top-down centralized approach that requires appropriate strategies at the local government level to be effective. Under an LRM-type rural development program, these local level capacities and strategies call for real devolution of authority to the communities. This is necessary in order to capture variations in their specific situations in terms of their needs, problems, requirements, and priorities to which an overall policy and program design may not easily be adapted.

Decentralization Of Authority

Within a development agency of the State, another means to eliminate structural obstacles to beneficiary participation is through decentralization of authority. In terms of a participatory strategy, decentralization should be understood in the sense of devolution of authority, that is transfer of power to poverty groups. For example, under LRM, the MDCs empowered the poverty group organizations with decision-making control in project activities through recognition of their legal authority

and capability for project management. The MDCs recognized that the poverty groups which are directly affected by a situation or problem were in the best position to identify and evaluate them and proposed possible solutions to problems based on their knowledge of their skills and resources. And also because they were given the power to contribute to local level project planning and decision-making, project designs were adapted to local variations. Not only were there projects that the poverty groups can call their own but local elites confronted by organized poverty groups were precluded from capturing most of the benefits of other municipal development projects.

Beneficiary Participation As Basic Approach

On the basis of the merits of beneficiary participation, it stands out that it should be advocated and adopted by the State as the basic approach in rural development programming and implementation. Beneficiary participation has been established as a necessary and significant condition in attaining rural development objectives. While the State may make provision for beneficiary participation in development initiatives, such policy statements are sometimes implemented through strategies that do not provide for the rural poor to participate significantly in the development process. The forces that account for this essential contradiction in government rural development programs are internal. These are the structures and ideologies of anti-participation that are permitted to remain in government

development agencies. To eliminate such obstacles, there must be a restructuring of the administrative bureaucracy and decentralization of authority within the development agency so that people can be empowered to participate and will be willing to assume the obligations and responsibilities that come with authority. In sum, advocacy and implementation of a participatory approach require a radically different framework for rural development programming and implementation where the roles of both the State and NGO are key.

CHAPTER IV- CONCLUSION

PBSP experience in organizing poverty groups and in activating MDCs as rural organizations that help empower poverty groups defines a possible prototype of close and effective government -NGO relations. Using a rural development program as a venue, an implementation strategy for State-NGO cooperation in participatory development has been abstracted from the processes that evolved both on PBSP as a NGO performing a third generation developmental role and the MDC which as an agent of the State had been both the lead institutional actor for local development and beneficiary of NGO assistance.

NGOs-- The Catalytic Role

It was mentioned earlier in the study that NGOs that embrace third generation program strategies will find themselves performing a catalytic, foundation-like role rather than an

operational service delivery role. PBSP' experience under LRM gives a signal that it can proceed with its poverty-focused development thrusts in the depressed regions of the country. It can do this while searching for and working on a service delivery system that would require less of its direct efforts in fronting the implementation of programs and projects at the area level. In its coalition- building efforts, a NGO assuming a PBSP-like posture could develop competence in working collaboratively with local delivery structures. Whether poverty group organizations or local government units, these structures could be capacitated to efficiently and effectively manage development inputs and therefore benefit intended beneficiaries. PBSP's experience gives evidence of the feasibility of pursuing private-public sectors coalition of efforts in poverty-focused development work.

Real power in terms of potential impact is found in the PBSP because of the combination of its size and the strategic perspective that it brought to bear in shaping its programs. The ability to think about how to position NGO resources, not only to do good but to make a real difference in shaping policies and institutional structures that determine the result of local self-reliant development initiatives, is very rare among NGOs. It is PBSP's development of this particular ability under LRM that makes it particularly distinctive. It was successful because it was much closer than other Philippine NGOs to accepting and internalizing the concept of strategy based on particular poverty

groups and was more sharply focused on the livelihood and asset control issues which were the heart of the rural development program. Thus for PBSP, it was easier to expand its efforts beyond communities of initial entry.

It is clear therefore that success for an NGO performing a third generation role depends on its skillful positioning of NGO resources in relation to a target program-- in this case a government rural development program-- in such a way as to facilitate accelerated learning by the organizations which comprise the program. To do so, the NGO needs an in-depth knowledge of the actors and organizations which define and regulate the program being addressed. High levels of technical and strategic competence are required. For those which have worked independently before, these NGOs would need to develop skills in working collaboratively as members of larger coalitions of both public and private organizations.

Organization learning drives strategic competence to seek greater heights. PBSP's third generation experience validated and further strengthened its organization building frameworks and CO approaches as workable models. Thus it was central in the survival of PBSP as a long-term organization. An NGO must not only carry out its programs and projects well but it must also have a certain strategic impact in its area of operations. The program then as the PBSP experience proves, can become the model after which other NGOs and even government can pattern their programs. If done over time, NGOs can transform themselves into

major players rather than simply being bit actors in the development scene. Their alliance building and networking capability can lead to a further significant development - the emergence of sustainable and strong government-NGO relations.

Towards Lasting State-NGO Relations

Usually the state has broader reach than NGOs. Governments aim to reach society as a whole both in social and spatial terms. As the state conceives of development in national terms, it lacks effectiveness in certain areas or with certain social groups. By generalizing, governments lose depth, objectivity and efficiency. NGOs on the other hand, have more restricted and localized perspectives. They respond to localized interests of specific parts of rural society. Since they operate at a micro level, they manage to join efficacy and efficiency. Such may be the case for both state and NGO. But an agent of the state, especially a subordinated and localized one like the MDCs may find with the NGO a privileged partnership space for action towards a common goal of helping to alleviate rural poverty. The PBSP case under the LRM program proved that traditional tensions between indigenous NGOs and their national governments can be reduced or eliminated if there are shared values and ideology, common development priorities and common development approaches.

PBSP's experience in working with the government initiated LRM program showed that there is credence and proof on the workability of NGO-government partnership in area-specific,

poverty-focused development programming and promotion of beneficiary participation in the local development process. The organized poverty groups mobilized themselves through federations that initiated group projects. At the same time, these organizations made representations with MDCs which developed poverty alleviation programs for the achievement of poverty group goals and objectives. Similarly, representatives of the poverty groups became legitimate members of and therefore participated in setting the development agenda as envisioned by the MDCs. This presented concrete examples that in fact, the poor who live in specific localities can be organized and empowered to address common concerns while working closely with local government structures.

The experiences revealed general to specific perspectives on the challenging tasks as well as the unique pressures that a participative development intervention entail. The use by the NGO of community organizing as a development approach complemented the demands of the government- initiated LRM process in the areas of poverty situation analysis, strategy formulation, program and project planning, implementation, monitoring and evaluation, and resource mobilization. The key requirements of the program were done with the poverty groups and members of the MDCs while the NGO performed organizing tasks in the areas of situation analysis, community and resource mobilization, leader identification and group formation.

These concrete outcomes of the implementation of LRM-type

programs provide a number of cases in point which give credence to the viability of government-NGO partnership. Such cases present opportunities for government, with the assistance of a NGO assuming a third generation role, for adoption and expansion of the LRM-type of program operationalization. Through its local government units, the state could redirect its development work focus on targeted poverty groups. This is in order to achieve greater impact in the use of financial resources through benefits that could accrue to the less opportune sectors of the population.

In doing this, there would be a need for government to define and implement less complicated and feasible delivery systems that would support this kind of a process. This would entail adjustments in development priorities, policies and operating systems and procedures. For instance, the state could espouse not only decentralization but real devolution of powers to local government units.

Enhancing the empowerment of poverty group sectors through functioning rural organizations could promote public-private partnership in development work. By adopting the NGO-established institution-building approach and linkages with poverty groups, the state can pursue a more democratic process in planning and decision-making. With the NGOs and poverty group organizations, the government would not be alone in programming interventions and mobilizing resources to benefit and improve the quality of life of the rural poor.

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16 United States Agency for International Development,Local Resource Management Project Paper And Annexes, (Manila: USAID,1982), pp. 16-13.

17 Honadle, G. and Van Sant, J.,(Eds.),Implementation for Sustainability:Lessons from Integrated Rural Development,(West Hartford, CT.:Kumarian Press,1985), pp. 92-94.LRM was one of the projects evaluated that adopted a rolling design approach as distinguished from the traditional blueprint approach. It was considered as one of the more innovative USAID-assisted projects during that time.

18 Philippine Business for Social Progress, Board Policy Manual Prototype Edition, (Manila: PBSP,1987), chapters 1-2. More specifically, the PBSP mission was in pursuit of the following objectives: a) initiate, assist and finance socio-economic development projects which help low-income groups, b) increase the earning power of the underprivileged by promoting self-reliance, entrepreneurship and innovation, c) train professionals and skilled workers in socialdevelopment for a more effective implementation of projects, d) Actively involve corporate executives and professionals of member companies in sharing their time and expertise in PBSP programs.

19 Ibid., chapters 3-4.

20 Memorandum Circular 76-110 of the Department of Local Government and Community Development which mandated that MDCs are being established for the purpose of "synchronizing and unifying all development efforts" in every municipality.

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