

Keeping the Spirit of 1896 Alive: The Cooperative Movement Rising

Virginia A. TEODOSIO*

Remember the visions of the heroes of the Philippine Revolution and be inspired by them as you create the vision for your generation.

-Onofre D. Corpuz, Keeping the Spirit of 1896 Alive, 1998¹

The forces of international capitalism are not the only forces now at work. Experiments in both alternative ways of doing things and new forms of resistance to capitalist expansion have begun to develop around the world.

-Gary Teeple, Globalization and the Decline of Social Reform, 2000²

ABSTRACT

This paper discusses the rise of cooperativism in the Philippines. Cooperatives are showing dynamism and effectiveness in pushing for a networked representation to achieve solidarity in scaling up their economic and social activities. This is being sustained by the inspired leadership of millionaire primary cooperatives in all parts of the country.

Enormous changes have taken place in the cooperative movement and a transformation is underway. The cooperatives are varied in time and circumstance across the country and have created new needs and new problems. By the beginning of the 21st century, new technology, increased productivity and expanded markets have created a multitude of varying cooperative enterprises and consolidation. This paper highlights the accomplishments of select cooperatives and shows evidence of their transformational capacity.

*The author is Administrator of the Cooperative Development Authority and Vice-Chairperson, Network for the Development of Agricultural Cooperatives in Asia and the Pacific. She is currently on secondment as Associate Professor, University of the Philippines, School of Labor and Industrial Relations.

INTRODUCTION

The revolution of 1896 has been described by O.D. Corpuz as the epic and noble struggle that is the watershed of Filipino nationalism. He also noted that the Malolos Constitution of 1899 was a repository of the most progressive ideas of autonomous and self-governing local communities. He called on the Filipinos to become the people that they can be and ought to be. For Benedict Anderson, the 1896 armed uprising against Spanish rule, was a high flyer in terms of being a visionary precursor of all the other anti-colonial movements in the Asian region.³ In other parts of the world such as Latin America, the revolt in Cuba followed after another 75 years. Anderson glowingly wrote of Jose Rizal's great nationalist novel, *Noli Me Tangere*, whose precedence has no comparison simply because there was an absence of it in the Americas, in the rest of Southeast Asia, even in Africa till three quarters of a century later.

This paper maintains that the changing shape of the Philippine cooperative movement is illustrative of the struggle that truly keeps the spirit of 1896 alive.

From the ground up, the various forms of struggle have highlighted the economic, political and social conditions that could rank cooperatives according to their influence, status and visibility. The movement has proven its capacity to articulate its own collective consciousness as an autonomous social formation.

This paper also aims to situate in a broad canvas the rise of cooperatives as institutions that have given meaning to the idea that contemporary Filipinos have continued to inherit the customs of their forefathers. Increasingly, cooperatives are showing dynamism and effectiveness in pushing for a networked representation to achieve solidarity in scaling up their economic and social activities. This is being sustained by the inspired leadership of millionaire (and a number of billionaire) primary cooperatives in all parts of the country. Turning vision into reality requires exemplary behavior and the movement has numerous examples of such leadership. The sense of nationhood and competency of cooperative leaders are widely known in their particular localities. Furthermore, self-reliance and the value of relationships between people are central to the movement. Such values are ignored in measuring the country's GNP that only includes the monetized part of the economy. No wonder there is so much negativism and pessimism.

While it is true that many cooperatives have crumbled for a variety of reasons, those which nourished the nationalist imaginings prospered and are now active in the building of a road to peace and sustainable development from below. They have proven that basic to the life of a nation is the right to participate, to share in the outcome and to challenge a socio-economic order of marginalization by transforming the means of economic activity into various forms of social ownership and representation.

THE STRUGGLE AGAINST POVERTY AND DEPRIVATION

The Philippines has been observed to be Southeast Asia's perpetual underachiever, whose political economy is still dominated by an oligarchy of powerful feudal families.⁴ Given the high concentration of wealth and resources in a few groups, the richest 15 per cent of all families account for 53 per cent of national income.

The various images of poverty and deprivation are at the forefront of public attention. As has been noted, the quality of life in this country (ranked 85th from 77th in the UN quality of life index) has deteriorated. According to Arsenio Balisacan, the condition can also be mirrored in its total factor productivity (TFP) in agriculture.⁵ Between 1970 and 2000, the country's TFP is at a dismal .2 while those of Thailand and Indonesia during the same period registered at 1.2 and 1.5 respectively. Between 1980 and 2000, China is at 4.7 and that of the Philippines, .01

The 2002 UNDP statistics shows that the country's GDP per capita is at 4,170 US dollars in marked contrast to Thailand's, 7,010 US dollars.⁶

The NCR has the lowest poverty incidence at 11.4 per cent while ARRM has the highest poverty incidence at 71.3 per cent with Sulo specifically at 92 per cent, Tawi-Tawi, 75 per cent and Basilan, 63 per cent.⁷

In 2003, the Philippines ranked 66th in growth competitiveness out of 102 countries surveyed.⁸

OUTLINING THE PHILIPPINE CASE: RECLAIMING THE ALTERNATIVE

Productivity growth is essential for any nation state to address the issues of generating income and employment in a self sustaining manner. In 2003, some 8,000 cooperatives utilized operational

funds that were basically generated from the paid up share capital of cooperative members totaling 3.3 billion pesos, registered savings of 6.7 billion pesos and loans worth 297.8 million pesos. In mobilizing these resources, volume of business reached 54.7 billion pesos. There are currently 30,000 operational cooperatives.⁹

What then is the place of cooperatives in reclaiming the alternative? Cooperatives are institutions of resistance within the capitalist order even if they are also institutions of accommodations. Their collective action has gained space on the agenda of the wider public and the state. There is the phenomenon of cooperative-local government collaboration that is growing steadily in scope and reach. The search for best practices in cooperative and local government collaboration has been initiated reflecting the widening and deepening cooperation in the grassroots. There are conditions for building and sustaining successful partnerships in governance at all levels. Both the cooperatives and LGUs have worked hard to be guided by dialogues and collaborative efforts primarily on the way society should be organized for reforms.

On 26 December 2002, Marciano Sopian, a Subanon and chairperson, of the Canatuan Agro-Industrial Cooperative, died in an ambush along with 12 others. Sopian was not only a dedicated cooperative leader and devoted to the interests of the Subanons, but most importantly, served as an arbiter of dialogues with the Canadian owned TVI Pacific with interests in mining resource development such as questions of ancestral domain and land access, on the pressing environmental concerns from illegal small scale mining activities, and on issues of collective well being, equity and sustainability with local and national governments. In these various dialogues, Sopian as a leader, provided the impetus for bottom-up processes and commitment towards development in the area. His dedication and that of his group has resulted in some peace and order in Canatuan. Decades of popular action for social justice in this country have set the stage for the humanization of development priorities. A people-centered development brings people together and builds social cohesion. Indeed, one of the country's poorest, the Subanons of Canatuan have shown their potential collective power.

Economic activities that promote self-reliance and less hierarchical relationships increase community strength. Cooperatives are characterized by high levels of social capital that facilitate coordination and cooperation for mutual support and growth. Their involvement with wider socio-economic forces provided the mechanisms for shared problem solving on important

issues of empowerment and good governance. They have in many ways transformed both rural and urban communities with their particular brand of citizenship for a wider structural change. For the cooperatives, there is the realization that the market is not determinate and independent. It takes up the character of the culture and social structure in which it operates. Their deep moral sense is to challenge market individualism and to foster both social fairness and growth.

Once in every two years, thousands of cooperative leaders converge in what the sector calls as the Cooperative Summit. Oftentimes, in attendance were also representatives from the local government units who are cooperative advocates. The first national Summit of Cooperatives took place in Bulacan in 1995. The First National Summit of Women in Cooperatives, on the other hand, was conducted in Banaue, Ifugao in 2003. To date, the Summit has resulted in eight congresses for NCR, regions 1, 3, 4, 5, 6, 11, and 12.

Women cooperative leaders serve as chairs of the various regional congresses and hundreds of women leaders have been mobilized to further advance the socio-economic agenda in the rural areas using the Agriculture and Fisheries Modernization Act of 1997 as a guiding framework. This particular legislative agenda, among others, aims to modernize the agriculture and fisheries sectors by transforming them from a resource based to a technology based industry; to enhance profits and incomes in the agriculture and fisheries sectors particularly the small farmers and fisherfolk by ensuring equitable access to assets, resources and services, and promoting higher value crops, value added processing, agribusiness activities and agro-industrialization; and to promote people empowerment by strengthening people's organizations, cooperatives and NGOs and by establishing and improving mechanisms and processes for their participation in government decision making and implementation.

President Gloria Arroyo attended the Mindanao Congress of Cooperatives in April 2004 where the contentious issues of electric cooperatives and tax exemptions were raised. By June, as a follow-up, she has instructed the Cooperative Development Authority (CDA), to meet with the National Electrification Administration (NEA) and the Bureau of Internal Revenue.

In October 2003, the Energy Regulatory Commission has issued guidelines writing off the electric cooperatives' 18 billion peso worth of debts. This was in support of the Electric Power Industry Reform Act which aims to provide debt relief for the electric cooperatives to help them compete with the deregulation of the

power distribution sector. The new guidelines required the electric cooperatives to present certifications from NEA and other agencies indicating the total amount approved for condonation. Earlier in June 2003, the Supreme Court opined that for electric cooperatives to be tax exempt, they should register with the CDA under Republic Act (RA) 6938. The Court also advised the proper authorities of government to reexamine the rules and guidelines on the conversion of the electric cooperatives and assistance be provided in order to encourage the growth and viability of cooperatives as instruments of social justice and development. In February 2004, the CDA came out with its memorandum circular for the registration of electric cooperatives wherein member consumers of electric cooperatives can claim to be the rightful owners of their respective cooperatives. However, only the NEA was mandated to come up with the guidelines for the holding of the referendum for general membership of the electric cooperatives for them to register with the CDA under RA 6938. To date, NEA has yet to issue the referendum guidelines. Of the 105 electric cooperatives, only 5 are registered with the CDA. They include the Davao del Norte Electric Cooperative, the Davao del Sur Electric Cooperative, the Negros Oriental Electric Cooperative, the South Cotabato II Electric Cooperative and the Sorsogon II Electric Cooperative. It is estimated that electric cooperatives have five million member consumers.

On 21 July 2004, the President issued an order for the CDA together with the Public Estate Authority and the Philippine Amusement and Gaming Corporation be under the supervision of the Department of Finance.¹⁰ In particular, the CDA would be required to report on its administration of tax incentives to cooperatives since these represent foregone revenues on the part of national government. Given the cooperative movement's increasing capacity to provide credit facility and generate resources to fund income generating activities of the poor in the rural areas, it is time that the state-cooperative, nationhood and the local economy relationship play out prominently in the context of various processes of modernization that are taking place.

TRAILBLAZERS IN MICROFINANCE AND EMPOWERMENT

There are many aspects in the cooperative framework that sets it apart from that of capitalist enterprises. The primacy of core values include: open and voluntary membership, democratic control, economic participation of members, patronage refund

and limited interest on capital, continuing education and cooperation among cooperatives. Cooperatives are composed mostly of small farmers, fisherfolks and small and medium entrepreneurs. Cooperatives account for billions of pesos in total deposits in commercial banks. They have established a central financial system in coordination with the Land Bank of the Philippines that involves the consolidation or federation of existing credit coops and cooperative banks to cater to the financial needs of the agricultural and fisheries sector, natural resources sector, and agrarian reform communities. The systems seeks to facilitate the sharing and pooling of resources, information and risks across cooperatives, mobilize savings and expand the capital base, and finance the economic projects of small producers. The savings and credit cooperatives have the most successful record in history. They are in the best position to provide credit to the poor or those unserved by the banking system because of their appreciation of local conditions and risks.

The Philippines was the first Asian country to adopt a cooperative branding strategy, FOCCUS, which means Finance Organizations Achieving Certified Credit Union Standards. Similar movement wide branding strategy is implemented in the US, Poland, Australia, Central and Latin America. In Mindanao where it started, a number of partner cooperatives have achieved the minimum standards of the model credit union that would enhance quality services and safeguard members' money.

It has been noted by Richard Levins that the struggle of empowerment has a much more profound aim than democracy.¹¹ Empowerment is about the all-around capacity, resources, information and knowledge, self-confidence, skills, understanding and formal rights people can use to determine individually and collectively what happens to them. It is about the mobilization of collective imagination, intelligence, creativity, enthusiasm, courage and energy of the people in a liberating enterprise. With self-help and their own process of broadening the vision of empowerment, cooperatives are visible in the every day struggle providing basic support especially to the rural economy.

The Subic Bay Multipurpose Cooperative's primer states in its introduction:

A well-informed general membership in any cooperative organization is a strong membership. Without strong potent membership, the cooperative of any type cannot become viable. Any viability is what makes that cooperative truly responsive to its members needs. With

this in mind, the Board of Directors deemed it propitious to publish this primer which aims to provide basic information on cooperatives so that by reading the member will understand his role as a member of good standing and learn to value his being a cooperator.

Indeed, enormous changes have taken place in the cooperative alternative and a transformation is underway. The cooperatives are varied in time and circumstance across the country and have created new needs and new problems. By the beginning of the 21st century, new technology, increased productivity and expanded markets have created a multitude of varying cooperative enterprises and consolidation. The evidence of transformational capacity of the cooperative alternative can be shown in the following examples.¹²

Baguio-Benguet Community Credit Cooperative (BCCCC)

The Cordillera's biggest cooperative with reserve funds totaling 300 million pesos and a net surplus of 27.5 million pesos in 2000. Founded in 1958 by a group of 15 teachers, the cooperative has to date, 11,000 members. Recently, a capital build up campaign among the members generated 8.5 million pesos in just three months. The cooperative is actively engaged in a kiddies and youth savings program. It has a scholarship program for poor but deserving high school students enrolled in public schools and the scholars shall form the core group to organize a laboratory cooperative. On the front page of their newsletter, the credit union operating principles are prominently listed: open and voluntary membership, democratic control, non-discrimination, service to the members, distribution to the members, building financial stability, on-going education, cooperation among cooperatives and social responsibility. The cooperative aims to increase membership to 30,000 in three years.

The Tubao Credit Cooperative

This coop's members were mostly from the Tubao town center. Currently, additional members come from the towns of San Fabian, Luna and Bacnotan. Membership is at 26,000. Established in 1966, the cooperative has no external borrowings and reports 100 per cent loan collection, hence it does not employ collectors. The cooperative was started by tobacco farmers to escape the exploitative practices of traders. It was also instrumental in establishing a secondary school in Tubao where teachers were initially paid with agricultural produce.

The Claveria Agri-Based Multi-purpose Cooperative

Claveria, in the northwestern part of the Cagayan province has a total population of 25,363 in 2000. The cooperative has 20,000 members from an initial 450 in 1987. Provides financial assistance for agri-fishery projects. For example, the cooperative in cooperation with the Department of Agriculture is financing piggery, poultry and vegetable projects. It also supports the construction of fishing boats and fish cages. The cooperative has a cable network and 17 barangays have availed of the service. The hotel, restaurant and catering services opened the door for additional income from conferences, seminars, workshops. In 1999, the Claveria MPC also started the laboratory cooperatives in the elementary schools to develop young entrepreneurs. It also provided scholarships to poor students. Pioneered the young entrepreneurs and savers club with 3,000 members to inculcate the values of savings, skill and entrepreneurship in the young minds of the youth. Another business venture is a public calling center.

The First Isabela Cooperative Bank

Founded in 1976 by farmer members, the FICOBank has six branches in the provinces of Isabela (Cauayan City, Alicia, Roxas, Jones and Santiago City) and Quirino (Maddela). The cooperative also extends microfinance assistance in Nueva Vizcaya. The FICOBank employs a total number of 107 employees. In 2003, total assets was reported at 308 million pesos and a net income of 13 million pesos. It plans to expand to 4 more sites.

Northeast Luzon Credit Cooperative League

The League's mission is towards that of a strong and viable secondary base cooperative which is capable of uniting primary cooperatives in the region rendering both business and development services and to contribute to national economy, social, ecological and political development. A member of the Philippine Federation of Credit Cooperatives (PFCCO), the League network is at the forefront of conducting a series of Educational Fora. In April 2004, the League of Northern Mindanao conducted its 8th Educational Forum in Butuan City with 300 cooperative leaders participating.

Sorosoro Ibaba Development Cooperative

First established in 1969 with 59 farmer members with voluntary contribution of 200 pesos each for a total capital of 11,800 pesos. The first project was a goods store that offered basic commodities. The cooperative also became a dealer of

different products which we offered at lower prices. Currently, it has 4,687 members with assets of 310 million pesos and with a net surplus of 51 million pesos. The services offered by the cooperative include feed milling, contract growing, merchandising, hog selling, CATV services and housing and health programs. The cooperative is also into tilapia fish cages and built an artificial insemination center to provide its members with high quality piglets. Projects in the pipeline include experimental farm, wastewater treatment plant, low cost housing, auto shop and gasoline station.

Aces Credit Cooperative Development Cooperative (ACDI)

From 26 members in 1982, ACDI now has 17,000 members. Primarily, membership of ACDI is open to all officers and enlisted personnel of the Philippine Air Force. From an initial capital of 200,000 pesos, the cooperative has one billion pesos worth of assets, a deposit base of 654 million pesos and a collection efficiency rate of 99 per cent as of 2002. A priority mission is to expand membership by organizing aviation-related enterprises.

The Project 4 Development Cooperative

This cooperative has 4,000 members founded 26 years ago by 47 pioneers to address for credit needs of low salaried government employees and market vendors in Project 4 Quezon City. The cooperative now has various programs for its members including credit expansion, mutual aid, free medical and dental services. Initially housed in a garage, it now boasts of a four-storey building. Its paid up capital totals 41 million pesos which started from an initial capital of 470 pesos.

Parish of the Holy Cross Credit Cooperative

Founded in 1990 with 20,000 pesos initial share capital, the cooperative has assets of 205 million pesos and a net surplus of 3.5 million pesos as of 2003. Dedicated to promote cooperative movement not only to its members but even in the neighboring cities and provinces, the cooperative has an *Outreach Cooperative Tatag Program* to help other communities form cooperatives or strengthen their own. It has hosted numerous *Lakbay Aral* (cooperative visitation) program and initiated a *Kadaup Palad Award* to recognize the recognition of its outstanding members to the community.

United Federation of Calamianes

On October 2002, the 2nd Convention of Calamianes Cooperatives was held in Culion and participated in by 61 cooperatives led by

the United Calamian Federation of Cooperatives. Topics included *Updates on the Philippine Cooperative Development Council Role in Palawan Cooperative Development, Quedancor Affordable Credit Financing, Technology and Livelihood Resource Center: Role in Cooperative Development and Identification of Issues* and *Problems affecting Cooperatives*. Guests included municipal officials and employees of the Culion municipality. Representation came from Culion, Busuanga, Coron and Linapacan. For this year, the Federation will implement an Internet project not only for its members but also to help school children and students access ICT at affordable rates. It will establish a distance-learning program for the Calamianes by the end of the year.

The Antique Federation of Cooperatives (AFCCUI)

In the 33rd General Assembly of May 2001, the Federation's vision is: towards a viable and progressive cooperatives effectively and sustainably implementing programs, projects and services towards the development of Antique. Its mission is to strengthen the capabilities of the primaries in organizational and enterprise management and advocacies towards the stability of the cooperative movement in the province.

With 52 primaries consisting of 25,000 members, the AFCCUI's programs and services include: savings, credit, cable TV, telecom, banana processing, fish, rice and livestock trading, consumer stores, ube production and processing, handicrafts, vegetable crop production, and muscovado sugar.

Other programs and services include: skills training on piña production that included fund accessing, procurement and distribution of planting materials, cloth weaving, embroidery and productivity training.

The coop is also active in marketing and networking and is currently, hard at work in facilitating the modernization of fishery cooperatives.

Total assets were reported to be 378 million pesos in 2000.

Dumaguete Cathedral Credit Cooperative

The cooperative's area of coverage is the City of Dumaguete composed of 30 barangays and 20 municipalities. It envisions that within five years (2002-2007) it has provided diversified lending and allied services that are geared towards the promotion and advancement of every member's socio economic and cultural life, leading them to build a strong and cohesive, responsive and responsible families and community embued with Christian values

within the City of Dumaguete and of Negros Oriental. The program is that of total human development where extension programs and services are not only for its members but also for the larger community. As of 2003, total savings were placed at 42.5 million pesos. Its community outreach include relief and rehabilitation assistance for calamity victims, ecology awareness campaign and cooperative for kiddie savers. The cooperative at present has 19,000 members.

King Cooperative Savings and Credit Union

King Cooperative's vision is for a credible, stable, model and progressive cooperative owned by united, committed, responsible and God fearing members; controlled and managed by competent, efficient, trustworthy, loyal, development and service oriented leaders and staff in order to achieve an improved quality of life. King Cooperative has 22 branches in Mindanao with a total of 48,000 members.

Two cases of agrarian reform cases present themselves at this stage.

Del Monte Philippines (DMPI) Employees Agrarian Reform Beneficiaries Cooperative (DEARBC)

With an active membership of 7,648, the DEARBC posted a net surplus of 34 million pesos in 2002. The cooperative's main source of income is the lease of its 8,000 hectares of land covering 4 municipalities in Bukidnon to Del Monte Philippines. At the same time, a grower contract on pineapples has been undertaken with DEARBC. Given its capital build up through salary deduction for the active members and direct payments for the retirees, the cooperative has embarked on a diversified agricultural projects such as coffee and papaya. It has generated 290 jobs.

Hijo Cooperative Employees Agrarian Reform Beneficiaries Cooperative

HEARBCO II is a producer of Cavendish banana with the Hijo Plantation, Inc. as its marketing arm. Encountered losses initially but recovered fast enough through continuous capital build up with an initial contribution of 1,000 pesos. On its second year, the cooperative's net income doubled. It constructed a chapel, expanded its business into consumer goods and lending, and provided Isuzu Elf, radios, motorcycles and bicycles for the services of its supervisors and members. Purchased 50 hectares of land for its fruit tree plantation. The cooperative funded the consumers and lending business in the area amounting to 8 million pesos. It

also assists in relief operations in emergency situation and NGOs through cash assistance or in kind. As of 2001, it has a total asset of 124 million pesos and has net savings of 21.2 million pesos. It provided continuing learning and development program for worker members with the end view of enhancing their skills in production, leadership and attitudes and motivation at work. Other programs include skills development to non-working spouse and children of the members. Barangay councils have recognized the cooperative as a partner in welfare delivery to the community in terms of employment, revenues and maintenance of peace and order.

The National Livelihood Support Fund has reported that its regional conduits for its microfinance program as of April 2004 are mostly cooperatives.

In November 2003, Quedancor and CDA embarked on a partnership to implement a financing scheme that would prioritize the enterprise development agenda of agricultural cooperatives.

THE PHILIPPINE COOPERATIVE CENTER AND THE COOPERATIVE DEVELOPMENT AUTHORITY: SOME PERSPECTIVES

Francisco Magno has observed that the threat to democracy lies not only in the objective existence of social conditions of poverty and inequality but also in the subjective propagation of forms of consciousness which makes people accept their subjugation in hunger and silence, then the struggle for democracy also involves the active propagation of a counter consciousness where people become convinced of their right to shape and manage their own social, economic and political lives.¹³

The long march of the cooperatives in the Philippines has taken the form of a vanguardless movement with an increasing cultural and social influence and its emancipatory capacity enhanced by its resources, education, organizational structure and traditions of struggle. Self-governance and freedom of speech and assembly have resulted in a leadership representation that genuinely shares the consciousness of those they lead. Given their deep conviction of egalitarian tendencies, the cooperative experiment has opened up the arenas in democratizing the economy through collective discipline, strength and competence. Fundamentally, it is about the production and reproduction of social relations and the satisfaction of non-material needs.

The continuing cooperative and local government collaboration has made significant contribution to David Held's perspective that the state and civil society must be the condition for each other's

democratization wherein there is an appreciation of the double sided process of creative reform protected by state action and innovation from below through alternative social initiatives. Without a secure and independent civil society, goals such as freedom and equality cannot be realized.¹⁴

In the 1990s, the combined knowledge and experience of the movement's leaders found expression in the establishment of the Philippine Cooperative Center (PCC).¹⁵ In particular, a steering committee oversaw the transfer of 40 million pesos, as a congressional initiative of then Senator Agapito Aquino for a structure to house the cooperative movement. Formally organized in 1995, the PCC is a network of cooperatives in the country. PCC emanated from a desire among cooperative leaders and advocates for unity in the sector. Its mission is to serve as a unifying center that will strive for excellence and competitiveness, create partnerships and ensure accountability of the cooperative movement. Comprising the core of PCC are the major networks of various specificities and histories. In partnership with other change agents from both local and foreign government and civil society organizations, PCC implements development projects in line with its mandated objectives. The relative success of the PCC has depended so much on its vision and a lot of hard work.

Vision : An empowered citizenry of cooperators.

Mission : A center that will strive for excellence and competitiveness, promote partnership and unity, and ensure accountability of the cooperative movement.

Goals : To become an efficient, effective and viable coop center.
 To promote coops as models of value formation.
 To establish coordinative linkages among coops and other organizations.
 To strive for a highly competitive coop movement.

PCC is the national confederation of cooperatives that includes 14 national organizations, 8 regional and 12 leading primary cooperatives.¹⁶ It is the largest cooperative network today.

A key member of the PCC is the Cooperative Union of the Philippines (CUP). The CUP was established in 1979 as an apex organization of national cooperative federations and unions at the regional, provincial and city levels. It is a member of the International Cooperative Alliance and various cooperative organizations in the Asian-Pacific region. Its aim is of a Philippine society where there is equity, democracy, social justice and sustainable development. Mandated by law to develop the cooperative movement in their respective jurisdictions, an active member of CUP is the Pangasinan and Cities Cooperative Union (PACCU). Organized in 1981 PACCU's vision is a progressive and economically developed Pangasinan where there is contentment, peace, social justice and an atmosphere of equity and fraternity.

Another major network is the National Confederation of Cooperatives (NATCCO). In the May election, the NATCCO party list won one seat. RA 7941 seeks to provide opportunities for small, new and sectoral parties to be represented in Congress. The essence of the law is to democratize and widen representation in Congress by allowing under represented sectors and groups to participate in governance and decision-making. In 1998, the Alliance of Cooperatives (ALL COOP) made an initial attempt to represent the movement in Congress. The founding members that included the Philippine Federation of Credit Cooperatives (PFCCO), *Katipunan ng mga Kooperatibang Pansasakyan ng Pilipinas* (KKPPI), Cooperative Foundation of the Philippines (CFPI), Nuwhrain Development Cooperative, the U.P. Employees Housing Cooperative and the Project 4 Development Cooperative, campaigned for three months and managed to get 160,00 votes. The Comelec allowed ALL COOP to sit in Congress but was questioned by those earlier proclaimed as party list representatives. The latter were sustained when they brought the case to the Supreme Court.

Two major projects of the PCC involved building partnerships for governance and cooperative education.

Specifically, the project on Effective Local Governance and Support Mechanisms for Sustainable Cooperative Development resulted in the documentation and evaluation of cooperative and local government collaboration and an appreciation of the support mechanisms that were required. In 1993, Executive Order (EO) 95 was 96 were promulgated to enhance the coordination framework for cooperative development. EO 95 provides for the establishment of cooperative development councils at the national, regional, provincial and city levels as well for a national coordinating council chaired by the CDA. EO 96 defines the powers and functions of the LGUs relative to cooperative development. Nationwide,

municipal, provincial and regional cooperative development councils have already been set in motion. Apart from implementing a program for cooperative promotion and development in line with the national development plan on cooperatives within their jurisdiction, the PCC developed a resource and training manual on cooperative and local government partnerships. The trend towards greater decentralization of government services and participation by stakeholders has increased the need for building capacity and strengthening institutions at the various levels.

The Cooperative Education Ilocos Norte (CEIN) was a pilot project that aimed to establish an education pilot program that could increase the cooperatives' membership understanding and knowledge about the cooperative organization as a vehicle for growth and welfare.¹⁷ It was jointly implemented by the PCC and the Cooperative Center of Denmark. The modules, media and other instructional materials were based on the members of the cooperatives and were written in the dialect, beneficiaries of the education program were 4,000 cooperative members majority of whom were women, 300 board members, 60 managers, 60 local facilitators, 20 trainers, 5 team leaders and educators and 12 policy decision makers in the cooperative movement.

There has been a heightened level of cooperation and coordination between the PCC and the CDA. In August 2001, the PCC, the CDA and the Office of the Presidential Assistant for Cooperatives came out with a number of action points:

1. Promote the establishment of a National Consolidated Bank to provide the capital through continuous savings and capital build up, thereby broadening access to financial services for micro, cottage, small and medium enterprises and for the agricultural, fisheries and the forestry and natural resources sectors as well;
2. Establish standards and improvements in cooperative education and training, auditing and management systems to make cooperatives stronger and more accountable;
3. Establish a cooperative information and communication system, thereby enabling cooperatives to participate in the new economy; and
4. Enhance cooperative businesses in agribusiness and marketing transportation, housing, insurance and other enterprises.

On 6 July 2002, a national conference workshop on cooperative development was held at Heroes Hall, Malacanang Palace. This was initiated by former CDA chairperson Roberto Pagdanganan. Apart from the cooperative national leaders, also present in the meeting were Cong. Generoso Tulagan and Sen. Rodolfo Biazon, chairpersons respectively of the House Committee and Senate Committee on Cooperatives of the 12th Congress. The topics for discussion included the need for a centralized financial system, capacity building on training and education, on the role of federations and unions, as well as cooperative marketing. On electric cooperatives, an executive order was to be issued for the conversion of electric coops to share cooperatives.

The CDA has been criticized for its so-called permissive attitude toward the organization and monitoring of cooperatives. Note that while CDA has been vested the authority to issue rules and regulations to implement the provisions of the law, the same law does not explicitly clothe it with enforcement powers. Since 1999, with the active support and guidance of the National Credit Council, the CDA and the cooperative sector have jointly developed the standard chart of accounts or the SCA and performance standards or the COOP PESOS for savings and credit cooperatives.¹⁸ The SCA aims to provide quantitative financial information and enhance transparency about the credit cooperatives and other types of cooperatives with credit services. Performance standards or COOP PESOS are set of indicators that will measure the performance of a credit cooperative's in terms of compliance to administrative requirements, management and financial performance. CDA will use these standards to evaluate the performance of credit cooperatives. Results of the evaluation and assessment of the credit cooperative's performance against certain standards will allow CDA and the designated supervisor to compare the performance of various cooperatives over time and across peers. By the end of 2004, all key CDA officers and staff have been trained on how to implement the program. The agency is also in the process of working on the standard chart of accounts for other types of cooperatives.

CONCLUSION

As often cited in the past, the real loci of change are diffused in a people's culture, consciousness and social practices In the Philippines, localized mutual support initiatives are more widespread, emerging directly from concrete social relations that

has kept the spirit of 1896 very much alive. Unfortunately, public discourse has placed too much emphasis on the centers of power and it is time to seriously bring society closer to itself. The future is not about waiting and hoping for a single event; but about using and developing social forces which can together advance social transformation. Largely, cooperatives have offered the context for a participatory and empowering culture of direction, action and resources. A democratic culture is produced and reproduced through the activities that people undertake. Participation is about the dispersion of power to ordinary people, so that they may have some sort of real control over their lives and their environment. It is a learning process which helps people to understand their needs and abilities that result in self-sustaining communities.

ENDNOTES

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