

KADIWA: The case of a cooperative's journey to empowerment*

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Introduction

The 1987 Constitution proclaims cooperatives as instruments for social justice and development (Article XIII, Section XV).

In the Medium Term Philippine Development Plan 1987-1992, the Agriculture sector has the following policy with regard to farmer's organizations: "One of the critically important institutional reforms is the strengthening of farmers organizations particularly farmers' institutions such as cooperatives. Given the thrust towards decentralization and increased private initiative, people's organizations shall be tapped to serve as an appropriate institutional framework within which the population at the grassroots level could participate in decision-making. The role of the government is to actively assist (but not organize) farmers in the development of the cooperative."

On the other hand, the 1990 Cooperative Code or R.A. 6938, which provides the legislative backing to the above executive policy, aims to establish and organize cooperative rural banks (called secondary cooperatives) from the existing primary cooperatives. A succeeding law, R.A. 6939, provides for establishment of the Cooperative Development Authority

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(CDA) in place of the Bureau of Agricultural Cooperative Development (BACOD).

To operationalize its thrust for cooperatives, the government assigns the Land Bank of the Philippines the task of providing loans to rural cooperatives.

The government is not alone in its enthusiasm. In the last few years, the nongovernment organizations (NGOs) have taken a more active role in the development of and giving support to cooperatives. They have assisted people's organizations (POs) in setting up cooperatives through their provision of training and lending seed money. For these NGOs who actively struggled against the Marcos dictatorship, the establishment of cooperatives was a new arena to explore together with the POs. Used to denouncing the government, their participation in cooperative work made these NGOs and the state strange bedfellows. But for the NGOs, this socioeconomic project is a necessary part of the whole agenda of social transformation and empowerment.

Objectives of the paper

The main aim of this paper is to present the story of *Barrio Kalakasan* (not its real name), and its five-year experience in cooperative work. A secondary objective is to examine the development of cooperatives in the Philippines. Hopefully, this will allow an appreciation of the historical context from which existing cooperatives have emerged.

The paper is divided into five parts. The first section briefly discusses the concept of empowerment. The second is a summary of the history of cooperatives in and outside the country. A description of *Barrio Kalakasan* is presented in the third part while the fourth section shows the linkages of the *barrio* with other organizations (both government and nongovernment). The concluding part summarizes the salient points in the earlier sections.

The concept of empowerment

Empowerment is one of the more fashionable terms nowadays. Yet it is one of the least understood in terms of how it is to be measured or observed. Because of the nature of the concept itself, it is difficult to be exact about it.

First of all, it can be considered both as a means and as an end. If one looks at it as a means, one would be talking about the process of empowering and how it contributes to another objective. This view is exemplified by Friedmann (1992:31) when he writes, "an alternative development involves a process of social and political empowerment whose

long term objective is to restructure the balance of power in society by making state action more accountable, strengthening the powers of civil society in the management of its own affairs, and making corporate business more socially responsible." On the other hand, one can also talk about empowerment as a goal for many development programs.

Various ways of measurement will have to be devised depending on one's appreciation of the concept. If one talks about empowerment as a goal, then one can look for "quantitative and more tangible outcomes". On the other hand, one can look into more qualitative, less visible measures if one is looking at empowerment as a process.

The concept has many dimensions. Empowerment is commonly defined as the "transfer of political and economic power from one social class to another" (NGO Report, 1988). So for instance, one can talk about the transfer of decision-making and policy formulation to the rural poor by establishing structures parallel to that of elite and government units as a process of political empowerment.

On the other hand, economic empowerment as a goal can refer to "that stage of development when ordinary people, particularly the poor, have a direct control of economic life" (NGO Orientation on Koop Work, 1990:3). If the people are provided the skills so that they are able to control their means of livelihood, this can be considered a process of economic empowerment.

There is also social empowerment. As a goal, it means having "access to certain 'bases' of power in household production such as information, knowledge and skills, participation in social organizations, and financial resources" (Friedmann, 1992:33).

Psychological empowerment can be described as an "individual sense of potency" which is manifested as self-confidence (Friedmann, 1992:33).

From the above, we can see that it involves many levels. One can talk about individual empowerment, group empowerment and community empowerment.

At the individual level, one can talk about the belief in one's capacity to be a change agent. This is in contrast to the dominant thinking that one has to rely on a powerful body to change things, or a fatalistic attitude that one should simply accept one's destiny.

Translation of this belief into concrete action is another dimension of empowerment. If people are able to participate in changing their conditions or do something to alleviate their poverty, the process itself is empowering and reinforces their belief that they can indeed change their situation.

Oakley's (1991:9) discussion on Kamla Bhasin's definition of empowerment is useful in this regard and provides points for reflection: "Some see empowering as the development of skills and abilities to enable rural people to manage better, have a say or negotiate with existing development delivery systems; others see it as more fundamentally and essentially concerned with enabling rural people to decide upon and to take actions which they believe are essential to their development."

Another important aspect of empowerment is the capacity to see that one's situation is interrelated with the larger society and is, in fact, affected by what is happening. C. Wright Mills calls it the 'sociological imagination' which is the quality of mind to see the link between biography and history. It also implies an understanding of the interrelationship among the economic, the political and the social.

Empowerment is not limited to the individual level. In fact, in many instances, individual action is not enough. What is required is organized action. There is also the power emanating from organization's capacity to change or remedy the people's situation.

A final question is, "Where does it come from?" Friedmann (1992:77) points out that "genuine empowerment can never be conferred from outside. In the struggle against poverty and for political inclusion, the role of external agents is to provide support in ways that encourage the disempowered to free themselves of traditional dependency."

Cooperatives: resurrection of sorts

While inspired by the show of people's power in the EDSA uprising of 1986 and later sustained by the worldwide appropriation of the term "empowerment of the people" (as indicated by UN documents, international funding agencies requirements and government and nongovernment plans), the cooperative as a development model is not exactly recent.

Development of cooperatives outside the Philippines

The Cooperative Foundation of the Philippines Inc. (CFPI) module (1987) on the "Historical Development of Cooperatives in Foreign Lands," traces the origin of cooperatives to as far back as the 12th century when the guild system started. There were two kinds of guilds: the merchant guilds which promoted fair competition, mutual help and trade under royal mandates among small merchants, and the craft guilds whose objectives were to standardize production and protect the welfare (wages, hours and working conditions) of the artisans.

In 1824, Robert Owens, an Englishman, established the first cooperative village in the United States. It was the precursor of many Owenite communities which "was characterized by social ownership of land, collective labor and distribution of the total income in equal shares among members of the community" (CFPI, 1990:2).

In France, Charles Fourier organized self-governing phalansteries. In contrast to the Owenite communities' equal distribution of income, the phalansteries distributed the income pro-rated according to the individual income or labor.

In the end, both experiments failed. The CFPI (1990:3) module explains that this "colony-type" of cooperation collapsed because of "a utopian vision of achieving a compartmentalized social system with a radically egalitarian nature which was viewed to exist within a larger social structure largely different and even contradictory." A 1992 publication of the Nongovernment Organization Coalition for Cooperative Development (NGO-CCD) Basic Orientation on Cooperative Work (BOCW, 1992) elaborates on the other factors, namely: 1) lack of capital; 2) disagreement among the managers on the "equitable distribution of income"; and 3) regard for new members as hired labor instead of as equal members.

These self-organizing ideas and the practice arising from them, however, continued to influence and shape the organization of different types of cooperatives. The Rochdale Pioneers Cooperative Society was founded by English workers in 1844 as a consumers' association which assured members of quality and cheap goods. Friedrich Raiffeisen founded the first credit cooperative in response to the usurious rates and impoverishment in Germany in 1864. The basic principles adopted then still govern credit cooperatives today (CFPI:1990).

The cooperatives flourished but they were also plagued by serious problems. The NGO-CCD BOCW (1992) enumerates them as: 1) weakness in the management of the cooperative; 2) dishonest managers; 3) priority is not given to meetings between the managers and members; and 4) responsibility of management is left in the hands of a few.

While the above examples demonstrate that cooperatives were formed basically as a response to poverty, the CFPI module also draws attention to the other dimension which has contributed to the development of the cooperatives. "The emergence of the cooperative movement at this time happened side by side with the unity of the workers and peasants, the former most especially, in pressing for their rights. The trade union movement in this period had just surfaced from illegality and the context of a new, liberal atmosphere - democracies different from the form of state governance preceding it - created space for socioeconomic endeavors

through cooperatives which was combined with the struggle for political rights. In the latter half of the 19th century, cooperative movements established links with the socialist parties in Europe" (CFPI, 1990:4).

In other words, the cooperatives did not only attempt to raise the economic conditions of its members but also had a strategic role in the advocacy of their political rights. Through its linkages with the political movements, some of the cooperatives began to appreciate a more long-term vision of societal transformation (NGO-CCD BOCW, 1992).

The English government felt threatened by such alliances and forbade cooperatives from involving themselves in political issues. In 1896, the International Cooperatives Alliance (ICA) was formed and its leaders proclaimed that the cooperative is an economic organization and should not get involved in politics and religion (NGO-CCD BOCW, 1992). In a way, it can be said that such a move shaped the more dominant understanding of the cooperative as an economic unit.

Given the above, the CFPI (1990:4) module summarizes the historical role of cooperatives, which can very well be the first point we can cull and then reflect on when we look at the *Barrio Kalakasan* experience. "Amid the gains of the cooperative movement in promoting cooperativism as a means of economic relief and as a vehicle for pressing for economic rights, it was apparent that cooperative units per se would not be sufficient in attaining social transformation. At any rate, cooperatives were used as economic buffers or as mechanisms for economic self-defense of the socially marginalized lot."

Development of cooperatives in the Philippines

While the principles of cooperativism can very well be equated with our *bayanihan* or *paluwagan*, the CFPI (1990) module on the "Phases of Cooperative Development in the Philippines," reminds the reader of the necessity of distinguishing "simple forms of cooperation" from the cooperatives which are specific economic organizations.

In the first place, mutual help not only among relatives but also among members of the community is one element of the Filipino character which dates back to precolonial society. Religion has reinforced this and group cooperation remains an important part of communities especially those in the rural areas.

In terms of the more formal cooperatives, the Bureau of Cooperative Development (BCOD) 1987 manual, CFPI (1990) module and NGO-CCD BOCW (1992) provide their periodization of the development of the cooperatives. This section tries to integrate the three presentations.

Rural-based cooperatives during the Colonial Period (1896-1946)

In contrast to many of the European cooperatives, the first cooperatives in the Philippines were established in the rural areas. During his exile in Dapitan, Dr. Jose Rizal was said to have encouraged farmers to establish in 1896 the first (marketing) cooperative.

The law on rural credit was enacted in 1915 to address the problem of usury. "Under this law, Rural Credit Cooperative Associations were organized to accumulate funds by way of cooperation in order to extend credit to their members at reasonable terms for exclusively agricultural operations. The amount of funds available to farmers was dependent initially on the amount they saved" (BCOD, 1987:10).

As credit proved to be insufficient to solve rural poverty, the marketing of farmers' produce was one area that the government thought associations could be organized around. The formalization of marketing cooperatives and government intervention was legislated through the Cooperative Marketing Law of 1927. The American colonial government also introduced the "credit-marketing" model to the farmers' cooperatives.

While most of the cooperatives were initiated by the government during this period, the Iglesia ni Kristo Disciples Credit Union formed the "first private sector-initiated credit cooperative in Vigan, Ilocos Sur" in 1938. In a way, this can be considered the first effort of NGOs in cooperativism.

The government itself admitted that the state-sponsored cooperatives failed because of anomalies, lack of education and training, shortage of capital, political interference, improper use of loans by borrowers and limitations of the state machinery in providing support services (BCOD, 1987; CFPI, 1990).

As a reaction to these problems, the 1940 Cooperative Law was enacted. "The law provided for the organization of all types of cooperatives, authorized the creation or designation of a government agency to promote and supervise them, established a National Cooperative Fund and allowed fifteen or more persons to form a cooperative which for the first five years of its operation shall be exempt from all taxes and government fees" (BCOD, 1987:12-13). Many of its provisions were not fully implemented because of the onset of war.

In terms of its acceptability and appropriateness, the NGO-CCD BOCW points out that it was not easy for the farmers to accept the cooperative because of its colonial heritage. It had come from an industrialized country and implanted on a backward, agricultural country. The concept of the cooperative that was adopted needed a systematic and efficient management

which the farmers were not yet ready with.

Cooperatives under the New Republic (1946-1972)

In 1947, by virtue of Republic Act No. 51, the National Cooperative Association (NCA) was changed into the National Cooperative and Small Business Corporation (NCSBC). Three years later, this office was abolished and replaced by the Cooperative Administration Office (CAO). This office was expected to be the implementing agency for the three cooperative laws: 1) Rural Credit Law (1915); 2) Cooperative Marketing Law (1927); and 3) Cooperative Law (1940).

Republic Act No. 821 which was passed in 1952 provided for the formation of the Agricultural Credit and Cooperative Financing Administration (ACCFA). One of its tasks was to provide loans only to members of the Farmers Cooperative Marketing Association (FACOMA). Farmers were allowed to borrow without collateral under this program (BCOD, 1987; CFPI, 1990). In addition, the organization of the FACOMA was considered to be "one of the government's earliest attempts to make farmers' organizations as conduits of its programs" (Cornista, et al., 1986).

What was noticeable was that prioritized areas (Nueva Ecija, Pampanga, Bulacan, Tarlac and Pangasinan) were the strongholds of the *Hukbong Mapagpalaya ng Bayan* (HMB), an armed revolutionary movement which had as its mass base, the farmers. The FACOMA was successful in the beginning because of massive material and technological support from the United States. Because of these, the cooperative program was seen as part of the government's counter-insurgency program (CFPI, 1990).

The death of Magsaysay in 1957, the anomalies that were uncovered and the negative experiences of the farmers led to the decline of membership and the eventual collapse of the program. Efforts to revitalize the cooperatives between 1960 and 1963 did not yield positive results. ACCFA Administrator Vicente Araneta summarized the problems they faced:

The revitalization started against the tremendous odds of skepticism and cynicism that had accumulated and hardened in previous years. In many FACOMAs, directors and managers had established vested privileges in the cooperative so that it was not easy to change them; moreover, honest members tended to shy away from their cooperatives for fear of being, one way or another, implicated in cases of irregularities that had been committed in previous operations. Losses in previous ventures also had all but extinguished members' faith in the ability of their cooperatives to promote their members' social and economic interest (BCOD, 1987:16).

Like previous cooperative experiences, the program was saddled with the low repayment of farmers. The BCOD manual explains that this "is attributed to the low debt repayment capacity of farmers due to unfavorable farm business and poor loan administration" (1987:16). Marketing operations subsequently failed.

It was in this context that a new administrative body was formed in place of ACCFA. The Agricultural Credit Administration or ACA was tasked to provide and supervise credit extension services to the agricultural cooperatives. Another office, the Agricultural Productivity Commission (APC) was to provide marketing, management and other technical services to agriculture.

Changes in administrative structures did not exactly produce a turn around in the downward trend of the cooperatives. The FACOMAs were virtually folding up because of incompetent management, the dependency syndrome that the farmers had developed, the insufficiency of capital, the bureaucracy and the non-provision of services to members (BCOD). Cornista, et al., (1986) point out that "of the 652 FACOMAs organized in the country, only 250 were existing as of June 30, 1969 and less than thirty were still active in 1975. Today, the FACOMA is virtually unheard of as a rural organization."

One of the highlights of the second phase was the formation and proliferation of non-agricultural cooperatives. In 1957, the Philippine Non-agricultural Cooperative Act was passed. This signalled a shift from agricultural areas to non-agricultural sectors. Included in this law were "electric cooperatives, transport associations and other institution-based cooperatives." In this period, the non-agricultural cooperatives dominated the cooperative movement.

Another trend worth noting was the increasing participation of the church. With the worldwide shift of the Catholic Church's concern to tangible social projects, the local church likewise tried to involve its constituency in such projects. Other nongovernment entities also began cooperative programs but the extent of their participation was not to be felt until the third phase.

Cooperatives under the Marcos dictatorship (1972-1985)

Presidential Decree (PD) 1175 paved the way for one of the grandest cooperative programs in the history of the Philippines. It was envisioned to be done in four stages: 1) the organization and development of pre-cooperative village associations (referred to as *Samahang Nayons* or community associations); 2) the transformation of these units into formal cooperatives (known as *Kilusang Bayan* or people's movement); 3) the organization and development of consumers' cooperative markets; and 4) the

national integration of cooperatives into a unified system.

It also provided for the establishment of the Cooperative Union of the Philippines (CUP) whose responsibilities included the education of members of the cooperative. Cooperatives, in turn, had to remit ten percent of its net income (which became part of the Cooperative Education and Training Fund), a portion of which was given to CUP.

While state-initiated as well, the difference of this cooperative program from the others was that it was tied to a broader land reform law, PD 27 (CFPL:1990). The rationale of the program was to "promote and support the organization of farmer-beneficiaries into cooperatives to ensure economic upliftment after their ownership of land."

The Cooperative Development Program of the Marcos government was based on the following assumptions:

- 1) cooperatives facilitate the redistribution of wealth and income and should thus be accorded special considerations by the government;
- 2) cooperatives are a means of rural development;
- 3) cooperatives must be built from the bottom up; and
- 4) cooperative development must be systematic and system-oriented.

Similar to the FACOMAs, the *Samahang Nayon* (SN) was conceived as a mechanism for the delivery of government services. Given the package of benefits, it was not surprising to see large numbers of farmers signing up for membership. In fact, only a year and a half after its implementation, 451 SNs were established with 663,489 farmer-beneficiaries. This was 95 percent of the 16,000 SNs it had targeted and 66 percent of the one million expected members.

Critics of the Marcos dictatorship, on the other hand, pointed out that the state intervened so much that there was no room for the farmers' initiatives.

Like previous government-sponsored cooperatives, however, the enthusiasm for the SN was not sustained. In 1980, a farmer-leader observed that "while on paper the record of the SN program and cooperative promotion has been notable, yet it is now admitted that at least 80 percent of the SNs have died" (Cornista, et al., 1986).

According to CFPI (1987), the possibility of a sustained impact by the cooperative program "was thwarted by the failure of the primary land reform

program in attaining significant results. It was apparent that the state's inability to effect structural change determined the cooperatives' ineptness in creating a significant contribution to the national economy" (CFPL, 1990:13).

Cooperatives during the Aquino government (1986-1992)

Inspired by the collective people's strength that brought her into power, then President Aquino promised to be the opposite of her predecessor and encouraged people's participation. "Empowerment of the People" became a familiar term in government policy and programs.

The space it afforded some of its citizens and the openness of some sectors allowed nongovernment organizations (NGOs) to participate in the conceptualization and deliberations of the 1990 Cooperative Code. This law enshrines the state's commitment to:

- 1) foster the creation and growth of cooperatives for promoting self-reliance and harnessing the people's power for economic development and social justice;
- 2) encourage the private sector to form and organize cooperatives and to create an atmosphere conducive to their growth and development;
- 3) provide, through the government, technical guidance, financial assistance and other services to cooperatives in order to enable them to be viable and responsive economic enterprises;
- 4) bring about a strong cooperative movement free from conditions contrary to their autonomy or organizational integrity; and
- 5) encourage the cooperative sector to initiate and regulate the promotion, organization, training, research, audit and support services concerning cooperatives, with government assistance where necessary, in accordance with the principle of subsidiarity (Art. 2).

It was also during this phase that NGOs actively assisted and organized cooperatives. This meant providing training on cooperatives, consultancy and credit for the people's cooperatives. Given their focus on education and training, the NGOs did not find it difficult to link up with the people's cooperatives and today, their partnership composes the biggest segment in the cooperative movement (CFPL, 1990). Furthermore, many NGOs saw involvement in cooperative work as part of the broader socioeconomic work that was integral to alternative development work.

Side by side with these efforts, networks of organizations working with cooperatives became active in linking with government and people's

organizations (POs), e.g., NATTCO, CFPI, NGO-CCD. NGO-PO linkages were important during this period as cooperatives were no longer dependent on government for education and training. Furthermore, grassroots organizations could now access funds through NGOs.

Preliminary analysis of the development of cooperatives

An examination of the phases of cooperative development in the Philippines will show the dominant role of the state in the formation of cooperatives. While church and NGOs became active later, it cannot be denied that in the history of cooperatives, the state has initiated the founding of most of the cooperatives. The presentation above has also revealed the relative ease of organizing, yet it also shows the difficulty in sustaining these efforts for a longer period of time.

While related to one another, the problems can be categorized into five: 1) framework; 2) management; 3) resources; 4) farmers' participation; and 5) relationships with the state and other agencies.

Framework

What is government's framework in organizing cooperatives? Through the years, different governments had the following goals in mind: 1) to alleviate poverty; 2) to curb usury; 3) to create a vehicle for economic development for the poor; and 4) to attain people's empowerment.

It has also been observed that most of the laws on rural development were meant to quell peasant unrest that was on the rise. A more fundamental question was the relationship of the cooperatives to the broader agrarian reform issue. One of the weaknesses of the program was its failure to recognize that cooperatives exist within the context of tenurial arrangements and market forces.

Management

One of the most common causes of the failure of cooperatives is the anomalies committed by the managers. How is a system of control set up and how do managers render themselves transparent to the members?

An equally disturbing trend is the inefficient or incompetent management of cooperatives. At the government level, a crucial issue in the implementation of the program is the huge bureaucracy.

The above shows that commitment to the goals of the cooperative is not sufficient to assure good management. Equally important are: 1) a system of controls; 2) clear accountability; and 3) technical know-how in the running

of a cooperative.

Resources

Lack of capital is a perennial problem for cooperatives. Has government been realistic in its allocation for such programs? When is a cooperative viable enough that it does not need state support?

Farmers' participation

In the past, most cooperatives have been creations of the state. Therefore, it is not surprising that organizations which did not emerge from the aspirations and needs of the community would be short-lived. The dependency of farmers is also cited as one of the problem areas.

On another level, the negative experiences of the farmers with government can result in their apathy towards government programs like cooperatives. Finally, lack of education (on the principles of cooperativism) and training (on how to run cooperatives) are common reasons for the nonparticipation of farmers in cooperatives.

Relationship to the state and other agencies

While the state sponsors many cooperatives, it is usually unable to sustain its support services. In such cases, to whom will the cooperatives go?

On the other hand, the formation of cooperatives can take on a political flavor when politicians interfere and/or utilize the organizations for their interests.

What is the relationship of NGOs and POs? How do the people's cooperatives retain their autonomy vis-a-vis NGOs or government?

As we have tried to show, the problems and issues faced by cooperatives in the past and in the present are myriad and complex. In the main, however, government's responses range from:

1) new legislation from the Rural Credit Law (1915), Cooperative Marketing Law (1927), Cooperative Law (1940), Republic Act No. 51 (1947), Republic Act No. 821 (1952), Philippine Nonagricultural Cooperative Law (1957), to PD 175 (1972) and, more recently, R.A. 6938 (1990);

2) setting up of new administrative structures (from NTC, NCA, NCSBC, CAO, ACCFA, ACA, BCOD, BACOD, to CDA); and

3) sponsoring and/or organizing new cooperatives (from Rural Credit Cooperative Associations, FACOMAs, *Samahang Nayons*, to Farmer's Cooperatives).

What is clear is that we are not lacking in rhetoric, laws, structures and organization. What is evident is, in spite of these, we have a long history of failed cooperatives.

Does this mean that the existing cooperatives are doomed to fail given the cycle of ups and downs? The succeeding sections will present the case of *Barrio Kalakasan's* cooperative and their prospects for sustained operations.

Barrio Kalakasan: Surviving poverty and government neglect

Barrio Kalakasan is one of 823 barangays in Nueva Ecija. Occupying around 103 hectares of flatlands, the barrio is divided into three *sitios*.

During summer, it is easy to get to the *barrio* by tricycle from the town. Rain can render the *barrio* isolated as drivers refuse to ply the route. The people of *Kalakasan* usually walk the only dirt road (around two kilometers) which leads to the highway. From the highway, they can opt to ride the jeepney. To bring their produce to the town, they also use the *kuliglig* (hand tractor) which they have transformed into a vehicle.

There are around 131 households in the barangay with an estimated population of six hundred. In 1940, it was estimated to have fifty households. More than fifty years have passed and the number has only increased three-fold.

Yet *Kalakasan* has a large dependent population. Children below four comprise ten percent while eight percent are between five and six. Thirteen percent of the population are between seven and fourteen.

While the barangay belongs to one of the richest (in terms of income) towns of Nueva Ecija, such state of affairs is not reflected in *Kalakasan*. There is no electricity and water is only available through the jet pumps which are located strategically throughout the barangay.

A small, dilapidated room serves as the school of the barangay. It can only accommodate Grades 1 and 2 schoolchildren. Since there is only one teacher for Grades 1 and 2, she (the teacher) has to divide her time during the day giving seatwork to one grade and then teaching the other. Parents send their older children to an elementary school in another barangay (which takes around 30 minutes on foot to reach). For those who can afford high school, the town has both a private and public school.

Given the state of services, one can easily conclude that government's presence is not felt in the community.

Social life in the barangay

Just like other rural communities, most of the people in the *barrio* are related to one another. In the beginning, a newly married couple might stay with any of their parents until the husband is able to find enough *cogon* to build their own house. When this time comes, his male relatives assist him. The women also help in the matting of the *nipa* leaves and in sanding the sticks.

Another significant area is the individual's responsibility to the community. A strong concern for the community's benefit can easily be observed. For example, a parent-teacher association meeting discusses how the physical structure of the school can be improved and how the members can help. The men look for a vehicle that can transport the filling materials for its only road. The women and men discuss ways and means on how to revive a damaged irrigation canal. Finally, there is the concern for the smooth running of the cooperative.

There is a strong sense of mutual help among the residents. While this can be attributed to their being related to another, observations show that assistance is not limited to their relatives. Among the women, sharing of food between households is a common practice. When mothers have to go on errands, the young are entrusted either to their relatives or to their neighbors. In the evenings, the men take turns in guarding the *barrio* against cattle rustlers and intruders.

The *barrio* folk are also fond of singing and dancing. Weddings can last the whole day with people dancing up to the wee hours of the morning. Discussion of *barrio* matters are interspersed with renditions of peasant songs during the *barrio* assembly especially if there are visitors.

Drinking and gambling are forbidden in the community. The cooperative does not sell any kind of alcohol. The common explanation for this is that men who drink not only become a nuisance to their community; they also beat up their wives. However, during certain occasions (weddings, baptism and wakes), liquor can be brought into the *barrio* by guests or outsiders. In spite of the ban on gambling, a *jueteng* collector comes every day to get the bets of residents. An unannounced visit to a house caught a group of women and young girls playing bingo for money.

Economic life in Kalakasan

Rice farming is the main source of income. Families who have access to

jet pumps can plant twice a year while the rest do so only once a year. The preparation of the seed beds usually starts in July. After a month, the seedlings are transplanted.

When men or women are hired, they are paid ₱30 a day excluding their snacks and cigarettes. The rate for hired labor can go up a little if there is a higher demand. *Suyuan*, (exchange labor) is also practiced in the barangay. *Tampa* (advance payment) for labor that will be rendered in the future can be secured. If for any reason, one is unable to make good one's promised labor, one has to look for a replacement.

As there is no large-scale irrigation system in the barangay, farmers rely on individually owned jet pumps. The men take turns in watching over the running of the jet pumps which can last up to the early hours of the morning. A hectare will need four drums of diesel in one cropping season, with one drum costing 800 pesos. In the past, they would buy diesel retail. Through the loans, they have acquired drums so that diesel can now be bought wholesale.

On the average, the men and women are able to harvest 75 cavans of *palay* per hectare. Depending on 1) the quality of the *palay*; 2) its moisture content; and 3) to whom it is sold, the price ranges from ₱4.50 to ₱5.50 per kilo. At fifty kilos per cavan, the minimum revenue from one hectare is ₱16,875 while the maximum would be ₱20,625. This can be severely affected by various natural disasters such as typhoons, droughts and plant diseases.

An examination of the costs of production will show that the revenues are barely sufficient to make up for the production costs and support the family at the same time.

Cost of rice production per one hectare

1) Seeds (2 cavans x ₱350)	₱ 700.00
2) Hand Tractor/Carabao	1,000.00
3) Hired Labor for the pulling of seedling (2,500 <i>bigkis</i> x ₱10)	250.00
4) Hired labor during planting 25 people x ₱30	750.00
5) Diesel for irrigation 4 drums x ₱800	3,200.00
6) Fertilizer	
16-20-0 (3 bags x ₱350)	1,050.00
14-14-14 (2 bags x ₱360)	720.00
7) Pesticide	
Cyrbush (1 quart)	550.00
Machele (1 quart)	250.00
2-A-D (1/2 quart)	100.00
8) Hired labor for harvesting	

25 people x P30	750.00
9) Hired labor for hauling P5.00/cavan x P75	375.00
10) Food for hired labor	500.00
Total	<u>P 10,195.00</u>

Assuming a good harvest, a household can therefore expect to have a net income of around P10,430 per cropping. If the household is only able to plant once a year, this will mean a monthly income of P866. If the family plants twice a year, then that will mean an income of P1,732 a month. Of course, the computation cited above does not include interest rates farmers pay to the informal moneylenders.

Obviously, households cannot rely on rice farming alone for their livelihood. Vegetables are also planted but these are mainly for the families' subsistence. The few enterprising ones are able to sell their produce (e.g., tomatoes, string beans) in the town's market. Watermelon is also planted in the months of November and December and is able to add a little income.

A few women raise chickens, pigs and cows. They are either sold or consumed during special occasions.

During the rainy season, some men put up nets along the creeks and irrigation canals. Fish that is trapped becomes food for the day. Field frogs are also caught for home consumption and selling.

When not planting, the women and men of *Kalakasan* either go to nearby *barrios* or to as far as Isabela to hire out their labor. The younger men and women work in Manila and come home whenever it is planting or harvesting season. When it is the off-season, the men also work as carpenters, ice cream vendors or bakery assistants. Two families have daughters working abroad as domestic helpers. One family had to sell their carabao to finance the daughter's recruitment expenses.

In spite of all these efforts, most of the families in *Kalakasan* live a hand-to-mouth existence. Rarely are there savings so in times of need (whether for daily subsistence, education, production, emergency and special occasions) they have to approach the cooperative or the informal moneylender or seek out their relatives outside the *barrio*. Selling their animals is another way of getting badly needed cash.

In terms of tenure, most of the families own the lands they till. Around fifteen percent are landless. The average landholdings of a family is one hectare while the largest is three hectares. According to the records of the municipal agrarian reform office, there used to be only three landowners in

Kalakasan.

As for inheritance of land, sons are given priority. When asked why, a woman answered that their daughters will be taken care of anyway by their husbands. Given the size of the landholding however, it is difficult to imagine how for example a family with four children will divide the land. Thus it is common for a family with married children to collectively work on the land and share the harvest.

Organizing in the community

The people in *Kalakasan* have a long history of organizing. While supporting each other in times of impoverishment, they also have realized that their problems cannot be resolved in isolation from other issues in their community and the larger society. Tenurial problems, usurious lending rates, government's policy in buying *palay* and NGOs interest rates are among the concerns of the people.

When and how did they start?

Older folks narrate that during the time of the Japanese occupation, a guerilla unit was formed and the *barrio* used as a training ground for the *Hukbong Bayan Laban sa Hapon*.

After the war, the farmers became active in the land tenancy issue. Some of the men eventually became part of the National Peasant Union (*Pambansang Kaisahan ng Magbubukid*). Organizing activities were curtailed when the fighting between the government and the still existing guerilla units intensified. Eventually, some of the community's leaders had to leave and political activities stopped.

Organizing around political issues resumed during the Magsaysay period. According to the Land Reform Act, farmers could petition the inclusion of the lands they have been tilling in the agrarian reform program. Since they had the same landlord and the lands were contiguous, the people of *Kalakasan* joined hands with two other adjacent *barrios*. Holding mass demonstrations in Nueva Ecija and Manila, they succeeded in getting their petition for a 70-30 percent sharing scheme in favor of the peasants approved.

After this victory, the peasants of the three barangays proceeded to work for the conversion of their land from tenancy to leasehold. Undaunted by the threats of the landlords, they relentlessly fought for their demands. With the help of lawyers who were on their side, they eventually won.

While the succeeding governments all vowed to eradicate rural poverty through land reform, this was never felt in *Kalakasan*. People found the high costs of production and the unfulfilled promises of government so frustrating that they devised ways of undermining the system, characteristic of Scott's "weapons of the weak." They reported lower yields to the landlords and refused to pay amortizations because of the prohibitive costs of inputs. They also ceased participating in government land reform programs.

Such resistance had its costs. Since they did not pay and were no longer participants in government programs, they also did not have access to credit. Consequently, they had to rely on the informal moneylenders and the traders who preyed on them with their usurious rates.

It was in this context of poverty, government neglect and opportunism of the private sector, on the one hand, and a tradition of organizing on the other hand, that organizers from the underground movement came to the community.

This is demonstrated in the men's discussion on the basic problems of Philippine society. While concretely affected by the backwardness of the rural communities and the feudal relations that continue to persist, they always have a word to say about United States imperialism, the need to dismantle the bases, the debt issue and their relationship to their present conditions. *barrio* meetings show a highly politicized portion of the barangay (especially among the men) articulating national problems and issues.

Political discussions are matched by an unusually sophisticated level of organizing in the rural areas. The people are organized according to sectors namely, the farmers, the women and the youth. While each of these sectors has its own priorities (i.e. production for farmers, health and cooperative for women, and other activities for the youth), a *barrio* council composed of representatives from various sectors oversees the *barrio's* overall development.

The Barrio Council (BC) meets regularly to update each other on sectoral plans and monitor community projects. An assembly meeting is called once a month where all residents attend. In these meetings, the people can get a chance to participate in deliberations about plans of the community. It is also the venue where other sectors are informed of these specific plans of the community.

While it is apparent that the involvement of many of the community members in the underground movement has brought certain positive changes (e.g., its ability to relate its particular situation to the larger society and its capacity to organize and mobilize the population for the good of the community), it also has negative effects.

The most serious consequence of their involvement is the militarization of the *barrio*. For several months, military soldiers camped in the barangay. Setting themselves up near the school, the soldiers' presence affected the children most. Many children were traumatized and a few stopped going to school.

Learning from Kalakasan's strengths and weaknesses

To the people of *Kalakasan*, poverty is the most immediate problem they have to address. Decades of barely subsistence level of living however, have taught them that theirs is not a simple case of lack of capital or insufficient income.

While mutual help among relatives and neighbors provides support for their day-to-day needs, their long experience of organizing around political issues reminds them that their struggle cannot be separated from the economic and political conditions in Philippine society.

Their victories reinforce the belief that when organized, the rural poor can also be active agents in shaping their lives. In a sense, this has instilled self-reliance among them. From passive and dependent relationships with the landlords and the government, they have assumed a more independent and critical stance vis-a-vis the state as they demand that the latter address the basic problems of the rural population.

The ease with which the underground movement was accepted and, later, integrated into the life of the community is a manifestation of how the movement has been highly regarded by the farmers as an agent of structural change. In a way, one can say that the movement's goals are consistent with the farmers' vision.

Also noticeable is the high degree of commitment among the majority of the population. Even if they know the attendant risks of being associated with the movement, many have persisted.

Kalakasan is a highly integrated village and this can also be considered as one of the favorable factors for the politicization of the farmers. Moore points out that "...the degree of solidarity displayed by the peasants, since it is an expression of the entire network of social relationships within which an individual lives out his life, would have an important bearing on political tendencies. The absence of solidarity (or more precisely a weak state of solidarity since some cooperation always exists) puts severe difficulties in the way of any political action" (1966:475).

KADIWA : The people's cooperative

The KADIWA, the multipurpose cooperative established by the *Kalakasan* community performs the following functions in varying degrees: 1) buys and sells commodities to members and non-members; 2) undertakes agricultural production; 3) grants loans for production and during emergencies; and 4) markets the produce of its members.

The making of the KADIWA

The KADIWA began as a consumers cooperative. When asked how their cooperative started, the women were quick to share the process they had undergone:

The people were just talking about having a store of their own. Others asked where the money would come from and many answered they can contribute. If our small contributions would be added up then, that would be quite a sum. And the beauty of it is, instead of the profits just going to one, everybody is going to benefit. Thus, many agreed to have the cooperative. A few did not join because they said the coop was bound to fail. They feared that the money would just go to the pockets of the individuals. But are we going to allow that? The coop is owned by the community and everybody can join in the auditing. So since we started the coop, and up to now, it still exists.

From the beginning, everybody involved themselves in the process. The men started to talk about building the store while the women were put in charge of the cooperative because they were the ones who knew about the needs of the household.

Managing the cooperatives

While the cooperative is a community project, it is mostly the women who are active in the running of the day-to-day business. It is the women who buy the commodities and who take turns in tending the KADIWA. Whenever the assigned woman cannot make it, she requests others to take over. According to one woman respondent, "Men can also watch the KADIWA except that they had already so many things to do." Meetings with regard to the cooperative are usually attended by the women.

In the beginning, the women were reluctant to take on the responsibility of managing the cooperative. Unsure of themselves, they argued that they did not possess the skills necessary to run the store. In the end, however, they learned through trial and error and taught each other. The women also proudly narrated that they learned how to compute and to do other things as well. A development NGO later provided training on auditing.

One thing they had to settle was the schedule of the storekeepers. As the women volunteered to watch the store, it was necessary to set up a rotation system. But this did not exactly distribute the responsibilities to all the members. Some women who were the most active in 1987 ceased to be as active in 1990. They explained that they have been assigned other tasks. The women also pointed out that this provided an opportunity for other women to assume more active roles. Another admitted that she had devoted so much time to the cooperative that she wanted to rest. She added that she also wanted to take on income-generating activities. Other women were identified to take over. Later the women would get paid for the time they spent tending the KADIWA.

When asked how leadership is determined, the women had different responses. Some said they were chosen by the farmers (the men) on the basis of their dealing with the people. Another said that the women had a meeting and they chose one who did not have so much responsibility. Since they know the different workloads of the women in the community, they were able to nominate women who can devote time to the cooperative. One said the criterion for choosing leaders in the cooperatives is the capacity to handle responsibilities.

Accomplishments of the KADIWA

In July 1987, the first cooperative in the *barrio* was opened. It started with a capital of P2,000. Based on a socialized scheme, those who could afford contributed twenty pesos each while those who did not have the amount hired out their labor for fifteen pesos and this made up their counterpart.

Since the coop was built from the people's contributions, they patronized the store and later became the only store in the *barrio*. A few months later, the second and third cooperative stores were opened in the two other *sitios*.

In a span of four years, the cooperative amassed a capital of P100,000. Aside from buying the needs of the store, members can also borrow for production and in times of emergency. For every one hundred pesos borrowed, there is a ten peso interest.

From their profits, the members bought half a hectare of land which is collectively farmed by the members. There is also a piece of land (less than a hectare) which the *barrio* has transformed into a fish pond. Through help from the Bureau of Fisheries and Aquatic Resources (BFAR), they were able to raise 20,000 tilapia fingerlings. They likewise purchased a hand tractor which is rented out to the members.

In addition, the cooperative has undertaken a buy and sell program. Because of their negative experiences in dealing with traders, the community started a mechanism where the farmers give their produce to the cooperative and it is the organization who in turn sells it. When the cooperative buys from the farmers, it does so at a price higher than that prevailing in the market.

Problems with the KADIWA

Just like most cooperatives, the pressing problem of the KADIWA is the lack of capital. When requests for borrowing come at the same time, the funds are insufficient to cover the requests. In one instance, many members wanted to borrow five hundred pesos. Since the cooperative did not have this amount of money to lend out, they agreed to limit the loans to two hundred pesos. As one woman explained, "If we insist on five hundred pesos, then not everybody can borrow. Everybody understands. Since the amount borrowed from the cooperative is usually inadequate, they resort to borrowing from moneylenders who charge higher interest rates."

Similar to other cooperatives, the KADIWA was also confronted with the problem of poor management. At one time, the cooperative had accumulated P29,000 worth of debts. As the experience of running a cooperative was new to the women, there were problems with incorrect pricing and inaccurate bookkeeping and accounting procedures. There was also the problem of stored food getting spoiled or being eaten by rats.

Partly in response to these problems and partly to systematize its work, an assessment was made by the barangay leaders. The outcome of this was a program of action that they targeted to finish in two months. The program included the following steps: 1) systematization of the cooperatives' operations through weekly auditing, regular assessment of its operations and issuance of receipts; 2) review of the village policies and the tasks of each committee and officers; 3) launching of a savings campaign, educational discussions and actual savings mobilization; 4) holding of simple bookkeeping training; 5) registration of the cooperatives; 6) identification and development of leaders with potential as second-liners; and 7) massive pest control.

Preliminary assessment of the KADIWA

The cooperative of barangay *Kalakasan* emerged out of an urgent need to address the economic problems of the community. Brought up to work on the land, the women and the men were not exactly prepared for a new kind of work. Yet they experimented on this new endeavor in the hope that the KADIWA would bring temporary relief from their problems.

As the cooperative picked up, the leaders realized its other possibilities. Looking at the KADIWA holistically, they recognized that the organization could serve production needs as well. In contrast to many cooperatives initiated by government, the members of the KADIWA were not limited by any impositions. They took it upon themselves to develop and expand the cooperative.

It is also important to emphasize the role of women in the cooperatives. As discussed earlier, women were assigned most of the work in the KADIWA. While the women have admitted that their participation in the community project has made them more self-confident and comfortable in dealing with others, it likewise took a lot of hours from the farm and housework. Their participation also provided some training for women but it also meant additional unpaid work.

There has been a lot of discussion on how community work (in this case, work in the cooperatives) adds another layer of responsibility to existing responsibilities (e.g., housework and farm work) of women. It is commonly assumed that women have less work and in fact, need additional tasks to while away their time. It is usually the case that community work is assigned to the women since "she does not have enough things to do" while the "men are busy doing a lot of things."

While the phenomenon can be observed in *Kalakasan*, the women generally do not look at it as a burden. They simply consider their participation as their contribution in providing the households with cheap commodities. They also explain that their own households benefit from the cooperatives.

When looking for lessons that can be culled from the KADIWA, the NGO-CCD BOCW (1992) elaboration on the different principles of people's cooperatives can be used as reference points.

1) The cooperative should be founded on a strong and solid people's organization. This is to ensure that the political and economic interests of a few will not be paramount. A strong organization which has had experience in cooperation is an important ingredient in cooperative work.

In the KADIWA's case, a strong people's organization had already existed prior to the formation of the cooperative. At that stage of their organizing, they had developed a strong sense of trust and accountability. While some were reluctant, the voice of the majority won.

2) Membership should be open to and voluntary among the poor. In the formation of the KADIWA, a few expressed their reservations about the cooperative. While they did not join in the beginning, the success of the

cooperative convinced others to participate.

3) The cooperative should be independent and autonomous. The initial funds of the KADIWA came from the contributions of the members. As the demands and scope of responsibilities increased, this became inadequate. The timely intervention of development NGOs provided the much needed funds. The assistance extended by the NGOs did not jeopardize the autonomy of the organization as manifested in the many negotiations they undertook.

4) The cooperative should be self-reliant. As mentioned earlier, the KADIWA was established with voluntary contributions of its members. Given the extremely low level of income, the issue of sustained self-reliance is a difficult one to resolve at the moment.

5) Management and administration should be democratic. This means that members should equally participate in decision-making and management of the cooperatives.

There is much room for KADIWA's improvement as far as this principle is concerned. As mentioned earlier, a few women were saddled with responsibilities in the cooperative. How about the men?

6) The cooperatives should be service-oriented. There is no doubt that the KADIWA satisfies this principle. In fact, it is because it is service-oriented that the initial consumer cooperative branched out to other areas.

7) There should be continuous education and training for the members. While this is an avowed goal of the cooperative, education and training is still given only to a few. Literacy can be one reason for this.

8) There should be equitable distribution of the benefits. In spite of limited capital, the KADIWA tries to service its members equitably. So instead of giving larger loans, the members agree that they can avail of lower amounts.

9) There should be cooperation with other cooperatives and organizations who have the same orientation and goals. KADIWA has linkages with different organizations which have been of assistance in different ways.

All in all, one could say that the KADIWA, while faced with problems of resources and management, has strong chances of survival. Given the determination of the members and a strong organization to provide support, it is most likely that the cooperative will sustain its operations. An important factor that can affect its chances are its linkages with different groups.

Building bridges and tearing down walls

Given *Kalakasan's* outward-looking orientation, its attraction for nongovernment organizations (NGOs) lies in its impressive organizing and its militancy, i.e., its whole range of experience in dealing with organizations, whether government, nongovernment or underground. This section will discuss *Kalakasan's* relationship with four types of organizations.

Government organizations

The people of *Kalakasan* have dealt with various representatives of government which can be categorized into: 1) service workers; 2) politicians; 3) employees of agrarian and agriculture related offices/agencies; and 4) the military.

The most positive encounter is with the teacher. Appreciating her commitment to teach their children (as shown by her daily persistence in enduring the bumpy ride to the barangay), the people are always quick to assist her. The same positive feedback cannot be said of the barangay health worker who, women say, is not consistent in her delivery of services.

The national politicians are not exactly welcome in the *barrio*. A growing sense of frustration with politicians is reinforced by a recent unfulfilled promise of a senator to have the schoolhouse repaired. They say with cynicism that politicians come only during elections but have not done anything concrete for them. At the local level, experiences with politicians have been mixed. They have cordial relations with some and are critical towards the others.

The third type of government organization covers the Municipal Agrarian Reform Office (MARO), Bureau of Fisheries and Aquatic Resources (BFAR), Land Bank and National Food Authority (NFA) representatives.

When interviewed, the MARO employee whose scope of responsibility includes *Kalakasan* confessed that she has only been to the barangay once. The place is considered "critical" so she does not dare visit the place.

Through the help of a development NGO, five members of the community were able to avail of a training given by BFAR. Later, the *barrio* was given twenty thousand fingerlings for their communal fishpond.

The men of the *barrio* held a dialogue with officials of the Land Bank. The Land Bank insisted that the cooperative can only borrow again if the farmers pay the previous loans. Another condition set by the Land Bank is that the assets of the cooperative would have to be mortgaged. Because of these conditions, the farmers refused to avail of the Land Bank loans. Land

Bank records show that indeed the farmers had outstanding loans as far as 1981. When asked how they expected to collect this, Land Bank employees commented that it is so difficult to collect from the people of *Kalakasan*. One technical assistant commented further that the people simply refuse to settle their accounts even if they had a bountiful harvest.

The community related with the NFA in two different capacities, one as a seller, and the other, as demonstrators protesting NFA policy. In the first instance, the organization tried to sell hundreds of cavans of their *palay* to NFA which bought *palay* at six pesos per kilo. To do this however, they had to contact agents which in turn had his own contacts in NFA. All in all, they had to pass through three middle men who actually had no capital. In the end, the organization lost eighty centavos for every kilo of the several hundred cavans sold through the three agents. Instead of earning some profit for the organization, the cooperative merely recovered its expenses.

In another situation, they demanded that the NFA buy 75 percent of the produce and change its requirements in buying *palay* to stop graft and corruption and broaden its reach. The NFA director explained that the budget was limited and the office can only purchase five percent. The farmers pressed their demands and later, the NFA bought a substantial amount of *palay* that the farmers' organizations dramatically dumped at the NFA warehouse.

Most of the people have nothing but contempt for the military. A few men from *Kalakasan* have been killed or incapacitated by the military. For several weeks, soldiers camped in the *barrio* and the experience traumatized a few children. Harassment by the military is commonplace in the *barrio*. In one instance, all the residents were asked to converge in the plaza while their homes were searched.

People's organizations

The farmer's organization is a member of a larger peasant grouping. They take part in the campaigns organized both at the provincial and national level. These include their protest of NFA policies and their move of dumping thousands of sacks of *palay* at the NFA office to force the latter to purchase them. *Kalakasan* farmers are also asked to help in organizing and reaching out to other farmers in the neighboring areas.

Links with nongovernment organizations

As one of the more organized barangays in Nueva Ecija, *Kalakasan* never fails to impress NGOs. In 1989, a development agency's report describes the *barrio* as one of the two most organized communities in the town. The NGO workers had seen how the *barrio* was able to mobilize

sixty-five people to attend a community meeting with only one day of preparation.

Their membership in larger peasant aggrupations provides them the opportunity to link up with NGOs. They have been beneficiaries of credit and training programs of two development NGOs as well as training programs of a health NGO and another church organization.

Since there were two development NGOs providing credit to the barangay, there was a meeting of the leaders with representatives of these NGOs. Instead of competing for the people's support, an agreement as to who was going to avail of the loans and for what project it was going to be used was reached.

In 1990, one development NGO provided them a total of more than half a million pesos in loans. Almost two thirds of this went to rice production while the rest was used in rice marketing. By the first quarter of 1991, the women who had availed of the first tranche had fully paid their loans. In the latter part of the year, however, the NGO worker related that there had been delays in loan repayment. As a result, there was a feeling of uneasiness on both sides. This was aggravated by a change in the credit policy of the development NGO.

The leaders discussed the problem with the NGO worker and when they were not satisfied, they proceeded to the NGO's office to talk to the head. The representatives of the barangay, however were unable to convince the head to effect a change in policy. In the following months, there was a 'lull' in their relationship. The farmers considered the new policy unjust and unrealistic so they were lukewarm in their dealings with the NGO worker later. This, however, did not last long as they were able to overcome such feelings and perceptions.

Links with the underground

It is difficult to ascertain exactly what kind of relations the barangay has with the underground movement. Because of their negative experiences with the military, it is difficult to ask them directly about their involvement. They might give small details unconsciously but on the whole, one can sense a low level of disclosure when it comes to this issue. Of course, there is talk that aside from the recognized barangay officials, there is another set of leaders who have command over most of the people.

A chance encounter with members of the New People's Army (NPA) was the closest the researcher could get in proving that the *barrio* had links. A platoon of soldiers had visited the barangay one evening to pay tribute to a fallen comrade. Together with the immediate family of the deceased, some

members of the community had gathered around to listen to the NPAs as they narrated what a fine soldier and committed comrade he was. His father and a neighbor also responded and narrated how the deceased had always been concerned for the poor. The program ended with the soldiers rendering revolutionary songs.

Maximizing their linkages

In a situation of need, the people of *Kalakasan* have acted together to remedy their situation. They, however, have realized that their resources are not sufficient. Initially, they had pinned their hopes on the government and participated in its programs. Later, because of their predominantly negative experiences with the government, their hopes turned to apathy and to the dismissal of what the government has offered.

One could say that it is not only *Barangay Kalakasan* which has had this experience. In fact, even government admits this. For instance, in the Philippine Agricultural Development Plan 1991-1995, one of the factors cited as contributing to the backwardness and the prevention of growth of the rural sectors is government service itself. As the Plan points out, "the delivery of government services has been slow, inefficient and has had very limited impact on the welfare of the neediest segments of the farming and fishing populace".

On the other hand, their relationships with the people's organizations, NGOs and the underground organization have generally been positive. While they have had to struggle with a development worker, for them what was important was that there has been a process where feedback was possible and initial concern was felt.

This is not to say that the government does not have a role in the lives of the people. It has the resources and the expertise that can be used to augment the human resources of the community. However, one hindrance to the flow of government resources into the community is the labelling of the community as "critical" or "communist-infiltrated."

On the other hand, a clear delineation of the role of NGOs has been discussed by the *barangay*. Recognizing the NGOs' skills and capability to divert resources, the *barrio* has in a way forged a partnership with the NGOs. There could be problems with this relationship especially as each is assumed to be autonomous. For instance, in the case of one development organization, a change in its policy (which is due to a lot of factors) did not merit the understanding of the community. It is worth mentioning that the basis for their unity is the shared understanding of an alternative development paradigm.

As for the underground movement, many of its principles are also consistent with the vision of the community. With regard to cooperatives, the National Democratic Front declares, "Hand in hand with the free land redistribution process shall be side occupations. To effect this, the cooperative movement and mechanization in the countryside shall be accomplished in stages and in relation to industrial development" (Padilla, 1991:52).

What is also clear is that aside from the struggle against poverty, the community of *Kalakasan* has recognized the validity and necessity of relating this to a broader political struggle. Their links with the NGOs, people's organizations and the underground have in varying ways developed and strengthened such a belief. On the other hand, the same framework has alienated them from a government which does not consider their political organizing as empowerment but instead sees it as a threat and brands it as subversion.

Conclusion

The Philippines has a long history of rural poverty. While farmers have been one of the most productive sectors, they continue to be among the poorest. More than half of the families in the rural areas live below the poverty line and many of them earn only half of what an urban family gets.

For most of our history, government has been concerned with the increasing impoverishment of the rural population, not out of a sincere effort to correct this situation but more as a reaction to growing unrest in the countryside. Because of this, many of the efforts to address the problem have not been successful. The introduction of the cooperatives is no exception.

While mutual help is indigenous in our rural communities, the supplanting of another form of cooperation (such as the cooperatives) by the state, did not fit well in a backward economy. The farmers were ill-prepared, the bureaucracy was so massive, funds were inadequate, and there was poor management.

As a result, most of the cooperative efforts at that time failed. One reason cited by development workers is that the coop was concerned only with immediate economic needs and was not able to relate this to broader political issues.

In the late 1980s, increasingly nongovernment organizations (NGOs) began to recognize the value of cooperative work. Trained in political advocacy, many of them began to turn their energies to the more concrete, socioeconomic work. Coops began to take on a new meaning where they are

now seen, not as instruments for counter-insurgency but as "socioeconomic formations that can be instruments for empowerment and development". They shall free the rural poor from different forms of dependence from landlords, merchant profiteers and moneylenders. Coops should raise the poor people's independent capability [not only] in agricultural production and exchange, but in all forms of activity" (NGO Report, 1988:10).

Side by side with this, was the recognition that people's organizations (POs) play an important role in building cooperatives. In fact, POs should be existing in communities before the concept of a cooperative is introduced. This means that the organization of cooperatives should not be considered in isolation from the broader context of the community. This will ensure that the cooperative is considered not strictly as an economic unit but is also related to other forces in the community. Since the community has been engaged in other collective efforts, the cooperative will have reaped the lessons from such experiences. Before KADIWA was formed, *Kalakasan* already had a vibrant people's organization.

One has to resolve the issue of partnership of the POs and the NGOs. The alternative development framework looks at people as active agents in the realization of empowerment.

While this can be done individually, the most important element of such a framework is the collective and organized response of the people. Only in this regard can NGOs assume an enabling and assisting function not only towards the cooperative but also towards the POs and the community.

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