

DISCUSSION

Rural cooperatives: Possibilities and limitations

Virginia Miralao

Moderator

Virginia Miralao: It is time to proceed to the reactions of our invited guests from both the government and the nongovernment sectors. Maybe they can give us some insights or information on the roles of these sectors in promoting cooperatives.

Our first speaker is the Assistant Secretary General of the National Economic Development Authority (NEDA), Dr. Ernesto Bautista.

Ernesto Bautista: The Director General is quite busy this week so he requested me to pitch in for him. First, let me congratulate the organizers of the workshop and the researchers themselves for the conduct of this workshop and its relevance to the current priority thrust of the government. The conference theme which deals with alternative development strategies is consistent with the major thrust on people empowerment initiated by President Ramos.

During the next few months, the government will be undertaking the task of updating the Philippine Medium Term Development Plan. This includes the updating of the medium term public investment plan. The main theme throughout the next six years of implementation is international competitiveness with human development. Human development is to be equated with human empowerment.

People empowerment, as noted by a previous speaker, is difficult to define but we may be able to mention some of its dimensions. It may include, for one, the updating of concrete programs by the local government units and the nongovernment organization (NGO) community who will formulate these and concretize them into actual plans of the government in the course of a series of consultations that will start from the local up to the national government level.

Let me just go back to the series of papers and comment in general. Here are some of my observations. At this point in time, the Philippine experience with cooperatives is relatively mixed. In the 1950s, the government actively got involved in the formation of cooperatives through the Farmers Cooperative Marketing Associations (FACOMAs) and subsequently, in the 1970s, through the establishment of the *Samahang Nayon* (SN).

The results, however, vary from region to region and the lessons from all of these are evident. One success factor as indicated in the studies is the economic orientation of cooperatives. Cooperatives which are essentially more oriented towards the business side of their activities tend to become more successful.

Another success factor in the experience of cooperativism in the Philippines is that the cooperatives which are essentially more diversified in operation tend to become more successful relative to cooperatives which have a limited number of activities.

The value of long training and value formation is also one of the major or critical factors in the success of cooperatives in the Philippines. We have a lot of successful cooperatives in the country just as we have a lot of failures. Capital formation is a very critical factor.

As noted in the value studies, the economic viability of the cooperative, in the long run, hinges on the ability of its members to have sufficient internally generated capital to enable it to function on a long term and sustainable basis. That, I think, is one of the very critical factors that has been underscored by several studies both by the academe and by the technical board of the Agricultural Credit Policy Council of which Dr. Llanto is the Executive Director.

A third major factor as far as cooperatives are concerned is the issue of leadership. Most of the successful cooperatives tend to have very dynamic and charismatic leaders. In the case of the cooperative of *Kumander Dante*, that is very clear. The ability of the incumbent leader to build up from the ranks a competent leader who will take over is a critical factor in enhancing the viability of the cooperative in the long run.

Much more than this, however, there are several micro factors at the level of the cooperative that impinge on its viability. I think one factor that has been highlighted by the first study is that while it is important to emphasize direct government intervention in the form of credit provisions, technology and infrastructure can significantly boost the chances of the cooperative to hurdle initial difficulties.

What is clear and emphasized by the first study is that, in the long run, in order for the cooperative movement's economic activities to be successful, the policy environment must be correct. In other words, even if you have all the credit assistance from the government, if existing economic policies are not conducive to the development of economic activities, the viability of your cooperative will be undermined. You will surely have problems.

This is one area that we in the national planning agency would like to consider with particular focus on the importance of macro and even meso parameters in our society which make economic activities viable. Let me conclude by noting some of the unresolved and still outstanding issues as far as the cooperative sector, in general, is concerned.

One is that there is a need to formulate a general framework for cooperative development. The Cooperative Development Association (CDA) has formulated the Cooperative Development Plan which is currently being revised as a result of various exchanges of information among government agencies. The Cooperative Development Plan is expected to spell out the specific roles of the government agencies as well as nongovernment organizations (NGOs) and the cooperative sector in general.

The lack of a coherent framework underlies the conflicting thrusts of the cooperative movement. You would note that from 1985 to 1990, official figures would indicate that there has been a significant increase in the number of registered cooperatives in the Philippines by about 125 percent. The perception, of course, is that this is partly a reaction to the fact that former President Corazon Aquino placed a lot of emphasis on cooperative development during her term and partly a realization that cooperatives can play a crucial role in the country's development. That perception, to my mind, is quite significant. However, it is relevant to note that the development of cooperatives in the Philippines should be enhanced not only through direct assistance by the government in the form of infrastructure and technology but also through the establishment of a proper economic climate that will ensure their long term sustainability.

The government must provide equitable access to technical and financial assistance to all federations and unions. At the same time, such assistance should be tempered by discipline among the members of the cooperative in the handling of financial resources to ensure that the money that is provided is treated as a loan to be repaid and not as a dole-out.

There are a number of issues to be tackled in the next updating of the Cooperative Development Plan. Let me end by encouraging the members of the academe, the NGOs and private individuals to participate in this updating, which is really a forum in which you can influence the configuration of the plan.

Virginia Miralao: Our next speaker is Dr. Gilbert Llanto who likes to be introduced as an outgoing bureaucrat in the Agricultural Credit Policy Council where he was previously the Executive Director. He is now an incoming fellow of the Philippine Institute of Development Studies (PIDS).

Gilbert Llanto: I would like to congratulate the researchers for their time and effort. I was here when they were still formulating this project. I could sense that there was some uneasiness among them because they were trying to tread on new ground. People might ask what business does a history professor have in talking about credit.

I think that the results of the studies should more or less allay our fears that a non-economist or a non-banker cannot talk sensibly about credit. The fact is that we are all students of development. Those of us in development policymaking would certainly learn a lot from the studies that the different discussants will present.

I think this is a very important endeavor because in my brief experience in advising policymakers, I know that in theory, policymaking banks a lot on systematic empirical study. In spite of that, I have seen policymakers make decisions like they are shooting from the hip.

It is not because these policymakers do not appreciate the need to conduct studies. But you know that studies like this project take two years to accomplish. Sometimes these policymakers do not have the luxury of time. Dr. Bautista, who is in the time planning agency of government, is only too well aware of the pitfalls and the problems facing a policymaker. Having said that, I should like to note that on the whole, I have learned a lot from the studies. Taken separately, you might ask, "So you have this case study on the *Kababaihang Barangay* of San Miguel, Bulacan, so what? There are other barangays and other case studies."

One message that the studies sent is that the state, individuals and specific types of organizations have a common goal and that goal is development. But we know that the common goal is reached through several types of strategies. We have seen governments thinking that they can do it alone, thinking that they are the be-all and end-all of everything and that they can provide everything. Consequently, the government acts as a benign *cacique* or dictator, providing for its constituents.

This view, however, has been discredited because, among others, it has encouraged what one study calls a 'dole-out mentality'. At the other end, we see the rise of the private providers of goods and services - the nongovernment organizations (NGOs). The latter may have arisen due to the failure of the government to address the needs of the farmers. The proliferation of NGOs depends on the performance of government. In the

past six years alone, there have been twenty or thirty thousand NGOs registered with the Securities and Exchange Commission (SEC). I think that this is an indication of the failure of government.

Now, government and nongovernment organizations (NGOs) are not, of course, mutually exclusive. That is what one of the papers tells us. In the case of *Kumander Dante's People's Livelihood Foundation (PLF)*, it seems that both entities realized that they must come together to address some issues. We ask, however, if this is the correct way of doing it. It would also be interesting to know the parameters of success of this type of approach to development.

It would be interesting to ask how these types of organizations can access government resources. NGOs are a very heterogeneous crop. But you will find certain NGOs being able to access certain resources much faster, much better and on a bigger scale than other NGOs. Now, where lies the difference?

Probably some points on NGOs should be raised especially because of the uneasiness about this type of approach. Here, the government seems to have gone beyond the boundaries, so to speak, and just dangled around some resources. These structural incentives are supposed to motivate, as one of the papers said. When the government is there dangling resources before farmers, then people are people and they are motivated once they get into that scheme.

The approach now is through NGOs, people's organizations (POs) and cooperatives. We now hear about people organizing themselves into a cooperative of jeepney drivers, a people's organization of vendors in the market, etc. It seems that everyone is now part of an NGO, a people's organization or a cooperative. This tends to undermine the real NGOs - the ones who have been there with or without government support, rain or shine. They have been there throughout the history of our country. Then here come these instant NGOs. This is not, however, to cast aspersions on the instant NGOs. I do not have any basis for saying that something is wrong with them. I am just raising some points.

My second point concerns the cooperative as a specific vehicle. What makes for a successful cooperative? Dr. Ernesto Bautista has mentioned training, value formation, capital formation, leadership and the policy environment as factors which contribute to a cooperative's success. Let me just dwell on the policy environment, again drawing from my little experience in policymaking in the Department of Agriculture. No matter how grandiose your micro plans are, if the macro environment is perverse, then nothing happens.

The same can be said of the macro environment, as when the Philippines is told by an external donor to shape up and align its rates and currencies with those prevailing in the world market. If the macro environment is not reformed then nothing happens, and this is shown in the study of Prof. Anonuevo which chronicled the journey of a cooperative operating without government support. But the cooperative expressed itself against the constraint that the government does not seem to know what to do with the price of farmers' products. Again we submit that there must be some consistency somewhere between the macro and the micro.

The last point I want to make is that I appreciate the fact that there is a study of what happens to the individual. Too often we get lost in the crowd. When we conduct studies, an economist or one who pretends to be an economist looks at aggregates and numbers. But this can be misleading because if true development is the development of individuals and of people, then we must be concerned with what happens to the individual. Prof. Jimenez's study showed us what happened to this group of women who were empowered and thus became very confident even in their manner of dressing. I read her paper quite hurriedly but I was struck by that comment. Now this is a real, honest-to-goodness impact on individuals.

Dr. Castillo who used to be with the Philippine Institute of Development Studies (PIDS), and whose spirit still lives there, is aware that current research is now being done or about to be done on the micro impacts of macro policies. For example, everyone talks about lowering inflation, lessening the fiscal deficit, arranging the balance of payments but nobody sees what happens to the informal sector. Ultimately, who becomes marginalized?

It seems as if individuals do not matter at all and what matters is the aggregate. After all, we are about sixty-five million (65M) individuals. What happens to a hundred thousand (100,000) individuals does not seem to matter. But is that true or is that correct? This study tries to bring us to our senses; it is the individual that matters when we speak about development. Let us not be tempted to consider the individual as "a drop in a jar of marmalade", as the adjunct existentialist would say.

It is hard for an economist to comment on the study of, let us say, a psychologist, a historian, a political scientist or a sociologist. But what I am trying to convey here is that development is multi-dimensional. We, in our profession, will be myopic, or like a horse with blinders running towards one direction and ignoring the fact that there are other equally if not more important considerations in this business of development.

Virginia Miralao: Our next speaker is Mr. Enrico Garde who will share with us the nongovernment organization (NGO)'s experience and perspective

with regard to cooperatives. Mr. Garde is the Director of the Center for Community Services, the NGO that is based at the Ateneo de Manila University.

Enrico Garde: Let me just start by making two clarifications. Firstly, I have been limited by time to go through the papers more thoroughly so my reactions will be based mainly on impressions and points which attracted my attention while I was reading them.

Secondly, I shall be making my comments in the light of my own and my organization's leanings and insights in promoting cooperative undertaking. These I must admit were derived not only from successful enterprises but also from the many failed experiences that we have encountered in the course of our work.

There are three major areas which, I believe, are important in assessing the effect or impact of a cooperative undertaking. These include : 1) cooperative effect on income and capital formation; 2) cooperative effect on members, and 3) cooperative effect on the community at large. I shall give my reactions in the process of discussing these considerations.

Inasmuch as cooperatives are supposed to be self-reliant and autonomous, one crucial indicator of autonomy is the amount of internally generated capital vis-a-vis externally sourced funds. To use business terms, this would refer to the debt-to-equity ratio. Moreover, if we agree that economic progress is directly related to the extent of capital accumulation, then the amount of contributions of the members becomes a very important factor.

Specifically, this would mean looking at the cooperative's policies on membership shares, continuous capital build-up, distribution of surplus, their policies in pricing, etc. This would also mean studying the movements in the actual amount of equity and its relation to the amount of loans and grants received and, of course, the actual surplus being generated.

The papers presented, at least the ones I read, provided very few data regarding these aspects. To be more concrete, it would have been interesting to see more information from the People's Livelihood Foundation (PLF) study since improving the grant plus loan to equity ratio is, I would think, one of the biggest challenges of Ka Dante.

There are also several issues and concerns raised in the paper which are very good discussion points.

I believe external funds, especially loans and grants, are necessary in most cases. The question here is: how can we ensure that self-help is not

sacrificed? Unfortunately, I agree with the finding that cooperatives can be perceived by many as a dole-out institution. Thus, policies that reinforce such a perception should definitely be discouraged. What has been lost, I think, is the fact that savings is the most important element of cooperatives. Credit should be seen as a consequence of savings. There should be no credit without savings.

I would like to say at this point, that there is a danger that the aggressiveness of the Land Bank and other financial institutions in providing credit to cooperatives may, in fact, be jeopardizing the long-term viability of these organizations. While the intention is laudable, the effect may be negative. I would not be surprised if their claim of 100 percent repayment includes restructured or refinanced loans of cooperatives.

The need for external funds presupposes a certain scale of operations which cannot be financed internally. Indeed, from our own experience and as seen from the studies, there seems to be no middle-scale. Either a cooperative starts and remains at the micro level thereby enabling the people to manage the operations themselves but having insignificant economic impact, or a cooperative jumps immediately to a large-scale operation because of viable considerations but is supported mainly by external funds and managed by a professional staff. Of course, what I am referring to here is not the economic definition of scale but a scale which would be relative to other enterprises within a given community.

Both scales may have their advantages and disadvantages but again, the question is how the management or the leaders handle the organization such that democratic processes and continuous savings of members are maintained.

On the service vs. profit dilemma, I have often heard this being discussed in many nongovernment organizations (NGOs) and people's organizations (POs) which are starting to undertake economic projects. But is there really such a dilemma? From one point of view, I would argue that there is none. Instead, there is a decision on the pricing policy to be made. Assuming that computations show that surplus can be generated, the decision point is to whom should the surplus go - to the members or to the cooperative?

The question is whether the cooperative will adopt an active pricing policy - by charging low interest rates for loans, increasing the purchase price of *palay*, lowering the price of consumer goods, for example, - or the cooperative will pursue a passive pricing policy, by charging market rates for its services, for example.

The effect of an active pricing policy, on the one hand, is that members directly benefit (or as they say, "the cooperative provides service") but at the

expense of the cooperative enterprise. The effect of passive pricing on the other hand, is that members indirectly benefit via the patronage refund/dividend route. Which one is better? Unfortunately, active pricing may not be sustainable in the long run unless the cooperative is more efficient than their competitors. Inevitably, most cooperatives adopt passive pricing and undertake active pricing only for short periods of time.

On government policies and support, I do agree that government policy, especially on the rice industry, is contradictory. Prices of inputs are uncontrolled but the price of the output is controlled. Ultimately, it is the rice farmers who suffer. Given the relative ineffectiveness of the National Food Authority (NFA) and the Philippine Crop Insurance Company (PCIC) and the vacillating decision as to government subsidies to these institutions, it is difficult to see how the well-being of farmers can be improved. I also see the difficulty of dismantling the rice cartel. What or who will take its place? NFA cannot do it. Cooperatives cannot do it either at this point.

Another example of government inconsistency is its handling of the coconut levy. It is sad to note that in the battle for control over the fund, now valued at a staggering amount of more than thirty billion pesos [P30B], the real coconut farmers have been totally left out of the picture.

Consider the following for instance: a) the fund, in fact, represents savings or capital accumulated by millions of farmers from whom the money is extracted through unjust means, and b) the fund controls some of the biggest corporations in the Philippines, for example, United Coconut Planters Bank (UCPB) and San Miguel Corporation.

Just think, if only all the farmers are induced to save voluntarily and continuously, they could gain so much potential power over the economy. Think of what would happen if the coconut farmers can now take control of the coconut levy fund. Such potential power is actually closer to reality than one can imagine.

On employment by cooperatives, one of the studies showed that the consumer store operations were run through volunteers. The question here is: is such an arrangement sustainable in the long run? Can income from such operations sustain a full-time staff or is viability dependent on self-exploitation? This brings me to another issue. Cooperatives are notorious for paying their employees below the minimum wage. Should cooperatives be exempt from this law? Or should minimum wage legislations be discouraged so that cooperatives may flourish?

I should make mention here that we should be more realistic with regard to the capability of cooperatives to increase income. To begin with, farmers are already heavily indebted. Thus, unless the cooperative is able to assist the

members in diversifying into other non-farm activities which will provide a steady stream of income, they will continue to remain impoverished. For example, in the *Kababaihang Barangay* of San Miguel, Bulacan (KBB) enterprise, the best we can expect is a reduction of debts by the farmer, thus forcing him/her to save. Moreover, unless a cooperative is able to upscale its operations to be able to influence the market, the cooperative will in fact be dictated upon by the market. The more important indicator here is the increase in the productivity or yield in farm outputs. The income increments a cooperative provides through its pricing policy may be negligible.

Cooperatives are economic organizations. Its ability to provide services depends mainly on the viability of its operations. This, however, does not negate the fact that members are the most important component.

For this aspect, what is important is how the cooperative is able to adhere to its democratic processes. As shown in the various papers, some of the important considerations include:

a) What are its schemes for continuing membership education not only in technical skills but more importantly in value formation and community building?

b) What is the most appropriate decision-making structure? What are the various modes of consultation, its frequency and the attendance rate? What decisions are discussed and at what level? Crucial to this is, what is the appropriate size of the membership in order to make operations viable but at the same time maintain the close relations of its members? The studies showed two extreme cases: one where the membership expanded to several thousands thereby sacrificing full participation and another where the membership is limited. Under what conditions is one policy superior over the other?

c) What are its provisions for sanctions? I would like to put emphasis on this aspect since more often than not, failures can be traced to loose imposition of sanctions on erring members. Most of the successful cooperatives I know have undergone a painful process of cleansing the membership roster before being able to take off.

d) How does the cooperative delineate the leadership and management functions? In many instances, leadership skills and management skills cannot be found in a single person. This is also one reason why many cooperatives fail. A good leader is not necessarily a good manager and vice versa. Thus, the questions posed by the studies as to the continuity of leadership may be seen in the light of the need to develop members according to their skills and aptitude. This may also be one resolution as to the role of the nongovernment organization (NGO) personnel within

the structure of the people's organizations (POs) in the long run, as the scale of organization of the POs becomes larger. Perhaps the role of the NGOs is to become the management staff under the direction and leadership of the PO.

How empowered really are the cooperatives? How has it influenced the price levels in the communities? Has there been a shift in economic power? To what extent has the cooperative influenced government policies? Since this area seems to be the main focus of the studies and I have discussed most of the points therein, I shall not make any further comments about it.

There are other general observations I would like to make. First, what I would have wanted was to be able to compare the different cooperatives studied based on some of the points cited above. Unfortunately, the data was not consistent in all the presentations. My point here is, there may be a need for some quantitative criteria in assessing cooperatives which would be consistently monitored over the years, hand in hand with qualitative assessments.

Second, we may not be able to find a cooperative that scores high on all the three areas mentioned above. We may be expecting too much from the cooperatives. In the end, what may happen is that cooperatives may need to focus their efforts on economic empowerment and people's organizations (POs) like farmers' organizations, for example.

Lastly, I would like to raise a concern related to the gender issue. One school of thought says that to promote gender concerns, special projects, programs, or even distinct organizations should be initiated solely for women. Another school of thought says that existing programs should only be made gender-sensitive. Which approach would be better for the cooperative in the long run? This issue is also still being discussed in our organization.

Virginia Miralao: I think so many ideas, issues, and points have been raised that, happily, many of you are having some difficulty in trying to put things together. That is because I think we do lack a kind of framework to integrate all these cases and all the points that have been raised.

To help focus the discussion, what I thought I would do is to put together some of the common threads that came out of the papers and the reactions. I was also going to ask some rural development experts to speak to us before we open our discussion. I was thinking of Dr. Castillo for one, Dr. Bonifacio who has done a lot of work on rural cooperatives, Dr. Rocamora who has done work on rural development strategies and Dr. Hernandez and Dr. Romero who have just completed their studies on cooperatives. I think

the paper readers will be very happy to hear from the experts because they need some assistance in putting their final papers together.

Before we do that, here are some of the main issues that came out which I think should be taken up in the discussions. First I think there is a need to sharpen the definition of empowerment. The presentors mentioned political, economic and individual empowerment.

Even within these contexts, however, the concept of empowerment is still unclear. In the economic context, for instance, if a cooperative is always asking for loans, does that mean that it is not empowered economically? I feel uneasy when a cooperative which gets assistance or gets credit, is viewed as not necessarily economically empowered. Come to think of it, even multinational corporations and entire governments ask for loans.

There are also many facets of political empowerment. I do not know whether by political empowerment you simply mean that the people are able to press for their claims. Is it, for example, taking over the entire bank for the finances of the rural areas?

I think there is a need to define exactly what you mean by political empowerment. As for individual-level empowerment and psychological empowerment, Prof. Jimenez might provide some of their aspects.

The second major point which should be discussed concerns the organizational imperatives of a cooperative. For example, what are the factors that would make it work? I think that there are so many. One that was mentioned is leadership, self-governance or self-management, and the management of resources. Another is accessing technical or other forms of assistance from the outside.

A third point has to do with the indicators of the success of cooperatives. These will necessarily have to be connected with whatever we define as the goals of the cooperative and as our measures of empowerment in its different dimensions. Also related with identifying the indicators of success is the need to come up with a typology of cooperatives. There are just so many kinds. If you look back at the cooperatives presented in the papers today, all of them can be considered successful in various ways. What we need is to formulate a typology of cooperatives and define the measures for their success.

The final point, as was mentioned by Dr. Llanto and Dr. Bautista, is the role of the state in promoting cooperatives. The point that is often raised by those in the cooperative movement is that there are many macro economic forces which cannot be addressed by the cooperatives themselves. These have to do with the poor policy environment as Dr. Bautista was saying. It is true that to date, we have had very little experience with cooperatives to

enable us to confront problems like the pricing of agricultural products, the high cost of production inputs in agriculture, the rice cartels, traders and so on. To a certain extent, I think the Buscayno experiment has been able to address some of these issues but not quite fully. It is really questionable whether or not one would be able to address these macro forces at the cooperative level.

Lastly, I think we need to talk about what should be the kind of collaboration or partnership that should exist between the state and the nongovernment organization (NGO) insofar as developing cooperatives as an alternative rural development strategy is concerned.

If you are all agreeable, we will ask Dr. Castillo to give her reaction or comments.

Gelia Castillo: If you have been around as long as I have, about 77 years, you would have heard many cases similar to those read this morning, but with a difference. Cooperatives now, at least in this discussion, are no longer treated as an ideology. We are looking at it now more objectively, and as an economic institution. The speakers were all quite strong. They did not just say this or that but they also said we need this or that. I think that is quite a change from the 1950s and the 1960s and I feel very hopeful when we start thinking that way.

My second comment is about the use of the terms macro and micro. Last week I went to a meeting which was very macro-oriented. Someone from Yale who was regarded as a "povertologist" said something like, "If you pay attention to the macro policies, you will know that it is very inefficient to deal with all these direct programs". I was so upset that I asked, "You mean to tell me we are not going to do the nutrition program and all of the things that we have been doing for the past 25 years?"

When I went home, I thought about these terms very seriously and came to the conclusion that they are quite vague. The macro economic policies provide you with a framework for opportunities but you still have to do all the direct and micro level interventions in order that people can take advantage of such opportunities.

Yesterday I had a conversation with Scarlet Epstein whom you might know is a very well known British anthropologist. She told me to tell people who are very macro-conscious that "babies are not made at the macro level". Anyway, I also see the danger in focusing only on the micro level.

I spent an entire morning with Ka Dante and he is an absolutely fascinating man. He has so much wisdom that when you talk to him, you would feel that nothing could possibly be wrong. And so you feel bad about

having to apply economic criteria in assessing the viability of the People's Livelihood Foundation (PLF).

But probably you can also reason it out another way. How much did the government spend chasing him? I think applying economic criteria is still worth doing. You do not have to focus only on him but also on the surrounding communities.

I was asking Ka Dante to spend some time in the university so that we could get a sense of someone who has really done it right. I think we should really invite him as a visiting professor. He has so much more wisdom than any of us.

I love nongovernment organizations (NGOs), but sometimes they behave as if there is no government in existence. No matter how crazy or how stupid our government is, it still exists. So there must be a way of functioning with it.

I would like to end on a personal note. What I have seen and heard this morning makes it worth taking the trip from Los Banos to here. I was here in this very room, almost two years ago. At that time, these researchers were not even sure of what they wanted to do. But now you see them feeling very confident, very able and empowered. They even have the nerve to say, "findings from the field." In about seven months, I will be retiring officially, and I feel very, very good about seeing all these young people taking over. I expect them to do a very good job.

I wish the President of the University were here so that I can ask him, Are these eager, enthusiastic, bright, young researchers going to be sustained? Because if they were not sustained, you would find them somewhere else or worse, you will find them sitting here doing nothing. To me that is worse than leaving. This is a challenge for the University. You already have the micro level all fired up. You must provide the macro policies that will sustain their talents and their energies.

Virginia Miralao: Thank you Dr. Castillo. I would like to call on another favorite professor of mine, Dr. Bonifacio.

Manuel Bonifacio: It is really very difficult to comment if you have not read the papers and to be fair to the authors of the papers, I promised Dr. Bautista that I would read them carefully so that I can make my comments.

The only comment I would like to make now is that although all the studies have many insights, they were unfortunately not able to properly contextualize and provide the appropriate concepts for alternative rural

development strategies. If we can do this, I think that the contribution of the study will be very, very useful to many development agencies.

Virginia Miralao: I would like to call on a friend of mine, Dr. Joel Rocamora.

Joel Rocamora: As the presentations went on, I must confess that I enjoyed them a lot. It is because all presentations were about winners. These are all success stories. It is always nice to hear success stories.

From an academic standpoint, however, one might ask whether the choice of only winners was deliberate or not, because certainly if we want to understand the role of these kinds of people's organizations in establishing alternative rural development strategies, one might be able to learn as much from the losers as well as from the winners.

The second thing that struck me about the presentation has to do with the question of leadership. Three of the four case studies, apparently, were led by charismatic leaders of various kinds. Only one had a non-charismatic leadership and I am not sure if it was collective leadership.

It has been a long time since I have read on this, but my understanding of a charismatic leadership is that you do not have a service training for charisma. And again, the question of replicability comes in. If the leadership of these organizations are charismatic and you cannot train charismatic leaders, where does replicability come in? Apparently, in the case of a 75 year old leader, sustainability is given a more operational term, i.e., mortality.

The distinction between charismatic leadership and politicized collective leadership then brought up to me another issue that hooks up these field experiences to the macro framework, i.e., the role of the national government in setting policy. The tie-up is that the more politicized collective leadership you have in the organization, the easier it will be to get into politics because in politics, it is much easier to add politicized organizations than organizations that are dependent on the specifics of charisma or religion and so on.

And finally, as a comment to the government representative, from hereon, I think it is very important to think about the policy environment in which these organizations operate. I think it is important to look at both the economic policies and political policies of the government, because if these organizations suffer from economic restraints, many more of their type suffer even more directly in political respects. Military repression, for instance, was an important factor in the case read by Prof. Añonuevo.

Virginia Miralao: Can we ask Dr. Carol Hernandez and Dr. Segundo Romero to give their comments?

Carolina Hernandez: Although I am older than Doy (Romero) in terms of age, I think that I am the youngest among the people who have been called upon by Dr. Miralao in terms of involvement with the issue of rural development and with the view of people's organizations, such as cooperatives, as vehicles for people empowerment.

We got involved in this particular area only about a year ago. Doy and I did our study of fourteen purposely selected cases of people's organizations, cooperative foundations, and economic councils for two and a half months. We looked at their contribution to the process or goal of people empowerment.

Doy and I tried to provide a sharper definition of empowerment. We also identified and looked at the political and economic dimensions of empowerment. We selected variables for these two dimensions and provided five indicators for each of these variables and then we applied them to the fourteen groups that we had selected.

The research tried to identify the factors for the success of the group. We also tried to generate hypotheses about the cooperatives as vehicles for people empowerment. We also came up with typologies of these organizations.

We do not want to compete with these morning's excellent presentations but what we can do is to share our very modest study with them for further consideration.

I would also like to say that after listening to Dr. Gelia Castillo I can only, as usual, agree to what she articulated. I am also very concerned about the macro environment in the university and the sustainability of young colleagues. There are many of us who have gone the nongovernment organization (NGO) way and tried to depend on self-reliant activities in the meantime that the macro environment is not very congenial.

Segundo Romero: Knowing that several studies have been made on the very cases that have been presented here, perhaps we have to ask, what is the value added by the social science academics to this endeavor? I think that when we try to answer that, we will be talking in terms of introducing, applying and measuring concepts such as people empowerment.

Therefore, we should, in a way, push ourselves to make those kinds of conceptualizations even though sometimes in the academe, you get pelted with tomatoes when you try to go too much ahead in conceptualizing without the hard data.

I think, however, that conceptualization is important. Then and only then can we begin to name and measure the indicators. You have to identify the indicators and you have to measure them; otherwise, it will be difficult to measure progress.

This applies to the very cases that we are talking about. Dante, for example, has been there for three or four years. Is he better off today than he was four years ago? We have to start with the basics.

The last discussion talked about hard economic and financial data. I think we have already said that cooperatives are economic. The impact has to be measured at the household level. I think the readers can improve their presentations if they can give us household income data. Then we will know that it is not only the cooperative but also the people for which it was supposed to be organized that are progressing.

We have seen so many coops progressing without the members progressing. In fact some of those we studied are of that kind. This is a challenge in the study of cooperatives as a multidisciplinary endeavor. How do we tap the talents in economics and business administration so that we can adequately look at cooperatives in their economic and financial business sense, thus making our social perspective more complete and more integrated.

It is also important to make these kinds of measurements because only then can our studies become replicable. This is because you have to have a pattern for the cooperatives to be replicated in other places like in Mindanao. How do you for example bring the Dante experience there without having to transport Dante himself. The way to do that is through a very precise documentation.

One other aspect is the idea of cooperatives trying to help the poor. I think we have some data that say that cooperatives really do not work at the level of the poorest of the poor. You have to be entrepreneurial. You cannot be at the pre-entrepreneurial subsistence level. So perhaps we have to look into cooperatives as an avenue for our poor. How can the poor use the cooperatives?

With respect to funding, people say that some cooperatives are not given the chance to succeed. People say that Dante's project was not given the chance to pay. His organization was provided with a lot of funds such that there was no way he was going to pay.

Finally, one of the insights that we got is that the role of the state consists not so much in initiating cooperatives but rather in spotting emerging cooperative initiatives. The state has failed dismally in trying to

initiate cooperativism. The state tried to organize from the ground up in the *Samahang Nasyon* but it did not work. This has now become the role of the nongovernment organizations (NGOs).

Virginia Miralao: May we now hear the comments of Dr. Angelito Manalili of the College of Social Work and Community Development.

Angelito Manalili: *Unang-una po, nagpapasalamat kami sa Kolehiyo ng Gawaing Panlipunan at Pagpapaunlad ng Pamayanan na maging kabahagi sa pag-uusap na ito na totoong napakaganda dahil marami kaming natutunan sa mga iprinensentang mga papeles at pati na rin sa mga reaksiyon ng mga kasama natin dito.*

Gusto rin po naming ibahagi sa inyo ang mga bagay na may kinalaman sa aming ginagawa na maaaring makatulong din. Kanina po ay marami na tayong napag-usapan tungkol sa kooperatiba pero meron po kaming isang kaibigan na ang pangalan ay Ka Simeon Saglit ng Kilusang Magbubukid ng Pilipinas na madalas magsabi ng ganito, "Ang kooperatiba ay ginagabayan ng tatlong mahahalagang prinsipyo. Ang tatlong mahahalagang prinsipyong ito ay: 1) sama-samang sali ng puhunan; 2) sama-samang pangangasiwa; at 3) sama-samang pagbabahaginan ng mga biyaya."

Makikita po natin sa tatlong magagandang karanasang ipinakita dito na buhay ang kalakarang mula sa tao para sa tao. Iyon pong sinimulan ng mga tao mismo at hindi yaong sinimulan mula sa napakalaking assistance na galing sa gobyerno.

Makikita rin po doon sa mga kooperatibang tagumpay hanggang ngayon na hindi nakatali sa iisang lider ang pagpapatakbo nito at patuloy na pagsigla. Meron po kaming natulungan na komunidad na ganito ang takbo ng kanilang pamumuno. Iyon pong board of directors ay nagse-seminar taun-taon para maging behikulo daw ang board sa pagti-train ng mga bagong lider. At pagkatapos nito, meron pa kaming tinulungan na ang paraan ng pamumuno ay ganito: may presidente, may bise presidente, may treasurer, may vice treasurer, may secretary, at may vice secretary. Pero 'yun pong mga vice ay 'yung mga understudy at taun-taon ay nagbabago ang pamunuan para daw dumami nang dumami ang nakakaalam ng pamunuan. Kaya hindi po nila problema ang pagkawala ng presidente dahil talaga namang mawawala siya pagkaraan ng isang taon.

Masasama na lang siya sa council of leaders o council of appraisers. Dahil kung ikaw ang bise presidente hindi ka na magdadasal na mamatay na ang presidente dahil sa isang taon, ikaw na talaga ang presidente. Ibig sabihin, talagang inihahanda ka para doon. Kaya tuwing mag- eeleksiyon sila taun-taon, vice nang vice [president] ang kanilang inihahalal.

Ang puntos po ay ganito, meron po talagang tugon doon sa mga katanungan na iniharap ng mga kasamahan namin. Ang mungkahi po namin ay, katulad din ng sinasabi ni Dean Bonifacio kanina, ito po ay ibabalik natin sa mga tao din para maging tunay na participatory research.

Ang katanungang iniharap natin dito ay sisikapin din nating sagutin sa pamamagitan ng pagbabahagi ng mga konkretong karanasan sa ibang komunidad.

Ang isa ko pa pong pakiusap ay palitan na natin ang titulo ng kabuuan ng research undertaking natin dito. Ito po ay Field Research Project on Agrarian Issues sa Central Luzon. Makikita po natin na madalas pinag-uusapan ang kooperatiba bilang isang behikulo sa pagtataguyod ng repormang agraryo. Baka naman po ang dapat ay tunay na repormang agraryo bilang tugon sa tahasang pagtataguyod ng kooperatibismo. Ang ibig po nating ipuntos ay ito, kailangang tingnan ang kooperatibismo kung talagang totoo ito sa konteksto ng buhay, karanasan at pangarap ng mga kapatid natin sa kanayunan.

Sa isang sitwasyong hindi na sa magsasaka ang lupa, hindi pa kanya ang teknolohiya dahil ang ginagamit ay HYV [high yielding variety]. At pag gumamit ka ng HYV, gagamit ka rin ng pesticide, insecticide, herbicide at kung anu-ano pang -icide kaya pagdating ng anihan, wala nang matitira sa kanya kahit pambili ng lason para mag-suicide.

Makikita po natin 'yung sitwasyon na napakahirap 'yung pinag-uusapan nating kooperatibismo sa isang sitwasyong walang kontrol sa produksyon ang mga tao at kadalasa'y wala ring kontrol maging sa kanilang sariling buhay dahil sa pagkabaon sa utang. Ang pinupuntos po natin ay, kung ang pinag-uusapan ay macro environment baka po talaga ang susi sa patuloy at ibayong tagumpay ng kooperatiba sa Pilipinas ay ang tunay na agraryo sa lupa.

[First of all, we would like to thank the College of Social Work and Community Development for allowing us to participate in this excellent discussion. It is really nice to be here because we learned a lot from the papers presented and the reactions of those who are with us now.

We would like to share with you some points related to what we are doing that may be useful. A lot has been said about cooperatives today. We have a friend called Ka Simeon Saglit of the *Kilusang Magbubukid ng Pilipinas* who often said that the cooperative is guided by three important principles. These are 1) shared capita, 2) shared management, and 3) shared reaping of benefits.

The practice of these three good principles shows that the belief in operating from the people and for the people is very much alive. We should proceed from what is started by the people rather than from what is started by the generous assistance of the government.

Cooperatives which remain flourishing until now, show that the government and revitalization of such organizations do not depend on just one leader. Here are two examples of community leadership that we have seen. In one community that we worked with, the board of directors attended seminars yearly to enable their board to be the vehicle for training new leaders. In another community that we worked with, the vice-president, vice-treasurer and vice-secretary were actually the understudies of the president, treasurer and secretary, respectively. In the latter community, moreover, the officials were changed every year in order that more and more people would learn how to govern. Here, they do not worry about losing a president, since he really has to go after a year. By that time, he becomes a member of the council of leaders or of appraisers. If you are the incumbent vice-president, you don't have to pray that the president dies because you will surely become president next year. This is because you have truly been groomed for the presidency. In fact every year, during election day, the community invariably votes for the incumbent vice-president as president.

My point is that there really are answers to the question posed by our fellow researchers. Our suggestion, as has been mentioned by Dean Bonifacio a while ago, is to give back our findings to the people, so that our project can truly become participatory research. The beauty in doing this is that we can attempt to answer the questions raised today by sharing our concrete experiences with other communities.

May I request that we change the title of the research project to Field Research Project on Agrarian Issues in Central Luzon. What has often been said is that cooperatives may be considered as one vehicle for agrarian reform. It would perhaps be more fitting to speak of true agrarian reform in response to frank adherence to the cooperative. My point is that we need to see if cooperativism is valid in the context of the life, experiences and dreams of our brothers in the rural areas. That context may be one in which the land, much less the technology, no longer belong to the farmer. He uses HYV (high yielding variety) which further entails using pesticide, insecticide, herbicide and whatever other -cides there may be. By harvest time, the farmer has become so poor that he cannot even buy the poison with which to commit suicide.

Thus, we can see cooperativism in an extremely difficult situation where the farmer has no control over production and, more often than not, no control over his very life, due to his indebtedness. My point is this; speaking of macro environment, what is probably the key to the continued and

widespread success of cooperatives in the Philippines is the small farmer himself.]

Cynthia Zayas: *Hindi po ako eksperto sa pag-aaral ng kooperatiba kaya lang, meron po akong ekspiryensiya sa pag-aaral ng komunidad ng mangingisda sa Bohol. Hindi nahihwalay ang kasaysayan ng kooperatiba dahil ang pag-aari ng dagat ay pag-aari ng komunidad. Sa nakikita ko dito, naoorganisa ang mga kooperatiba sa atin. Dati hindi na-debelop 'yan. Ngayon, ang gusto ko lamang ipakita rito ay 'yung kaibahan ng pagka-organisa ng kooperatiba. Naging institusyon na lamang ang kooperatiba sa pagpasok ng dantaong ito. Pero bago pa man, meron na itong simulang anyo dahil meron silang tinatawag na gabay sa panggamit. Hindi sila kasi pupwedeng mangisda sa tubig ng komunidad kung hindi siya miyembro doon.*

Sa karanasan naman ng bansang Hapon, sa pagbabago ng lipunan noong panahon ng Meiji, binago nila bilang isang organisasyon ang paggamit ng tubig. At noong 1945, saka lamang naging isang institusyon ang kooperatiba. At noong organisado na sila, saka lamang pumasok ang mga pangangailangan ng mga mangingisda.

[I am not an expert in the study of cooperatives, but I have had experience in the study of fishing communities in Bohol. The story of farmers' cooperatives is not alien to fishermen, since the latter believe that what is owned by the sea is owned by the fishing community. From what I have seen here, cooperatives are now being organized. This was not the case before. I would like to show how the fishermen's cooperative is organized differently from others. Cooperatives became institutionalized at the turn of the century. Prior to that, however, the fishermen's cooperative had a protoform in what was called a user's guide. No fishermen were allowed to fish in communal waters if they were not considered members of the community.

In Japan, the use of communal waters was changed by the fishermen who became organized during the Meiji period. It was only in 1945 that cooperatives became institutionalized. Since the fishermen were organized, they could call attention to their needs.]

Virginia Miralao: May we also have comments from the representatives of the Land Bank? I think the Land Bank is one of the organizations that has been tapped to help promote cooperatives.

Edgardo Generoso: Perhaps my personal bias will come out because I am connected with Land Bank and my interest is in credit funding. The papers presented cited a few instances of credit funding. Actually we have three kinds of credit funding: the massive infusion fund, zero fund and small fund. San Vicente has a small fund. The appropriate kind of funding

will vary with each community. I am interested in finding out the effect of funding on the productivity and income of the farmers. In Land Bank, we are not only after giving credit to farmers; but, like the government, we are also after improving the quality of life of the Filipino farmers.

Gelia Castillo: I would like to make a suggestion, if it has not yet been done. Now that we have problems regarding the environment, we have to change our lifestyle and values.

Look at it from a historical perspective and from within yourselves. People at present who are more knowledgeable than those in the past can easily do so. I think it would be good to have a historian and a philosopher. The dole-out mentality and the desire to work cooperatively, for instance, are values that may have changed, but I don't think you're any better than we were. I think this is something to think about.

Zosimo Lee: Dr. Bonifacio and I were talking precisely about the need for reconceptualizing and the discussion eventually led to epistemology and the physical sciences. Now Dr. Gelia Castillo gave us further the challenge to evaluate these values which have undergone some changes over time.

Primarily, I rethink my own concepts and perspectives and then hope to infuse this into an academic endeavor. Cynthia Zayas and I are part of the research committee of the UP Visayas and we would like to reconceptualize our research priorities. That is why I was glad that Dr. Bautista invited me to this assembly so that I could pick up ideas not only in methodology but also in cooperative research work, which I have encouraged my own faculty in Tacloban to do.

The problem presented by Dr. Castillo is really a big concern. We in the Department of Philosophy in the University of the Philippines (UP) seldom leave our ivory tower. I think that part of the inquiry that Dr. Bonifacio was putting to me was, how can philosophers be more active and relevant researchers?

When you do social science research, you have to tackle the nitty gritty of field work as well as the abstract philosophical dimensions. It is hard to do both and there might not be an individual who has time for both. However, I think we can do it as a collective effort. We are a community of scholars in the university and, hopefully, through this kind of exchange, we can encourage one another to answer certain types of questions.

Josie Cabigon: I would like to contribute to the discussion of the problem of conceptualization. The speaker from the Land Bank said that its ultimate goal is to improve the quality of life. Perhaps we should include not only income but also health as indicators of the success of cooperatives. Was there

an improvement in the health of the family members? Was there a change in their nutrition? Did their level of education and their children's improve?

Jurgette Honculada: I am going to pick up some of the points raised earlier concerning the macro context for rural development. I am referring in particular to the problems that have emerged from the green revolution.

One Indian scientist has written about these problems in a book called "The Violence of the Green Revolution". Unfortunately, we do not take this atrocity into full account. In some countries, this critique of the green revolution has continued to win acclaim.

It was the Hindu god Shiva who said that the first green revolution killed the earth, while the second green revolution killed the seed. This is most unfortunate because when the seed dies, it cannot regenerate. All of these are part of the macro context that we have to factor into our studies.

The next question is that of subsidy. You have to put the price of rice at a certain level which, unfortunately, renders the farmers underpaid. During the Martial Law regime, the farmers subsidized or compensated for the low wages of the city workers. We have to take this situation into account.

Fe Arcinas: We realized the importance of inviting all the disciplines because we knew that they all had something to contribute. The Department of Philosophy, however, seemed reluctant to join the project because they were understaffed.

Consuelo Joaquin-Paz: We took the initiative of undertaking a study shared by all nine disciplines of the college. Philosophy was precisely invited to articulate the Filipino outlook that actually emanated from the local population and environment.

Elsa Jurado: I will probably be one of the future end-users of this study. Do you have any plans to involve the end users, i.e., those who want to set up cooperatives or people's organizations?

I am from the Ilocos and over there, 10 to 15 hectares of land is a good size of property for one person. Lands like these mostly belong to absentee landowners. Does the government support cooperatives of landowners besides those of farmers? It would be difficult for retired teachers and government employees of the middle class to just give up their lands which range from two to five hectares to the agrarian reform movement. These petty landlords may be able to do something if they get support to form cooperatives. However, probably there must be a limit to the flotation rate. Now, do you have funding for such a project? It would popularize your studies among its end-users.

Cynthia Bautista: Part of our project really consists in sharing our findings about the small groups that we studied with the people in the community. All of our studies will be disseminated in the area in different ways. For instance, the study on disaster will be disseminated by our calling a community assembly. The funding on Ka Dante's cooperative will similarly be brought to its constituents.

We are trying to adjust our budget to be able to accommodate our end-users by means of publication. However, we also have to consider the technology involved in popularizing our studies.

Participant from the Cooperative Development Authority: *Ako po ay taga-Cooperative Development Authority. Nais ko po lamang magpasalamat dahil nagsimula nang kilalanin ng lahat ng sektor ang kahalagahan ng kooperatiba bilang behikulo sa pagpapaunlad ng ekonomiya. Maganda po 'yung mga pag-aaral na ginagawa ninyo dahil malaki ang maitutulong nito sa pagpapaunlad ng kooperatiba.*

Ngayon, ang isang isyu pong lumabas dito ay 'yung tungkol sa pondo. Hindi naman po masama 'yan lalo na po't ang aking mga katabi dito ay mga taga-Land Bank. Kailangang-kailangan din po 'yan ng ating maaliit na kooperatiba at ito rin po ang nais nating ipaabot doon sa isa nating kasamang taga-Ilocos Sur, na talagang ang binibigyan natin ng prioridad diyan ay 'yung mga tao na walang sapat na kakayahan. Pero wala namang batas na nagbabawal sa may-ari ng lupa na magtatag ng kooperatiba.

Pero ang isa po nanging hihilingin sana doon sa mga tumutulong sa amin, lalo na 'yung mga nagbibigay sa amin ng pondong galing sa labas at tulong na pinansyal at 'yung mga tumutulong sa amin ng pag-oorganisa ng mga kooperatiba, sana po ay isakatuparan nila 'yung patuloy na edukasyon. Hindi iyong lamang pagkapag-organize na sila ay iiwanan na lang.

Alalayan po nila hanggang umunlad, hindi 'yong ipanganganak lang nila. Akayin din at manmanan hanggang lumaki. At 'yung paglago ng kapital ay kanila ring matunghayan nang sa ganoon dumating 'yung panahon na sila ay makapagsarili na at hindi na nila kakailanganin ang tulong mula sa labas. Sa gayon, ang Land Bank ay may iba namang matutulungang grupo o may iba namang makikinabang na grupo. Nang sa ganoon, dumami ang makikinabang hindi 'yong siya na lang nang siyang kooperatiba na taon taon sila na lang ang makikinabang. Nang ang biyaya din naman ng gobyerno at saka ng ibang donors pati na rin ang mga dayuhan ay marami ang makinabang. Hindi 'yong isa lamang grupo.

[I am connected with the Cooperative Development Authority. I am pleased that all sectors have started to recognize the cooperative as a vehicle

for economic development. The research that you did is admirable because it can contribute a lot to the development of cooperatives.

It is good that the issue on funding came up, since we have participants from the Land Bank here with us. Small cooperatives are in dire need of funding. Thus, I would like to assure the participant from Ilocos Sur that we give priority to people with limited means. Moreover, there is nothing in the law that prohibits landowners from organizing themselves into cooperatives in order to improve what we would call the economics of scales.

We appeal to those who are helping us by external funding or by organizing cooperatives to keep an eye on the cooperative rather than abandon it at its inception. We hope that our supporters would help in the development of other cooperatives besides those which they brought into being. By nurturing the cooperative, they can monitor its growth better. Through continuous education, the members of the cooperative should learn that they cannot always rely on external funding. They should also be informed about continuous capital build-up so that they can aim for self-reliance sooner.

In this way the Land Bank will be able to help more groups and more groups will flourish. It will not be the same cooperatives who will benefit year in and year out. Thus, the endowments of the government and other donors including foreign ones will be distributed to many cooperatives rather than be funnelled into just one.]

Carolina Hernandez: *Gusto kong magbigay ng puna doon sa sinabi ni Dr. Llanto na 'yung policy ay urgent, kailangang gawin kaagad pero 'yung pag-aaral ay medyo matagal kaya medyo mahirap na hintayin 'yung pag-aaral.*

Siguro kung ang gobyerno ay may mga plano na talaga, siguro alam nila kung panahon na para magbago ng policy. Siguro pwede naman silang makipag-ugnay sa mga mananaliksik. Dahil talaga naman kaming mananaliksik ay nag-uubos ng panahon at iba pang resources para aralin itong sa tingin namin ay importante. Tapos naitatago lang namin sa mga aklatan ng pamantasan ang aming proyekto.

[Dr. Llanto said that the urgency of forming a policy is such that we cannot wait for the results of long-term studies before acting on this need.

If the government already has a plan, they will know when it is time to revise their policy. Probably, they could link up with us, who devote much time and energy to study what we think is important, only to deposit our studies in the university library.]

Gilbert Llanto: I hope that I was not misunderstood. I just said that there is a lag between the need and the supply of information and that this should motivate us to go further into the matter. I'm joining the research community next month.

Virginia Miralao: We will have one last comment from Roseanne Rutten.

Roseanne Rutten: I myself have done research in the Philippines on and off for about fourteen years and I have become interested in rural development problems because of this research. What interests me very much in the papers was the community-level research on the success of cooperatives. This is very important because to be able to understand why a cooperative or any kind of social organization succeeds, it is necessary to know what incentives people have to comply with the rules to repay the loans. This can only be understood when you look at the socioeconomic context and concrete day-to-day relationships in which people operate.

What I and other participants missed is hearing about the marginal groups like the landless, for instance. They are really the poorest of the poor. I wonder why they were left out of the study.

There were also people who did not participate in the cooperative for some personal reasons, such as they did not believe in it or because they were obliged to belong to another group, like the church. We should also talk to the people who are the out-group vs. the in-group. This would provide another interesting perspective.

Gelia Castillo: Just a quick comment about the green revolution. The green revolution has taken different forms now. Very, very recent reports from the International Rice Research Institute (IRRI) studied the trend in rice yields over the past 25 years and registered a forty percent decline even in the IRRI experimentation farm. This is now a tremendous problem for all scientists and for all of us, too.

Virginia Miralao: I think we have all enjoyed this session and we are all enjoined to do something about the cooperative. So we will ask our friends from the government to work very hard towards providing that macro environment we badly need. This includes attending to the political factors that Dr. Rocamora mentioned which tend to constrain the development of the cooperatives.