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## **Doing Good and Being Good: Aspects of Development NGO Governance in the Philippines**

Fernando T. Aldaba

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# PUBLIC POLICY

JULY-DECEMBER 2002

VOL VI NO 2

Doing Good and Being Good:  
Aspects of Development NGO  
Governance in the Philippines

**FERNANDO T ALDABA**

Giving and Volunteering among Filipinos

**RAMON L FERNAN III**

Struggling for Sustainability

**ISAGANI R SERRANO**

Non-Governmental Organizations and  
Advocacy: Lessons and Prescriptions  
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**EDNA E A GO**

Afterword: NGOs Face Bigger Challenges

**FILOMENO S STA ANA III**

Book Reviews

Greg S. Castilla: In His Own Words.  
The Educational Thoughts of Carlos Bulosan

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**SUSAN EVANGELISTA**

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# PUBLIC POLICY

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# PUBLIC POLICY

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## EDITOR'S NOTE

Non-government organizations or NGOs are back in the limelight. They played a major role in EDSA II; they were instrumental in shaping public opinion and in mobilizing various forces which constituted the core of the protesters. The same is true for EDSA III, which some would rather call a reaction. The NGOs that supported Joseph Estrada created an upheaval that nearly toppled the newly formed Gloria Macapagal-Arroyo presidency. The pro-Estrada NGOs and urban poor organizations also produced the warm bodies of the *masa* in the failed Malacañang attack.

NGOs, regardless of their loyalty or their independence and regardless of their rivalry, have shown that they are a powerful force that can shake the Philippine political landscape. EDSA II and EDSA III—and for that matter, EDSA I, have demonstrated the role of NGOs in making or unmaking governments.

On the other hand, controversies and scandals involving NGOs have emerged before and after EDSA II. The more embarrassing controversies have not only exposed the bad NGOs but have tarnished the image of the whole NGO community and can possibly diminish the credibility and legitimacy of NGOs.

It is against this background that interest in NGOs is growing. The University of the Philippines is one of a few academic institutions that have undertaken pioneering efforts in studying NGOs. In Diliman, the College of Social Sciences and Philosophy, the National College of Public Administration and Governance, and the College of Social Work and Development have courses and/or programs on NGOs and the non-profit sector. There are similar programs in the other University of the Philippines campuses.

Research centers—the Third World Studies Center and the Center for Integrative and Development Studies, among others—have consistently promoted studies and discourses about the NGOs, the broader civil society and the movements for social change.

Other prestigious educational institutions have also embarked on strengthening their programs relating to NGOs and the social movement. Ateneo de Manila University and other Jesuit institutions have built academic programs as well as research offices and support groups that cater to NGOs and people's organizations. De La Salle University has begun to undertake NGO advocacy through its Institute of Governance. The Asian Institute of Management and the University of

Asia and the Pacific, aside from offering courses suited to the non-profit sector, are involved in policy advocacy in collaboration with other civil society groups.

In the same vein, we see a steady growth in the literature about NGOs, civil society and their interaction with the state. We can expect more scholarly publications on this subject to come out soon. The Ateneo de Manila Press has led the way in publications. Soon to be off the press are books authored by Jose J. Magadia on “state-society dynamics,” in which NGOs and other civil society groups figure prominently, and by Dorothea Hilhorst, which focuses on NGO dynamics in the Cordillera region.

It is high time *Public Policy* addressed the NGO phenomenon. This issue of *Public Policy* aims to contribute to the enrichment of the discourse on NGOs, civil society and development. The contributors—Fernando T. Aldaba, Edna E.A. Co, Ramon L. Fernan III and Isagani R. Serrano—are all scholars in their own right, as academics or as “public intellectuals.” Equally important, they are NGO practitioners, boasting of solid track records which span a generation of active involvement in social and political movements. What they write on the issue of NGOs thus carries a lot of weight.

The contributions to this volume address what the authors consider to be the critical issues and challenges that face NGOs and the larger civil society. An afterword from the editor completes the collection of essays on NGOs. Hopefully, these essays will capture the interest, if not provoke the minds, of the readers of *Public Policy*, who for better or for worse, are affected by the increasing intervention of NGOs in public life.

Filomena S. Sta. Ana III





# Doing Good and Being Good: Aspects of Development NGO Governance in the Philippines<sup>1</sup>

FERNANDO T ALDABA



## **Good Governance as a Key Development Issue**

Good governance is a strategic factor for sustainable human development. For the past two decades, mainstream economists have been pushing for market reforms like trade liberalization and privatization to foster greater competition and to enhance growth in many developing economies. While economic growth and development have accelerated in certain areas of the global economy, i.e. East Asia, sustained human development remains an elusive dream for many countries in the third world. While market reforms are indeed important, there are other key problems confronting the developing nations – corruption, ineffective bureaucracy, rent seeking, patronage politics, authoritarianism, etc. All these issues redound to weak

and ineffective governance which continue to plague the said countries. Today, aside from market reforms, various sectors of society including multi-lateral and bilateral aid agencies call for governance and institutional reforms so that sustain-

...governance  
has always  
been a key  
development  
issue

able human development can be achieved.

In many ways, governance has always been a key development issue. Governance is broadly defined as “an exercise of political, economic and administrative authority to manage a nation’s affairs”(UNDP 1997). Furthermore, governance transcends the state and includes both the private sector and civil society. However, most recent studies on governance focus on the public and corporate sectors, examining both institutions from the lens of transparency, accountability, participation, efficiency, equity, sustainability, legitimacy and integrity – all important characteristics of good governance (World Bank 2000 and UNDP 1997).

In the case of the Philippines, current literature on public sector governance has focused on topics that include decentralization, corruption, fiscal management and civil society participation. There are also emerging studies on corporate governance highlighting pressing concerns that include ownership and market concentration, autocratic decision-making processes and transparency and accountability in private enterprises (Saldana 2000 and World Bank 2000). However, published material on the governance of civil society organizations in the Philippines is relatively scant except for those related to sustainability and strategic management (Quizon et al. 1989, Alegre 1996, Aldaba et al. 2000). At the international level, there is now a growing literature on governance and accountability of non-government organizations (NGOs). A more recent article analyzed the publicized incidents of alleged wrongdoing of NGOs all over the world (Gibelman and Gelman 2001).

The civil society sector in the Philippines consists of organizations that lie between the state and the market. They are neither government institutions nor businesses and private enterprises. Legally speaking, these groups compose what the Securities and Exchange Commission classifies as the non-stock, non-profit

organizations in the Philippines<sup>2</sup>. NGOs are a sub-category of civil society organizations and include civic organizations, charitable institutions and foundations, faith-based organizations and grassroots and community associations. Among these NGOs are “development NGOs” which are estimated to number around 3,000-5,000, most of which are members of the Caucus of Development NGO Networks (CODE-NGO), the largest coalition of development NGOs in the country today. Development NGOs are typically middle-class based organizations providing various services (e.g. training, community organization, health and livelihood, etc.) directly to grassroots communities and other marginalized groups (Aldaba 1993). Academics studying development NGOs refer to these institutions as social development agencies or private voluntary development organizations<sup>3</sup>.

### **Characteristics of Good Governance: A Development NGO Perspective**

Development NGO governance for the purpose of this paper is defined as the processes and structures by which these organizations try to fulfill their vision and mission towards the promotion of social and human development. These would encompass management and personnel practices, financial management and reporting, networking and partnership arrangements and project and program implementation. Development NGO praxis<sup>4</sup> characterizes good governance by the following:

- *Social Development and Public Service as Key Mission*: Development NGOs are guided by a vision and mission towards societal good, particularly social and human development.
- *Transparency and Accountability*: Constituents and stakeholders of the NGOs must be well defined and there should be clear lines of accountability in terms of structure; there is also full disclosure of sources and uses of funds; open information on the NGO’s major programs, activities and projects.
- *Participatory Management and Decision Making Processes*: Staff members of development NGOs actively participate in the management of the

organization as a clear manifestation of organizational democracy and empowerment.

- *Effective and Efficient Implementation of Programs and Projects:* The development NGO is able to optimize use of limited resources but at the same time is able to successfully achieve goals and objectives in an effective manner.
- *Participatory and Consultative Processes in Program and Project Implementation:* People empowerment by development NGOs must mean they are serious in making communities and target groups participate in their programs and projects from design and implementation to final evaluation:
  - *Sound Financial Policies and Financial Sustainability:* Like other organizations, development NGOs must have sound financial and accounting practices and at the same time be able to sustain themselves to continue their mission.
  - *Sound Staff Development Policies:* Development NGOs must be able to adequately address training and human resource needs of their personnel.
  - *Effective Networking and Partnership:* Having diverse publics, development NGOs must be able to successfully relate to government, the corporate sector, other NGOs and key stakeholders in the fulfillment of their work and mission.

For sure, not all development NGOs will be able to meet the above criteria. However, these are the key aspects of governance that eventually will indicate whether an NGO is serious in promoting good governance in its own turf.

### **Aspects of Philippine Development NGO Governance: Some Empirical Evidence**

This section tries to examine recent survey data that may empirically support aspects of good governance by development NGOs in the Philippines. The CODE-NGO through one of its members, the Association of Foundations (AF), embarked on a Mega Databank Project which aimed to develop a base of information to

strengthen collaboration among member NGOs and to provide donors information on the nature and scope of their operations (Tuano 2001). This CODE-NGO-AF Survey is the primary source of data for this study. A supplementary source is a smaller survey by PHILSSA, another CODE-NGO organization. This was conducted to generate and update information on the different aspects of member organizations' lives which shall serve as bases for developing concrete plans and programs to fulfill their corresponding mandates<sup>5</sup>. There were 762 NGO respondents in the CODE-NGO-AF survey and 33 in the PHILSSA survey.

A caveat in this study though is that the surveys themselves were not done to elicit responses to cover such practices. Thus, the following consist of still limited observations and analyses in relation to the entire development NGO community.

### **Sectors and Areas of Work: Public Interest and Social Development**

Good governance starts with the appropriate mission for the NGO community. The development NGOs in the country are involved in activities and programs that promote social and human development. These projects and programs also respond to the needs of marginalized groups and sectors. The following data from the CODE-NGO-AF survey confirms this.

#### *The Nature of Work*

The nature of work of NGO respondents primarily involves education, training and human resource development, 77.1 percent, and community development, 56.4 percent. Other activities the respondents are involved in include sustainable development and the environment, 45.7 percent, health and nutrition, 43.5 percent, enterprise and livelihood development, 43.4 percent, gender and development, 40.2 percent, social services, 35.4 percent, microcredit and microfinance, 31.3 percent, and cooperative development, 30.9 percent. For a more complete picture, see the Table 1.

**TABLE 1. Frequency Count of Respondents, By Scope and Nature of Work**

<b>Scope and Nature of Work</b>	<b>Count</b>	<b>Percent</b>
Agrarian Reform and Rural Development	140	18.3
Arts and Culture	94	12.3
Cooperative Development	236	30.9
Gender and Development	307	40.2
Health and Nutrition	332	43.5
Education, Training and Human Resource Development	588	77.1
Community Development	434	53.9
Enterprise Development and Livelihood	331	43.4
Microcredit/ Microfinance	240	31.3
Peace and Development	148	19.4
Labor Organizing	23	3.0
Science and Technology	62	8.1
Social Services	270	35.4
Legal Services	98	12.8
Student and Volunteer Formation	144	18.9
Sustainable Development & Environment	349	45.7
Urban Poor and Social Housing	94	12.3

*Percent does not add up to 100 because of multiple responses*

*Source: CODE-NGO-AF Survey 2001*

### *Programs and Activities*

With regard to programs and activities<sup>6</sup>, the majority of the respondents report that their strengths are in education and training, 81.5 percent; advocacy, 62.4 percent; networking, 56.0 percent; community organizing, 55.2 percent; and capability and institution building, 53.7 percent. Other core competencies include livelihood, 44.2 percent; project management, 37.6 percent; research, publication and documentation, 36.0 percent; resource mobilization, 29.2 percent; medical and health services, 26.6 percent; counseling, 26.1 percent; sustainable integrated area devel-

opment, 25.3 percent; consulting services, 25.7 percent; and lending, financing and grants, 23.1 percent.

**TABLE 2. Frequency Count of Respondents, By Competency/ Specific Activities**

<b>Competence/ Activities</b>	<b>Count</b>	<b>Percent</b>
Advocacy	476	62.4
Community Organizing	421	55.2
Consulting Services	196	25.7
Education and Training	622	81.5
Capacity and Institution Building	410	53.7
Medical, Health and Dental	203	26.6
Networking	427	56.0
Project Management	287	37.6
Research, Publications and Policy	275	36.0
Resource Mobilization	220	28.8
Livelihood	337	44.2
Lending	176	23.7
Counseling	199	26.1
Sectoral Organizing	133	17.4
Sustainable Integrated Area Development.	193	25.3
Technology Transfer	143	18.7

*Percent does not add up to 100 because of multiple responses*

*Source: CODE-NGO-AF Survey, 2001*

### ***Marginalized Sectors Reached***

The following data establish a fact that many development NGOs deal with the marginalized sectors of society. According to the CODE-NGO-AF Survey, the majority of respondents are involved with the women's sector, 56.4 percent, and youth and children, 56.9 percent. Other sectors that are being served by the respon-

dents are peasants, 34.5 percent; urban poor, 32.9 percent; indigenous communities, 29.9 percent; and fisherfolk, 29.1 percent.

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**TABLE 3. Frequency Count of Respondents, By Sectors Reached**

<b>Marginalized Sector</b>	<b>Count</b>	<b>Percent</b>
Elderly	85	11.1
Fisherfolk	222	29.1
Indigenous Peoples	228	29.9
Labor	101	13.2
Peasants	263	34.5
Persons with Disability	55	7.2
Urban Poor	251	32.9
Veterans	25	3.3
Victims of Calamities and Disasters	129	16.9
Women	430	53.4
Youth and Children	434	56.9

*Percent does not add up to 100 because of multiple responses*

*Source: CODE-NGO-AF Survey, 2001*

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## Transparency and Accountability

### *Accreditation with the Securities and Exchange Commission (SEC)*

Development NGOs must have a legal personality in order to be able to transact “business” in a legitimate way. Contracts are valid only if the parties involved are legitimate organizations. NGOs cannot open bank accounts without being registered with an appropriate government agency<sup>7</sup>. Most of the respondents of the CODE-NGO-AF Survey, i.e. nine in ten, are registered with the Securities and Exchange Commission (SEC), the government agency involved with the registration of private entities.



### *Financial Practices*

Good governance requires that financial reports be regularly audited, both internally and externally. Two-thirds of respondents reported that they are regularly audited. What is noteworthy is that this number is increasing (67.1 percent in 1996, 69.7 percent in 1997 and 73.8 percent in 1998). In terms of financial policies and practices, more than four of five respondents have written financial policies, and almost nine of ten have books of accounts, have bank accounts that require at least two check signatories and have yearly planning sessions.

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**TABLE 4. Frequency Count of Respondents, By Presence of Financial Policies**

<b>Respondents with</b>	<b>Frequency</b>	<b>Percent</b>
Written Financial Policies	630	82.6
Books of Accounts	681	89.3
Two Signatories	666	87.3
Yearly Planning	659	85.6
Bank Accounts	689	90.3

*Total respondents: 762*

*Source: CODE-NGO-AF Survey, 2001*

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While implementation is also important with regard to financial policies, the data suggest that an increasing number of NGOs have now improved their financial and accounting systems. However, a significant number (12-18%) still needs to improve financial accountability.

### *Annual Reports to the Securities and Exchange Commission*

While a high percentage of NGOs are registered with the SEC, less than half fulfill the requirements for annual reporting in the years 1997 and 1998. These reports are indicative of how the NGOs operate, particularly in terms of financial management. However, many NGOs complain about their difficulty in meeting

the reporting requirements as these would entail additional expenditures from their meager resources. The following table summarizes the number and percentage of those reporting to the SEC.

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**TABLE 5: NGOs Reporting and not Reporting to the SEC**

Year	Reported	Not Reported	N/A, Others	Total
1997	353 (46.3%)	298 (39.1%)	111 (14.6%)	762 (100%)
1998	366 (48.0%)	293 (38.5%)	103 (13.5%)	762 (100%)

*Total respondents: 762*

*Source: CODE-NGO-AF Survey, 2001*

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In terms of location, there is a higher percentage of NGOs reporting in the National Capital Region<sup>8</sup>, probably because the main office of the SEC is in Manila. Other characteristics of those which tend to report are a) 'old' and 'very old' NGOs, b) NGOs with large and medium expenditure sizes, c) NGOs with big staff sizes.

### Self-Regulation by the Development NGO Community

Interesting developments in the community include the various initiatives toward self-regulation. This is important as the development NGOs realize the importance of good governance in their work. Two major facets of this self-regulation have emerged in the last decade.

#### *The Covenant on Philippine Development*

This document containing a vision of genuine development, key development principles to live by and a code of ethics was ratified by the membership of CODE-NGO in December 1991. Most of the development principles are based on the United Nations Right to Development. Until the present, this document is the

main guide of most of the members of CODE-NGO and was amended in the last Congress held in November 2001. The CODE-NGO, as a response to this document, has activated a committee called Committee on Internal Reform Initiatives (CIRI) to give flesh to the code of ethics and to scrutinize issues related to the said part of the document. As of this writing, only two NGOs have been sanctioned by the network because of violations of its Code of Ethics<sup>9</sup>.

### *The Philippine Council for NGO Certification*

When the details of the proposed Comprehensive Tax Reform Program (CTRP) were released to the business and NGO community in the mid-1990's, leaders of both sectors realized the detrimental effect of eliminating tax incentives for corporate donors and receiving NGOs. During one of the hearings on the CTRP, it was suggested that there be a joint public-NGO sector partnership to establish a regulatory body for NGOs that receive donor funding. In 1995, CODE-NGO together with the Association of Foundations, the League of Corporate Foundations, the Philippine Business for Social Progress, the Bishop Businessmen Conference and the National Council for Social Development founded the Philippine Council for NGO Certification (PCNC).

PCNC was registered with the SEC as a non-stock, non-profit organization on January 29, 1997. In early 1998, after the CTRP was signed into law a year before, an agreement was signed between the PCNC and the Department of Finance naming the PCNC as the sole body to establish and operationalize a system of accreditation to determine the qualification of domestic corporations and NGOs for accreditation as donee institutions. The word "sole" was deleted in the Implementing Rules and Regulations though no other agency was given authority during that time. A Bureau of Internal Revenue<sup>10</sup> representative was also made to sit in the PCNC board. These and other PCNC responsibilities were eventually reflected in Revenue Regulations 13-98, adopted on Dec. 10, 1998. The PCNC was publicly launched on February 5, 1999.

To be eligible for certification by the PCNC, NGOs must meet the following minimum requirements:

- be registered/accredited with the appropriate government institution,
- have an operating organizational structure,
- have a track record of development programs for identified clientele,
- have operating and accounting systems in place and working,
- have audited financial statements for the past two years.

Newly established NGOs may also apply and may be given certification only for a year. However, slightly different criteria for evaluation will be used. There is also a P10,000.00 application fee. The areas to be assessed by a team of three selected evaluators include:

- Vision, mission, goals of the NGO
- Over-all Governance
- Administration
- Program Operations
- Financial Management
- Networking

The board of PCNC may approve or disapprove the recommendation of the evaluators for the certification of the NGO concerned. According to the PCNC target when they started operations, they hope to certify 300 NGOs at the end of this year. As of the middle of 2002, 184 NGOs have been certified.

The following are criticisms and observations on the PCNC (PCNC undated):

- There is bias against small NGOs because of the very high application fees and stringent requirements.
- There should be additional services which can be offered to NGOs like tax exemption for the NGO itself.
- The PCNC itself is not financially sustainable as it is also dependent on donor grants in its early years of operation.
- There can still be improvement in the evaluation tools as some indicators are still largely subjective and contingent on the biases of the evaluators.

## Effective and Efficient Implementation of Programs and Projects

The indicators of this aspect of governance can only be successfully measured at the specific NGO level. Evaluation of this area will also entail an analysis of the cost structures (e.g. cost per beneficiary, cost per trained person) of the NGO over time or as compared to a similar NGO. These types of evaluation regarding the optimal use of resources by the NGOs are rare in the Philippines. Most types of evaluation are focused on whether the target clientele is reached, on the development impact of the project on beneficiaries, or on whether the sectors targeted are involved in project design and implementation. The data gathered in the survey will only give us an indication of the size of planned budgets and expenditures of development NGOs.

### *Expenditures and budgets*

Planned budgets of respondent NGOs are higher than their actual expenditures. The median budgets of the respondents were P 2.35 million in 1996, P 2.81 million in 1997 and P2.71 million in 1998 while actual median expenditures were P 2.26 million, P 2.45 million and P2.28 million, respectively. This may mean that development NGOs are relatively prudent in terms of spending as they avoid possible deficits. NGOs have very limited access to credit and the means for repayment may not be attractive for mainstream financial institutions.

Note that the mean budgets and expenditures are significantly higher than their median counterparts as shown above. This means that their budgets and expenditures observations are biased towards the smaller ranges, particularly those lower than three million pesos. The mean and median budgets and expenditures increased from 1997 to 1998 but decreased from 1998 to 1999, probably the effect of the East Asian crisis which peaked in 1998.

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**TABLE 6. Descriptive Statistics of Budgets and Expenditures of Respondents, 1997- 1999**

	Mean	Median	Mode
Budget 1997	7,102,570.13	2,356,685.00	2,000,000.00
Budget 1998	7,560,104.94	2,810,836.42	3,000,000.00
Budget 1999	7,812,634.85	2,712,321.51	1,500,000.00
Expense 1997	7,164,646.51	2,264,664.94	300,000.00
Expense 1998	7,615,172.68	2,444,350.00	200,000.00
Expense 1999	7,389,108.58	2,288,816.00	200,000.00

*Note: In Philippine pesos. Budgets are the planned expenditures of NGO respondents and do not correspond to the income that they have received.*

*Source: CODE-NGO-AF Survey, 2001*

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The total sum of budgets and expenditures ranged between P 2.7 billion and P3.7 billion during this period. According to Tuano (2001), this would indicate that development NGO activity in the country is significant and that the amount is more than one and a half times the budget of the Department of Social Welfare and Development (DSWD) for 1999. He adds that assuming the sum is at least 25 percent (a low estimate) of all development NGO activity, then the development NGO community contributes at least 0.4 percent of total gross domestic product (GDP) in the Philippines and equal to 2.2 percent of national government expenditures.

### Financial sustainability

One major indicator of good governance is the ability of an NGO to maintain financial viability. NGOs need to do a lot of fund raising and income generation to become sustainable. With donor funding becoming more limited and competitive, the challenge of financial sustainability has become very real for NGOs. According to the CODE-NGO-AF Survey, less than half of the NGO respondents (47.8 percent) are financially sustainable. Around a third of the number (30.3 percent) are

not sure of financial stability, while a small but significant number (13.2 percent) are not stable at all. The PHILSSA survey shows some 70% of their membership being financially stable. The sample size here may be small and self-selection bias larger compared to the latter survey<sup>11</sup>.

Tuano (2001) observes that the differences in median budgets and expenditures of those that are financially stable, not financially stable and unsure of their financial status are significant. The 1999 median budgets and expenditures of those that are financially stable are P 4.02 million and P 3.20 million, respectively. Those that are not stable and unsure are P1.63 million and P 1.60 million, and P 2.00 million and P 1.54 million respectively. He adds that more stable NGOs have larger staff size (6-7) as compared to the unsustainable ones (0-1).

According to type of organization, the following NGOs are relatively more sustainable: corporate foundations, 67.0 percent; memorial foundations, 64.3 percent; and fund-raising mechanisms/institutions, 52.8 percent. Those with the smallest proportion that answered positively are consortia, 10.0 percent; Church-based NGOs, 33.6 percent; networks, 35.6 percent; and religious institutions, 33.6 percent. It is obvious that the former group has stable sources of income (i.e. corporate funds or endowment funds). However, it is surprising that religious institutions are relatively “unsustainable”. A recent study<sup>12</sup> on philanthropy and individual giving showed that Filipinos give more to religious groups. Tolentino and Caccam (2001) note that Catholic Groups like El Shaddai and Couples for Christ are able to raise P100-200 million per year and that the Archdiocese of Manila gets almost half a billion a year.

A recent study showed that Filipinos give more to religious groups.

### *Sources of Grants and Financial Assistance*

From the survey, development NGOs have varied sources of funding. However, one notes that total funding from foreign-donor grants is equivalent to 40% of development NGOs' total funding in 1999. It must also be highlighted that fund raising campaigns contribute a miniscule 0.1%.

The proportion of total income from internally generated sources (including membership dues, earned income and fees, endowment and fundraising activities) is just a quarter (25.7 percent) of revenues of respondents.

### Effective Networking and Partnerships

The CODE-NGO-AF survey data show that roughly more than eight of ten are affiliated with local networks while only a third of the respondents (37.4 percent) are directly linked with international networks and institutions. Sixteen networks were involved in the aforementioned survey.

**TABLE 7. Indicative Proportion of Sources of Funds, 1997- 1999**

Sources of Funds	1997	1998	1999
Membership Fees	1.8%	1.7%	2.0%
Earned Fees	17.3%	16.2%	15.4%
Bilateral Grants	5.7%	10.1%	10.3%
Multilateral Grants	2.2%	2.0%	3.0%
Foreign Foundation Grants	21.1%	23.4%	24.5%
Local Private Grants	4.0%	3.0%	2.8%
Church Grants	2.6%	3.0%	3.2%
Government Grants	3.7%	3.4%	4.3%
Endowment	8.5%	7.7%	7.3%
Loans from Government	0.1%	0.2%	0.0% <sup>1</sup>
Loans from Conduits	0.1%	0.2%	1.1%
Loans from Private Sector	0.1%	0.0%	0.3%
Fundraising Programs	0.8%	0.9%	0.1%
Donations	19.9%	19.2%	16.1%
Other Income	11.8%	9.0%	8.7%

*Note: The sources of funds are calculated from the reported expenditures (not actual income levels which were not asked in the survey) and the reported percentage coming from each source of funds. Thus these percentages are highly indicative and do not represent the actual proportions of resources coming from each fund source (Tuano, 2001).*

Networks may be regional (as given by some of the above) or issue-based (e.g. Corporate Network for Disaster Response, Asia Caucus, etc.). Networking has



been one of the comparative advantages of Philippine development NGOs. Many find networking important in terms of contact building (for possible partners), for sharing information and resources for training, research and advocacy, bargaining with donors or government, etc. Networking and partnerships enable NGOs to utilize their resources more efficiently and effectively while being able to have a bigger voice at the local, national and international levels.

## Personnel and Staff Development

Another aspect of good governance is how the NGO treats its staff members in regard to wages and other benefits plus their training and human resource needs. In addition, another important area is whether there are participatory processes in decision-making. The available data are only for the former while we can only cite anecdotal evidence for the latter.

### *Characteristics of NGO staff*

A total of 13,677 paid and volunteer staff were employed in 1998 and 15,014 staff were employed in 1999 among NGO respondents that participated in the survey. Tuano (2001) assumes that these figures comprised 25 percent of the entire workforce in the development NGO sector and estimates that in 1998-1999, they comprised 0.17-.19 percent of national employment and 1.02-1.07 percent of employment in the community and private services sector<sup>13</sup>. Most staff members of the development NGOs surveyed were likely full-time rather than part-time and paid rather than volunteer. Females also outnumbered males, 53 to 45%.

According to the PHILSSA Survey, the regularization of the staff members increased from 60% in 1994 to 71% in 2000. Volunteer staff decreased from 29% in 1994 to only 11% in 2000. Another interesting finding of the PHILSSA survey is that female staff member proportion increased from 57% in 1994 to 68% in 2000. This verifies the trend in the wider survey. The PHILSSA survey also shows that most staff members are relatively young, belonging to the 21-30 years bracket (45%) and 31-40 years bracket (34%).

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**Table 8. Employment Status of Heads (Executive Directors) and Aggregate Staff, In Percent to Total**

<b>Status</b>	<b>Heads</b>	<b>Aggregate</b>
Full-Time	72.3	62.1
Part-Time	21.8	31.9
Paid	n. a.	63.6
Volunteer	n. a.	36.4
Males	45.1	37.8
Females	52.9	62.2

Source: CODE-NGO-AF Survey, 2001

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It is also noticeable that NGO staff members are college degree holders. Among executive directors, many have postgraduate degrees (7.6 percent have doctoral degrees and 38.7 percent have Master's degrees) while more than a third have college degrees (35.4 percent). Among all the staff in the sample of respondents, 14.8 percent have postgraduate degrees. Thus, NGO personnel have a higher level of education than the average levels among the Philippine population. (Tuano 2001)

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**TABLE 9. Education Status of Heads and Staff, In Percent**

<b>Education Status</b>	<b>Heads</b>	<b>Aggregate</b>
With Postgraduate Degree	46.3	14.8
- of which: have Ph. D. degree/ education	7.6	2.2
have M. A. degree/ education	38.7	12.6
With College Degree	81.7	74.7

Source: CODE-NGO-AF Survey, 2001

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### *Salaries and Benefits*

NGO workers receive pay below that of the private sector and probably on a par with the government sector. "Psychic income" compensates for the mentioned

wage gap. The PHILSSA survey gives us an indication of how much NGO workers actually receive in terms of salaries and benefits<sup>14</sup>. The results show that majority of Executive Directors across geographical locations receive monthly salaries of P14,000.00 and below, with 50% of these getting P10,000.00 and below<sup>15</sup>. The CODE-NGO-AF Survey gives a range of P 13,500.00 to P 21,000.00. For program staff members of PHILSSA, salary rates range from P6,000.00 to 12,000.00, where the bulk is found between P 6,000.00 and P 10,000.00. There are also some staff members who receive salary rates below the mandated minimum wage.

What is noticeable though is that the disparity in the wages of the director and the low ranking staff is quite small. In terms of benefits, majority of those NGOs surveyed give the legally mandated benefits such as vacation and sick leaves, 13<sup>th</sup> month pay, SSS and PHILHEALTH contribution, etc. In terms of training and staff development, these are often hindered by the NGO's lack of resources and the staff's lack of time or too heavy workload. The PHILSSA members' situation may be indicative of the typical NGO in the Philippines. However, in the CODE-NGO-AF survey, the salary rates are higher in corporate and memorial foundations because of their bigger resources.

### **Current and Key Governance Issues in the Development NGO Community**

#### **The Need for Greater Transparency and Accountability**

Given the data above, it is important to observe that Philippine development NGOs have initiated moves to improve their transparency and accountability. The PCNC effort is laudable but it must encourage more NGOs and donors to use the system. Foreign donors and even some local ones still rely on the recommendations of existing partners or network in trying to evaluate new NGO applicants for funding. The proposed gross income taxation<sup>16</sup> for corporations may also render the tax incentives to the prospective donors useless.

There is some anecdotal evidence of NGO corruption occurring in the country. However, to date, there are few examples publicized in print media, with most being "alleged" cases of NGO misdeeds<sup>17</sup>. There are of course a number of fly by

night NGOs reported by studies, cornering government funds for specific projects (e.g. tree planting). Gibelman and Gelman (2001) enumerate certain types of NGO misdeeds that became public scandals in various parts of the world – embezzlement, forgery, fraud, theft, misuse of funds, skimming and disappearing donations, sexual harassment, etc. The list looks familiar and the anecdotes on NGO corruption in the Philippines involve similar cases<sup>18</sup>. Gibelman and Gelman attribute these events to “governance failure,” which includes:

- failure of supervision and oversight,
- improper delegation of authority,
- lack of turnover of board members,
- failure to institute internal controls,
- absence of “check and balance mechanisms,” and
- isolation of board members from staff, programs and clients.

In the Philippine case, many NGOs have non-working or inactive boards. Board meetings are very infrequent. The executive director typically has wide authority over many issues especially if he or she is also the founder of the organization. Internal controls are sometimes not institutionalized as work and other activities are typically based on “trust”. In particular, financial management structures are weak as will be discussed in more detail below. In order to avoid the occurrence of scams and scandals, NGOs must have a structure where roles, responsibilities and accountabilities are clear and where internal controls and checks and balances are built-in. In addition, work incentives (i.e. salary rates) are oftentimes inappropriate to the actual work being done.

### **Financial Management and Sustainability**

Another perennial problem of development NGOs is their dependence on donor grants. Very few NGOs are able to generate their own funding for operations. Only relatively big ones and those with endowments are able to become financially sustainable. A host of other issues relate to this failure to generate own funds – the ability to craft programs independently of donors, the ability to give reasonable

wage rates to staff members or even to sustain programs and projects in the communities.

However, a more basic issue is financial management. The very low incidence of NGOs submitting financial reports to the SEC is alarming although businesses are also notorious for not doing so. However, because development NGOs are by nature public interest organizations, they need to be more transparent and accountable. In addition, because they have multi-stakeholder constituencies, they need to establish various mechanisms to inform and report to these various groups. However, whether internal or external, informal or formal mechanisms are established to “regulate” NGOs, the beneficiaries of a more transparent and accountable NGO include the NGO itself and its stakeholders, especially the community. This is because the NGO’s credibility enables it to access more resources which in turn can be used for the benefit of its constituencies. Sustainability thus has a prerequisite – good financial management and transparency.

...the NGO's  
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While the survey data show that most development NGOs have existing financial policies, the question of effective implementation remains. There are still no comprehensive studies assessing the financial management capabilities of development NGOs since this will require massive data gathering. One possibility is to standardize financial reporting by development NGOs. This is currently being initiated among cooperatives in the country. Many NGOs also fail to appreciate the importance of being entrepreneurial in the sense of creating “profits” or surpluses for the organization. Some donors do not appreciate the creativity of NGOs in generating savings as they require NGOs to spend the entire programmed budget by the end of the fiscal or calendar year.

## Community Empowerment

Another important issue is related to how development NGOs are able to nurture community and people’s organizations they have helped establish. Despite long organizing experiences among NGOs, there are many failed attempts to make such

organizations autonomous and self-reliant. When NGOs leave their area of work, these organizations also fade away. People's organizations criticize NGOs because the sharing in terms of grant money for projects is usually tilted in favor of the NGO since the latter plays the role of the conduit.<sup>19</sup> This is an important governance issue as the NGO's effort to make people's organizations sustainable becomes suspect. At the same time, its commitment to genuine community empowerment will always be challenged if its partner organizations remain dependent on it.

This difficulty in effecting community empowerment can be gleaned from the trend which shows that organizing is ranked only fourth in terms of primary activity for development NGOs, next to networking, advocacy and training. Few development NGO workers are able to sustain community organizing work. Most would rather take up advocacy, research or the management of economic projects as they grow older in the organization. NGOs need to partner with strong people's organizations that have the comparative advantage in community organizing rather than themselves being engaged in such activity.

### Staff Turnover

Another key problem that NGOs confront is the high turnover among staff and their inability to sustain the commitment of the relatively more senior staff. These people leave the NGO in search of jobs that will give them more appropriate rewards, both financial and non-financial. Staff continuity is important for the sustained relevance of the organization and for maintaining a certain quality of service to its target clientele. NGOs typically associate this problem with the lack of resources. However, there are alternative ways of handling personnel turnover given resource constraints. For example, many NGOs are now resorting to part-time and flexible (i.e. contractual or work at home arrangements) employment as they allow more senior people to earn incomes in other endeavors or organizations. The drawback however, is that the full time workforce becomes relatively young and inexperienced.

In terms of wage and benefits, the PHILSSA study mentions the concept of "NGO rate" which is below the market wage. Turnover becomes inevitable as NGO workers age. Having families to feed, NGO workers look for greener pastures. This "NGO rate" must be adjusted to become more attuned to a simple but

comfortable middle class lifestyle. Without this salary adjustment, high turnover rates will continue to plague the NGO community. Some workers themselves comment that it is illogical for NGO workers to live below the poverty line and become “totally immersed with the poor and marginalized sectors”.

### **The Relevance of Good Governance Among Development NGOs**

Why do development NGOs need to practice good governance? Basically because of the following major reasons:

- Development NGOs are key and strategic organizations that promote good governance in all sectors of society. Thus, they should be models themselves; if not, they will lose their credibility as advocacy groups.
- Development NGOs are important for the preservation of democratic space and democracy as a whole. As civil society actors, development NGOs must be able to properly fulfill their roles and justify the space available to them. Bad governance attracts government intervention in their affairs.
- Development NGOs are venues for the practice of “citizenship” among the people. A citizen needs to have some sense of commitment to the nation and society. Development NGOs are important mechanisms especially for the middle class to participate in the process of building a democratic society.
- An increasing number of people depend on NGOs for their livelihood. As estimated in the survey, the sector contributes in terms of employment. Bad governance may throw these people out of their jobs.
- A large number of citizens depend on them for services rendered like training, credit programs, health and other social services.

A citizen needs commitment to the nation and society.

Good governance advocacy is not only meant for government and the corporate sector. Because development NGOs have charitable and noble missions, good governance must be a practice at all times. “Doing good must always be matched by being good”.

**NOTES**

- 1 Most of the data used in the study were culled from Tuano (2001) who processed the data from the CODE-NGO-AF Survey. Another source was the PHILSSA Survey. The author wishes to thank Randy Tuano for all the tables used, Marissa Reyes, Dan Songco and Oman Jiao of CODE-NGO and AF and Jing Karaos of PHILSSA for allowing the author to use data from their respective institutions.
- 2 As of June 2002, there are around 152, 535 non-stock, non-profit organizations in the country.
- 3 The organizations classified as NGOs are so diverse that it is possible to have one NGO belonging to two or more categories (e.g. a faith based group like the National Secretariat for Social Action is also a development NGO).
- 4 These are my observations based on my over twenty years experience working with development NGOs.
- 5 PHILSSA did a similar survey in 1994.
- 6 In the survey, these are referred to as “core competencies” by NGOs (Tuano 2001)
- 7 It is possible to open only personal or joint accounts, not organizational accounts.
- 8 This is basically Metro-Manila.
- 9 Even CODE-NGO was subjected to criticism by sectors in the NGO community when it was able to negotiate a deal concerning the sale of government bonds worth billions of pesos known as the Peace and Equity Bonds. CODE-NGO notes that this was an innovative way to raise funds for poverty alleviation projects but critics accused them of “rent-seeking,” as the network was closely aligned with the Arroyo administration.
- 10 The government’s tax collection agency.
- 11 Most probably, those that are able to respond to the survey are the ones that are relatively stable. Those which are not simply ignored the survey.
- 12 *Investing in Ourselves* by the Ventures for Fund Raising.
- 13 The comparable figures are: a) Total employment: 31.3 million (1998), 32.0 million (1999); b) Community, social and personal services sector employment: 5.6 million (1998), 5.9 million (1999).
- 14 The CODE-NGO-AF survey also has data on salaries and benefits but it did not publish such data in the public report.
- 15 The exchange rate is around 53 pesos to one US dollar.
- 16 A fixed rate will be charged to the firm depending on its profit level.
- 17 *Newsbreak*, a magazine, reported on the cases of the World Bank funded NIPAs and the Philippine Children’s Fund of America. The ERAP-Muslim Youth Foundation was also alleged to be the conduit for channeling gambling pay-offs to former President Estrada.
- 18 Examples include an NGO utilizing funds for purposes outside those approved by the donor, or an NGO engaged in “double funding” which means that the same project and amount are funded and reported to two different donors. There are also cases of embezzlement that have occurred at various levels – from executive director level to financial officers to ordinary staff members.
- 19 The NGO has the capability to write proposals and negotiate with donors.



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PHILSSA NGO Salaries and Benefits Survey, 2001

# Giving and Volunteering among Filipinos<sup>1</sup>

RAMON L FERNAN III



## Introduction

The Philippine Nonprofit Sector Project is an effort to map the nonprofit and civil society sector in the Philippines and to understand the phenomenon of altruism among Filipinos as expressed in their giving and volunteering behaviors. This paper expounds on the results of the project's study of the giving and volunteering behavior of Filipinos and what this implies for the sector in terms of raising local resources.

The survey was conducted in six areas spread among the three major geographical divisions of the country over the period of several months in late 1999 and early 2000. The surveys occurred at a time of general economic slowdown. The repercussions from the financial crisis of 1997 were still being felt, and drought was negatively impacting agricultural production, agriculture being the dominant source of livelihood for the majority outside the Metro Manila region. According to a World Bank report, between 1997 and 1998, a million people were added to the jobless ranks, and the unemployment rate rose from 10% to 13.3% (World Bank 2002). In 1997, three out of every four households considered themselves to be poor (Mangahas 1999, 3).

## **Background**

Almost by definition, nonprofit organizations generally depend on the generosity of benefactors and on the support of volunteers in their operations. Nonprofit organizations (NPOs) are non-governmental, privately organized groups that do not distribute profits to owners or stockholders the way business corporations do, even if they earn income from their operations (such as hospitals and schools). Aside from nonprofit schools and hospitals, this definition encompasses social clubs, sports clubs, neighborhood associations, research organizations, associations and other membership organizations, people's organizations and non-government organizations (NGOs). These organizations make up what is variously called the nonprofit sector or the Third Sector or the civil society sector, depending on one's particular reference point (for a discussion of this "naming" issue, see Cariño 2002, 1-25).

The largest nonprofit organization in the country, the Roman Catholic Church, depends significantly on private donations, although it has real properties and other income-earning assets to supplement private giving. However, some church officials have recently floated the idea of requiring tithes from church members because of a supposed fall-off in church giving in recent years. Protestant and other non-Catholic churches and religious organizations, far smaller than the dominant Roman church, probably depend to an even greater extent on members' regular contributions for their operations. Foreign-based groups have also traditionally received significant subsidies from their mother churches.

In the eighties, the apparent inability of government to deliver certain basic services, particularly at the community level, led to the establishment of small nonprofits calling themselves development-oriented NGOs, and, later, civil society organizations (CSOs). Due to the difficult political conditions then existing, many of them also took on advocacy roles and were involved in community organizing and in encouraging people's organizations as part of the growing movement to empower people. They became the darlings of the international philanthropic community, receiving liberal doses of foreign funds based partly on their perceived role as a counterweight to the authoritarian and ineffective Marcos regime.

Today, local nonprofit organizations are finding it more and more difficult to raise funds from their traditional foreign benefactors. New priorities have drawn funders' interests elsewhere, but increased competition from other nonprofits and better government delivery of services (causing donors to concentrate on less "fortunate" countries) are among other reasons for this change.

For nonprofit and voluntary organizations, a growing concern has been how to fill this gap that only promises to grow wider. The logical answer seems to be "from local sources," but that is obviously dependent on whether such resources are available and if they are of sufficient quantity as to be able to support the sector. Here we are speaking both of financial resources as well as human resources as they pertain to the following questions: Do Filipinos give to charitable and other nonprofit causes? Do they volunteer for such causes? To what specific causes are these resources now directed? What are the prospects for increasing these resources over time and broadening the causes that they support?

### **The Surveys**

Data for household giving and volunteering were collected via household surveys in six areas around the country in late 1999 and early 2000. The survey areas were purposively chosen in order to complement the survey of nonprofit organizations that the Project was also conducting at that time. In each area, 60 clusters or *barangays* (villages) were selected randomly proportionate to size (except for Metro Manila which was split into two areas). Estimating a 75 % response rate, interviewers in each area were asked to randomly approach around twenty households in each cluster in order to successfully interview at least 15 of them. This method was designed to ensure a sample size of at least 900 households per survey area. Two questionnaires were actually applied per household. The giving questionnaire assumed that giving was a household behavior and that normally, the decision would be made by the household head, his or her spouse, or the household member who earned the highest income. The volunteering questionnaire assumed that individuals made their own decisions on whether or not to volunteer so that a random method for choosing the household member or members to be interviewed was

implemented. The table below shows the number and distribution of respondents. The questionnaires were drafted based partly on the results of preliminary focused group discussions conducted, five in Metro Manila among mixed income groups and three in a rural setting outside the city. The data cited below reflect estimates calculated from survey results. Estimates were calculated using provincial survey data to represent average values per household per provincial income classification (using household data from the 2000 census and the 2000 classification of provinces by income put out by the Department of the Interior and Local Government). The limitation of this procedure is that it explicitly assumes that provincial survey data are typical of each particular income category, something that may or may not be true.

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**Table 1. Matrix of Respondents by Area, Type of Questionnaire, and Urban/Rural Distribution**

Area	Giving Questionnaire		Volunteering Questionnaire	
	Urban	Rural	Urban	Rural
Metro Manila	1,410		1,359	
Benguet	550	359	661	375
Iloilo	370	773	580	1,146
Southern Leyte	204	902	258	1,115
Davao del Sur	568	325	822	512
Zamboanga del Norte	114	772	184	1,231
<b>TOTAL</b>	<b>3,216</b>	<b>3,131</b>	<b>3,864</b>	<b>4,379</b>

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Despite the economic slump, a high proportion of households claimed to have given in the past year. More than eight out of every ten (86%) households said they gave to organizations in the twelve months immediately prior to the survey (1998-99), while two out of three (74%) also gave directly to persons in need. This inci-

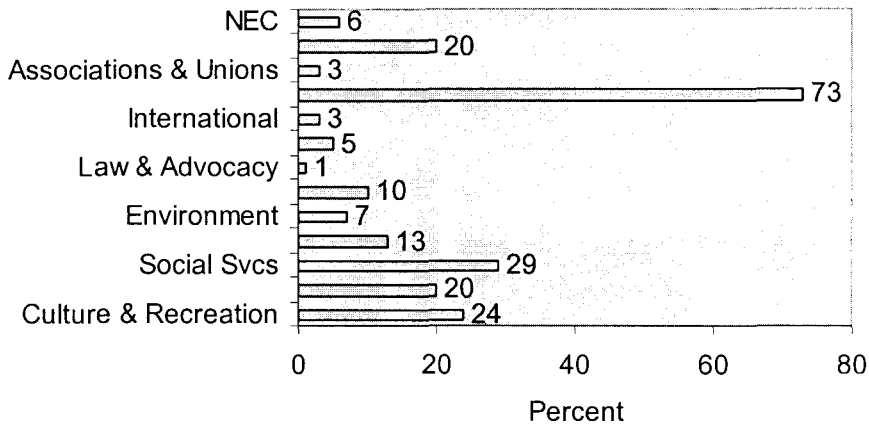
dence is much higher than household giving in the United States where 75 percent is the norm (Hodgkinson and Weitzman 1996, 13).

This giving was directed primarily at churches with a 73 percent level of support (chart 1) and a 44 percent share in the total amount donated to organizations (chart 3). Churches traditionally depend on individual giving for a large portion of their revenues. The obligation to support the church, the Catholic Church in particular, is deeply embedded in the psyche of the Filipino masses even if this is manifested mainly in Sunday giving at mass, much of which probably comes out of spare change. For good measure, the church has a plethora of services covering its faithfuls' needs over their entire life cycle, services that are "paid" for by "voluntary donations."

The obligation to support the church is deeply embedded in the psyche of the Filipino masses

The incidence of giving to other sectors pales in comparison to church giving. Less than a third (29 percent) of households also gave to social services organizations, while one out of four (24 percent) gave to culture and recreation groups. One of every five households (20 percent) gave to education and research, mostly local schools, as well as to the myriad neighborhood groups that tend to crop up on occasion to address purely local concerns such as a religious feast, a sports competition, leisure and recreation activities or peace and order problems. Rounding out these groups of recipients are those concerned with health (13 percent) and with development and housing issues (10 percent). These mostly community-based groups form a second level of recipients of giving, in contrast to a third group of nonprofits that have mandates that go beyond the confines of neighborhood or local community. This third group, consisting of environmental advocates, philanthropy promoters, professional associations and unions, and the like, benefited from the giving of less than 10 percent of households. From this pattern, it seems that people are still mostly worried about local concerns that affect them directly, and prefer to show their charity to organizations that address these issues. Organizations that go beyond primarily local issues and towards more abstract and policy-type issues tend to attract less individual giving.

Chart 1. Incidence of Giving by ICNPO\*



NOTES: ICNPO stands for the International Classification of Nonprofit Organizations developed by the Comparative Nonprofit Project of Johns Hopkins University. This classification scheme identifies the groups of organizations that comprise the nonprofit sector. They consist of:

- NEC – not elsewhere classified
- Local n’hood groups – local neighborhood groups
- Associations & Unions – professional associations and workers’ unions
- Churches – churches and religion promoting organizations
- International – international organizations
- Philanthropy – philanthropy promoting organizations
- Law & advocacy – legal rights, advocacy and political parties
- Development – development and housing organizations
- Environment – groups that work in environment and animal protection
- Health – include hospitals, nursing homes and other health services organizations, among others
- Social svcs – groups engaged in the delivery of social services
- Education – organizations engaged in education and research
- Culture & recreation – groups promoting culture and the arts, recreational clubs and service clubs



One popular perception about giving is that people give because they can afford to. What does “being able to afford to” mean? Surely, poor households are less able to afford to give. Yet household socio-economic classification information indicates that more than 80% of lower income households (i.e., low income households with monthly incomes of fifteen thousand pesos or less) gave to charity in the past year, matching the rate among higher income households. Income becomes a constraint in the amount one is able to give but not, it seems, in the desire to do so.

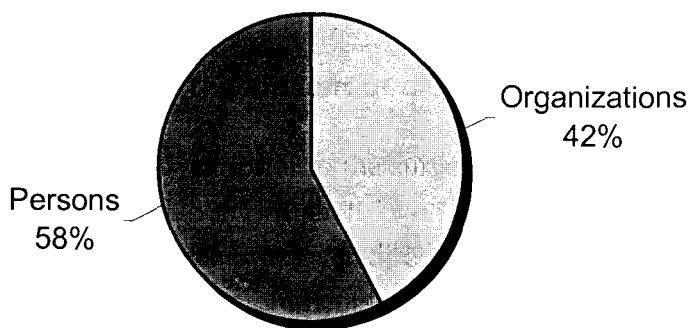
**The Amount of Giving**

Total giving in the past year prior to the survey (1999-2000) amounted to an estimated P32.184 billion (US\$631 million), with 42 percent of this amount going to organizations while 58 percent was given directly to persons in need (table 2 and chart 2). Thus, while relatively more people said they gave to organizations, the amount given was less than that provided directly to persons in need.

**Table 2. Household Giving to Organizations and Persons, amount in Pesos and USD**

	Giving to orgns	Ave. per HH	Giving to persons	Ave. per HH	Total Giving	Ave. per HH
Pesos	13,634,448,095	893	18,549,761,961	1,214	32,184,210,056	2,107
US\$	267,342,120	18	363,720,823	24	631,062,942	41

**Chart 2. Distribution of Giving Amounts by Beneficiary Type**



This amount of total giving represented 1.2 percent of the value of gross domestic product in 1998 and was about 18 percent of total government expenditures on social services for the same year. In comparison, giving in the United States was 2.1 percent of GNP in 2000, and between 0.63 and 0.77 percent of GDP in the United Kingdom. The relatively lower giving in the UK is attributed to the fact that the state is expected to take care of its needy citizens whereas this is less true in the U.S. (Wright 2001, 401). No state welfare system exists in the Philippines and families are often expected to take care of less fortunate relations, however distant they may be. This familial welfare system also often encompasses “friends.”

Average giving per household was just a tad over P2,100 (US\$41). Out of this, P1,214 (US\$24) on average went directly to persons in need while an average of P893 (US\$18) was given to organizations. Household charity amounted to 1.8 percent of average family income in 1997. Family income sustains many more than just the core family members or even the already extended families that are common in many households.

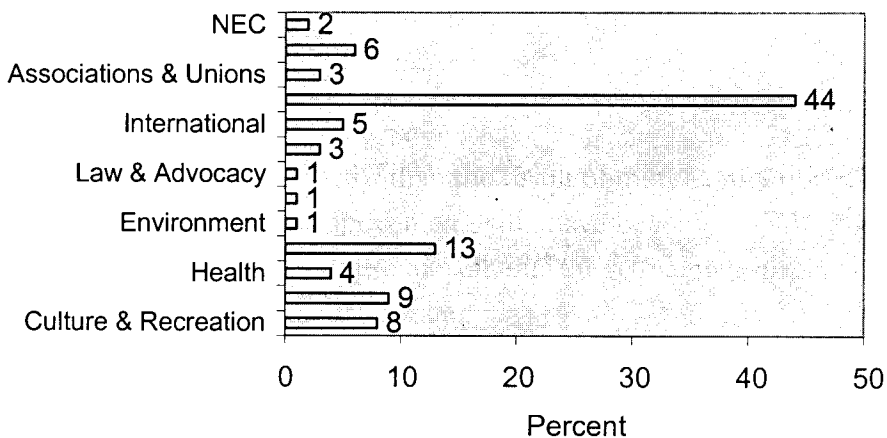
Of the total amount given to organizations, 44 percent or almost P6 billion went to churches and other places of worship with the bulk going to the Catholic Church to which 80% of Filipinos belong. Social services groups received 13 percent or about P1.8 billion of donations. It seems that even the small yet regular contributions of members total to significant amounts for churches, a point that should not be lost on other nonprofits. However, only those organizations that have broad appeal and that are able to mobilize massive numbers in support of their cause or causes can hope to replicate these kinds of numbers. It is no wonder then that even newly established religious charismatic movements, often attracting members from the lower socio-economic classes, have had relatively good success in soliciting donations. Only social service organizations seem to be in a position to currently capture a significant amount of charitable giving from the general public. Many other nonprofit organizations, particularly those in advocacy work, currently depend on foreign grants.

Despite this rather highly skewed donation profile, the Catholic Church has recently complained about a fall off in giving and has aired the possibility of imposing tithes on its members. This is probably less an indication of diminution in the

total amount of giving to the sector than the result of more competition, particularly from religious charismatic movements that have become popular within the last decade or so. The fact that these movements thrive mainly with support from lower income households is quite revealing.

On the other hand, there is reason to be optimistic about the nonprofit sector. A potentially substantial base of support exists, especially should economic and political reforms result in greater income equity. Nonprofits must learn how to establish their niche in this market and endeavor to tap the resources that are available even now.

**Chart 3. Distribution of Amount of Giving by ICNPO  
(Percent)**



### **Volunteering**

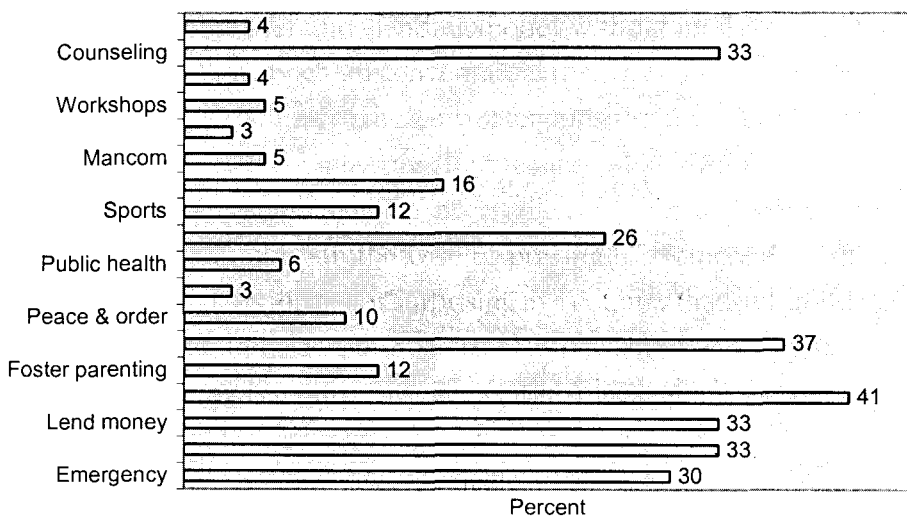
Three of every four Filipinos 13 years old and over volunteered in the past year (1998-99, based on 1999 population estimates). This is significantly higher than the incidence of volunteering in other countries, notably in developed countries such as the US (56%), Canada (31%) and the UK (48%).

Before initiating this survey, the project staff conducted focus group discussions in order to discover what activities Filipinos considered to be “volunteering.”

Among the fairly common activities identified as volunteering were two that stood out – “praying for someone” and “lending money without interest.” Both are curious concepts that do not appear in conventional (i.e., Western) descriptions of volunteering. It may help to think of these two activities as partly stemming from how Filipinos popularly regard volunteering, that is, an act that involves actually helping out someone in need rather than being merely the generic manifestation of an inner compulsion to be charitable. In the case of praying for someone, this assistance takes on a purely religious form, not surprising in a country that stubbornly clings to the legacy of four hundred years of Spanish Catholicism.

This act of praying is a purposive act as it involves taking the time to invoke divine intervention for someone who needs assistance. Its popularity may also be attributed to the fact that it involves relatively little cost – the few minutes it takes to say the prayer. This had the highest incidence among all the activities identified as volunteering with a 41 percent share (see chart 4).

**Chart 4. Incidence of Volunteering by Activity Type**



Lending money is also an act of assisting someone in need, with 33 percent of respondents saying they engaged in this activity. Apparently, people consider this to be a form of charity even though the money lent out is eventually returned. In an

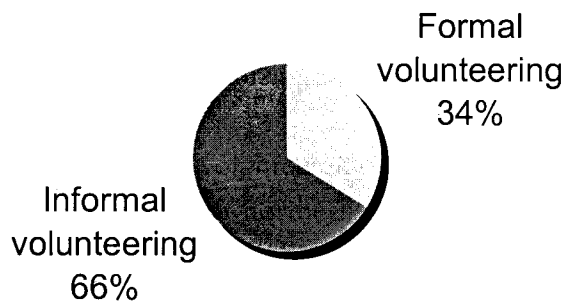
environment where poverty is still widespread or where cash flow is a problem, having to borrow money is quite common. Ordinarily, lending money, particularly without any collateral, is a money-making activity, more associated with loan sharking rather than with altruistic behavior. Therefore, in contrast to the exploitative nature of loan sharking, the logic of lending money without interest is helping someone in need without extracting a payment or penalty while involving some cost to the lender, thus a form of charity.

The other volunteering activities that had significant incidence levels were community cleaning (37 percent), helping someone in non-emergency situations and counseling (all 33 percent), and assisting in emergency situations (30 percent). About a fourth of volunteers helped in organizing community religious activities (26 percent).

The weighted mean for hours volunteered per week is 6.7 hours. This is significantly higher than that recorded for northern countries. These hours are heavily weighted by the type of activities that Filipinos say they volunteer for, particularly those types that are done informally, that is, done for persons rather than organizations. In particular, volunteering by “praying for someone” pushed the hours up significantly. Volunteering activities were also classified into formal (for organizations) and informal (for persons) volunteering. Chart 5 shows that volunteering for individual persons made up about two-thirds of all volunteering activities. Formal volunteering averaged just under five hours per week while informal volunteering averaged 8.2 hours per week.<sup>2</sup>

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**Chart 5. Incidence of Volunteering, by Type**



### **Beneficiaries of Volunteering**

As with giving, volunteering among Filipinos tend to show their charity first and foremost towards persons they know, either members of the family or friends. Such assistance is, in fact, considered a social and personal obligation. The third most popular group of beneficiaries consists of victims of calamities. The personal nature of volunteering (as well as giving) can also be inferred from the type of activities volunteers say they do, with those activities principally benefiting persons directly being the most popular (the informal types).

### **Defining Giving and Volunteering Close to Home**

This personal nature of charity among Filipinos can also be gleaned from the way they define the acts of giving and volunteering. This came out first in the focused group discussions conducted prior to the surveys as respondents named activities not traditionally associated with the usual concept of volunteering. The two that stood out were: praying for someone and lending money without interest. Praying

...what is the cost (or the pain) involved in praying for someone...

for someone can be regarded as the easiest way that a Filipino can express his or her altruism while at the same time keeping it couched in the religious terms that are commonly associated with good works among people steeped in Christianity. It is difficult to put this activity in secular terms for the object of that prayer is often to ask for divine intervention regarding that person's welfare. The question is, what is the cost (or the pain) involved in praying for

someone if it is true that altruism indeed involves some cost to the do-gooder?

Another form of charitable act that seems popular among Filipinos is the giving of advice, or counseling. In contrast to the usual western concept where counseling is a professional activity, giving counsel to persons is something that is freely asked and freely given among Filipinos. It is someone's experience that counts in evaluating who can be a good counselor, rather than the presence of a university degree.

While offering or sharing something tangible is central to the idea of giving, an emotional "hook" is also associated with the concept. People are expected to show

concern or sympathize with someone's less fortunate plight. Feeling compassion for someone is often enough especially when the sympathizer has nothing of material value to share. Respondents in the focus groups said that the intention to help is just as important and, in fact, "completes the act of giving."

It seems that praying for someone (in the broadest sense rather than just the Christian one), lending money without interest and counseling or giving advice are traditional ways of helping others that have been carried forward into the present and persist despite the intrusion of similar western concepts, albeit imbued with the aura of professional services (with their corresponding professional fees). Understandably, these types of assistance are generally directed towards people known to the provider. Unlike within the professional context and even other forms of giving and volunteering wherein assistance is given in the most generic and anonymous of terms, these traditional forms of assistance developed within the close knit communities of pre-Hispanic settlements where everyone was related to each other in one way or another.

### **The Role of Culture and Tradition**

It is clear that people perceive giving and volunteering in the broadest possible sense, and that represents a problem in trying to measure one form of altruistic behavior against another. It also makes it difficult to make cross-cultural comparisons when people's perceptions differ so markedly or are so culture-bound. Handy, et al. (2000, 46) address the measurement aspect of this problem by proposing a net-cost approach, but the problem goes beyond this one dimension. Culture and tradition also clearly play a part in how people define altruistic behavior.

In a country where over half of the population consider themselves to be poor<sup>3</sup>, altruism is alive. Much of this altruism is directed towards assisting people known to the giver. The giving of alms also continues to be a popular way for expressing altruism despite laws prohibiting mendicancy. Even giving to institutions is often facilitated by personal ties between donor and solicitor.

Only in religious giving is this personal mediation superfluous. A religious upbringing of four hundred years with a heavy dose of Catholic guilt conditions this

behavior. There is also no denying that churches have continued to be major providers of community services and, therefore, to be a major presence in communities, particularly in the poor and rural areas. Otherwise, people's charity appears to be primarily directed at family members and friends, and, to a certain extent, towards the immediate community.

There is a problem with this definition when taken in the context of philanthropy and charitable giving as they are commonly understood in the West and that is that altruism is supposed to benefit some public good. However, specific forms of direct giving and informal volunteering appear to have only private benefits without the impact on the broader public good that is called for (Wright 2001, 402).

It is noteworthy that volunteering for specifically political goals or advocacies received little mention. It is true that the surveys occurred before the events of early 2001 that led to the ouster of former President Joseph Estrada. Still, it would seem that political activism should attract a bevy of volunteers considering its recent dramatic effects on several societies. It may be that participation in these events leading to more organized civic involvement and volunteering is true only to a limited extent. Just listen to the complaint about the lack of political consciousness among young people heard from the activists of the protest years of the seventies and eighties.

### **Impact on Third Sector Organizations**

The high incidence of charitable giving shows that Filipinos are aware of and attempt to fulfill their instinct to be of help to others, particularly family members and friends in need. They also give to organizations although in relatively small amounts. However, small change from many people can total up to significant sums. Therefore, institutions with broad mass appeal, most prominently religious organizations, have the best chance of raising significant amounts of money in this manner, as the popularity of religious charismatic movements has shown, a popularity concentrated among lower income households. Protestant and other non-Roman Catholic churches appear to be getting by on members' tithes although some of



them probably receive support from mother churches or affiliates in the richer countries. The Catholic Church generates significant incomes from property as well as certain income-earning enterprises. However, it has recently chafed a bit about a supposed falling off in giving by its faithful, so much so that it floated the idea of tithing as a way of forcing its members to give more. Large nonprofits, specifically schools and hospitals, depend on fees for their income.

Other nonprofits, particularly those with less immediately tangible products or services such as advocacy groups, social service groups, and development and environmental NGOs, depend mostly on government as well as private, mostly foreign-sourced, grants for their sustenance. Little or no funds are raised from the general public by these nonprofits, which is probably just as well since a fundraising campaign aimed at the general public would most probably fail. However, with less money coming from foreign donors, organizations need to find a strategy for local fundraising while taking this particular feature into account. To fundraise successfully, they will probably need to address their appeals to particular segments of the population that can afford to give more than the cursory weekly collection box offering at church on Sundays. To support such a drive, they will also probably need to make public appeals in order to raise awareness about the services they render and the public's corresponding obligation to support the delivery of such service.

The situation is similar in volunteering. The potential for greatly increasing the number of volunteers exists, what with many people already saying that they do so. However, as we have seen, this volunteering primarily consists of activities aimed at helping people directly, rather than through an organized group effort. Given that volunteer resources are one way to fill gaps caused by cash shortfalls, voluntary organizations need to devise ways to attract volunteers as well as to keep them. After all, organized group volunteering probably has broader and more lasting impacts on society compared to direct personal assistance. Interest in this area has been bolstered by corporate voluntarism in which corporations urge employees to "volunteer" for house building and environmental clean-up and conservation<sup>4</sup>. It remains to be seen whether these efforts can be sustained beyond their short-term public relations benefits.

### The Role of Government Policy

It is possible that government policy can play a role in encouraging more giving as well as volunteering for nonprofits. Government funds, primarily those acquired through the state lottery (run by the Philippine Charity Sweepstakes Organization or PCSO) and various gambling operations (run by the state-owned Philippine Amusement and Gaming Corporation or PAGCOR) already provide funds to nonprofits, although the lack of objective standards for choosing beneficiaries makes

government can  
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offering tax credits

it appear that these are conduits for administration largesse to favored organizations. Other than by example, government can directly influence private giving by offering tax credits for charitable donations. Current tax laws allow a personal deduction of 10 percent of gross income and a corporate deduction of 1 percent of gross income for charitable contributions

to accredited nonprofit organizations (Bureau of Internal Revenue, National Internal Revenue Code). However, relatively few individuals take advantage of these tax features since such benefits can only accrue to those who file itemized tax returns<sup>5</sup>. Corporations, on the other hand, tend to “donate” to their own foundations that in turn favor “corporate-friendly” charitable activities. The issue of fiscal incentives to charitable giving is something that needs investigation to determine if tax policies can have significant effects on such behavior, both by individuals as well as by corporations.

Government policy, however, need not be limited to the tax front. Subsidies, grants and low interest loans are other ways to support socially beneficial but privately provided services. In addition, there should be a better way to utilize the substantial funds generated by state lottery and gambling operations, most of which now go to supplement the President’s discretionary funds. Over the long term, government policies that directly raise income levels and narrow income gaps between the rich and the poor can ensure that people have enough left over from their personal funds available for donation to causes.

## **Conclusion**

Despite being relatively poor<sup>6</sup>, Filipinos are able to support a significant third sector presence. According to Project estimates, there are at least 249,000 non-profit organizations in the country (Cariño 2002, 84). As in other countries, the majority of these are small local groups that address neighborhood or community concerns, particularly in social services. Other than the historical inclination to give to religious causes, Filipinos tend to support those groups that produce immediate, tangible benefits and that keep the bonds of community alive. There is purpose in even this apparently random sort of giving.

Filipinos also tend to express their charity in a personal way, preferring to share time and resources directly with persons in need, many of whom they probably also know personally or are at least familiar with. In fact, formal fundraising is often facilitated by personal networks that take this penchant for a personal, or at least familiar, connection into account. Being able to channel more resources towards a more “formal” segment means having to find a way around this particular trait.

**Filipinos tend to express their charity in a personal way...**

Currently, giving is primarily directed at religious groups and churches. Diversifying the recipients of giving would be a way to channel resources to other organizations struggling to deliver other services. Historically speaking, giving to the church was not made out of purely religious fervor. During the Spanish colonial period, the Catholic Church pretty much served as the social services arm of the colonial government, providing for education, health and other needs. This virtual monopoly was broken during the American colonial period when secularization of such services became a backbone of colonial policy, but church-provided services remain widespread to this day. Only in the last two decades has the non-church component of the sector exploded, not just in terms of the number of nonprofits created but also in the variety of services offered<sup>7</sup>. These NGOs and other nonprofits have depended heavily on foreign benefactors. They must now find a way to wean people away from church giving towards a broader altruism that acknowledges the diversity of the sector.

Can people increase their level of giving? Given the situation in other countries as a guide, the giving incidence in this country already seems quite high. However, the amount of giving needs to be raised. There may be some leeway in doing so if evidence from Thailand is any indication: Thais apparently give more per capita than Filipinos.<sup>8</sup> Clearly, this can only come from increased giving by middle and upper income groups. Otherwise, for total giving to increase significantly, the general level of incomes must first rise.

### Notes

- 1 This is the revised version of a paper presented at the Fifth International Conference of the International Society for Third Sector Research, 7-10 July 2002, Cape Town, South Africa.
- 2 Formal volunteering activities are: community cleaning, peace and order, search and rescue, public health, religious activities, community sports, community festivities, management committee work, advocacy, workshops, doing production and performance, and administrative work. Informal activities include helping someone in both emergency and non-emergency situations, praying for someone, lending money without interest, foster parenting, and counseling.
- 3 While official government statistics cite a poverty incidence of 33% (NSCB 2002), a recent poll shows that 58% of the people perceive themselves to be poor.
- 4 Among those with recently active recruitment programs are Habitat for Humanity, Hands-On Manila and several corporate foundations.
- 5 No data are available for the Philippines but even in the United States, only a quarter of taxpayers are itemizers (Hodgkinson and Weitzman 1996, 20).
- 6 Poverty incidence among families in 1997 was 32%. There is a national sweepstakes and lottery that collects and disburses substantial sums of money to select charities but this type of "giving" was not specifically included in the survey nor did respondents volunteer to cite this as being a part of their giving behavior.
- 7 According to Project data, more than half of nonprofits surveyed in the cities of Makati, Davao and Baguio were established in the past decade (Barlis-Francisco 2002, 107-108).
- 8 While results were obtained only for AB households by the survey conducted by the National Institute of Development Administration, it seems reasonable to make this generalization.

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# Struggling for Sustainability

ISAGANI R SERRANO



## Introduction

The Philippines offers a rich contextual backdrop for considering important regional and global issues related to civil society and development. Emerging trends in Asia and the Pacific, to say nothing about trends worldwide, may be read from changes happening in Philippine economy, society and politics.

Civil society in the Philippines is by no means a boring lot. It is a very dynamic society that has seen major social upheavals and five regime transitions in the last 15 years of the century just ended. People power revolutions have been an outstanding manifestation of such dynamism. True or not, the 1986 people power revolution in the Philippines was supposed to have inspired subsequent people's revolutions in Eastern Europe.<sup>1</sup>

This dynamism has been so emphasized as to make one think our civil society is God's best gift to the Filipino people. Like many of his colleagues in the development community, World Bank NGO (non-governmental organization) Specialist John Clark<sup>2</sup>, in several conversations with this author, had only nice words to say for this much-praised civil society in the Philippines.

What makes Philippine civil society unique? Is it any different from other civil societies in Asia or even the West?

### **Enter Civil Society Organizations**

The term 'civil society' has now become a buzzword in Philippine development circles, official as well as non-governmental<sup>3</sup>. Commonly, and as shown in existing literature, people use it to refer to that section of society that is non-state and non-corporate. The meaning recalls Marc Nerfin's notion of three political actors, namely, prince, merchant and citizen (Korten 1989, 96). The prince is a metaphor for the state and represents public for public good. The merchant represents the corporate sector or private for private good. The citizen represents civil society or private for public good.

Civil society is sometimes meant in holistic ways. At its most basic, it is viewed as a society of law and order, as contrasted to a society in total chaos, commonly described as barbarian or uncivilized. Another holistic view sees civil society as one born out of social contract in contrast to one supposedly ordained by God or king. This one view may be traced back to the conceptual construction of such Enlightenment thinkers as Locke and others (Seligman in Turner 1993, 139-161).

The notion also takes on narrower meanings. These meanings focus on and emphasize either values and beliefs or institutions. In the Philippines, the use of civil society includes both. However defined, civil society is used in the Philippines in a rather liberal fashion, moving smoothly from one meaning to the other, or using these different meanings interchangeably with little thought for rigor or qualification (Serrano 1994, 3-6).

The use of civil society has been a subject of criticism in some circles, academic and leftist in particular. Academic critics point precisely to the lack of theoretical rigor. One criticism from the radical left says that the concept of civil society obscures and blurs the notion of class and class struggle and even asserts that the state-market-citizen paradigm is but a rehabilitation of Mussolini's trisectoral paradigm (BAYAN International 1995).



Other criticisms are more practical, pointing to an aversion to the introduction of one more fuzzy concept when one can do with current terms that are already in abundance. Echoing the sentiment of a group of NGOs, ex-Jesuit Dennis Murphy shuns the introduction of civil society and calls for “a moratorium on outside ideas and concentrate on digging into local history, culture and spirituality” (*Intersect* 1994, 19). Jesuit Father John Carroll, an initiator of dialogs on civil society in the Philippines, insists that the concept is still an appropriate term to use (1999, 3-5). In any case, one view argues that there is more to it than fascination with something trendy (Serrano 1994, 12-14 & 21).

The term entered the Philippine development discourse in the early 1990s, following political changes in Eastern Europe from 1989 onward<sup>4</sup>. Initially, the concept was loosely used to mean almost the same as NGOs. Later on, the meaning tended to be more inclusive, encompassing various types of non-corporate private voluntary institutions advancing a variety of public causes.

Yet even the use of the term NGO itself is fairly recent, somewhat of a post-1986 democratic transition phenomenon. Official registration by the Securities and Exchange Commission retains the name private voluntary organization (PVO), an American coinage for older, more established NGOs like the Philippine Rural Reconstruction Movement (PRRM) which was founded and incorporated in 1952, a year before the United Nations (UN) adoption of the name NGO.

Before the 1986 democratic transition from the martial law regime, the most common terms used were people’s organizations, mass movements, trade unions, cooperatives, community organizations, coalitions, networks, federations, alliances, united fronts and the like. These names remain current even as civil society has become a catch-all nomenclature embracing all these different institutions. The cycle of UN summits has legitimized the use of civil society organizations (CSOs) to denote these institutional forms (UN-NGLS Handbook 2000).

### **Size and Scope of Action**

It is difficult to determine precisely how many CSOs there are in the Philippines today but the number is presumed to be large and still growing. In December

1996, for example, the Securities and Exchange Commission (SEC) estimated that above 58,000 nonprofit organizations had been registered with this official agency. This number represented a dramatic increase from an estimated 18,000 in 1989. The list includes “primary organizations” of just a few members to supra-tertiary NGO coalitions like the Caucus of Development NGOs (CODE-NGO), which claims a membership base of more than half of the development NGOs in the country.

The sector includes self-help groups and cooperatives; neighborhood associations and community organizations; religious and spiritual societies; professional associations; business foundations; local philanthropies; private voluntary organizations (PVOs) and NGOs; and a wide variety of organizations of workers, farmers, fishers, indigenous people, urban poor, elderly citizens, disabled people, media workers, religious and church people, men, women, young people, children and students. The list covers a larger scope than the major groups identified in Agenda 21 (UNCED 1992).

Primary organizations at the community level, in the workplace and in schools often band together to form into federations, networks and coalitions. This way, they are able to leverage their voice and influence.

Civic initiative covers a broad range of activities concerning human welfare, politics, environment and development. The traditional practice of *bayanihan* (mutual exchange) still persists in rural villages and some migrant communities in cities despite the pervasive influence of the cash economy and modernization. The majority of CSOs confine their activities to helping their membership, enhancing the sense of community, extending gifts and services to others or to common professional or spiritual enhancement.

CSOs and civic movements have a long tradition in the Philippines. Free associations and societies existed before there was even a state that could impose taxes and command allegiance from Filipino citizens. They had existed long before the 1896 revolution that ended nearly 400 years of Spanish colonialism and established the first democratic republic ever in Asia. These cooperative societies and other forms of citizen associations engaged in a variety of activities promoting group welfare or the larger common good. This tradition had carried on in different ways

through the past two centuries but was especially important in crucial periods like the 1896 and 1986 revolutions.

Activist and development CSOs and people's organizations, though still in the minority, are at the cutting edge of social change processes as they engage in activities that impact directly on the larger society. They usually band together into larger social coalitions and movements to leverage their influence on public policy and government practice. Their work in educating, organizing and mobilizing people around the issues of human rights, equality, social and economic justice, and environmental protection have made possible some of the most dramatic events in Philippine history. Their actions do not always seem "civil," but they are certainly high in civic spirit, motivation and initiative.

... activist CSOs are recognized as an alternative voice in Philippine society.

At certain historic moments, activist CSOs have demonstrated their power to compel government to make a change. They have contributed in a big way to mass movements that caused the fall of governments, as in the so-called 1986 people power revolution. They have come a long way to be recognized as an alternative voice in Philippine society.

### **Legal, Regulatory and Tax Issues**

CSOs are not required to register with the government but must register with the SEC to be able to accept donations or to participate in government projects. The SEC requires audited annual financial reports from registered parties. Non-profit, non-stock organizations are exempted from taxation. CSOs can engage in income-generating activities. They are not required to pay income tax as long as they do not issue dividends to their members and use their revenues solely for nonprofit activities.

The Philippine Constitution guarantees the freedoms of speech, association, and assembly. The government is mandated to ensure people's participation at all levels of policy-making. However, all these rights have been suppressed at times, as happened in the case of the writ suspension in 1971 and in the subsequent imposi-

tion of martial law in 1972. There are some disturbing signs indicating stricter regulation in the future. These include the proposed national ID system, CSO inventory and accreditation, and funding restrictions targeted at outspoken and critical CSOs.

An SEC registration is not a precondition to the exercise of one's right to self-organization.

tory and accreditation, and funding restrictions targeted at outspoken and critical CSOs.

Some CSOs see the need to register with the SEC, many others do not even bother. An SEC registration is necessary to qualify as recipient of donations. But it is not a precondition to the exercise of one's right to self-organization.

It may be safely assumed that many CSOs do not appear in the SEC list. Many organizations established before and during martial rule and who had links to the opposition or to the underground movement considered such registration a security liability.

### **How are They Funded?**

CSOs in the Philippines generally rely on donations, direct and indirect subsidies, membership dues and earned incomes from their own business activities. Donations come from both local and foreign sources in cash or in kind.

They receive official development assistance (ODA) by way of co-financing arrangements between donor governments and donor-country CSOs. Private donations are transferred directly from donor CSOs in developed countries to recipient CSOs in the Philippines without passing through government.

Assistance comes mainly in the form of program or project funding. Strategic funding is hard to come by. Endowment funds for development CSOs are rare.

Development CSOs are highly dependent on public and private foreign assistance. Competition for this scarce and dwindling resource has grown over the years, causing relational problems among CSOs.

The quality of ODA has been the subject of much debate. Earlier studies had already warned that: "If the appropriate institutions cannot be funded or if they cannot operate freely, the poor will generally be served best by no aid at all. Only when the fixation on the quantity of aid disappears can the quality of aid begin to improve." (Hellinger, D., Hellinger S. and O'Regan 1988, 6). The Netherlands'

NOVIB and other NGOs in donor countries have been closely monitoring and reviewing the ODA flows and have been coming out with regular publications on the reality of aid (EUROSTEP & ICVA 1998).

Activist CSOs of the extreme left variety are normally shut out by official donor agencies but manage to devise creative ways to access ODA, including financial support from like-minded foreign CSOs. An undetermined amount of direct and indirect subsidies for people involved with radical CSOs is provided by communities in the form of housing, food, meeting places, and transportation expenses. CSOs that have access to ODA, private foreign donations, and direct citizen contributions may also have been supporting activist CSOs.

Funding trends have been shifting since the 1990s. Despite the overall decline in ODA flows, there is a noticeable increase in the percentage of ODA monies that find their way to CSOs. Explorations in direct funding of CSOs from ODA sources have resulted in some pilot programs. Endowment funds created out of debts swaps fall within this modality.

One pioneering example was the conversion of debt to set up an NGO-managed fund for the environment, an outcome of negotiations in 1989 involving on one side, US officials and US NGOs, and on the other, Philippine officials and Philippine NGOs. The Foundation for the Philippine Environment (FPE) was set up in January 1992 to take charge of trusteeship and management of the fund. The FPE itself was an offshoot of earlier efforts of the Green Forum Philippines (GFP), a green coalition founded by a group of Philippine NGO leaders who embarked on a mission on environment policy in the US in 1989 and who themselves were a party to the green fund negotiation.

A variant of grant with recovery provision is a US \$20 million Global Environment Facility (GEF) allocation for CSO-managed biodiversity conservation projects. The fund was created after a long process of negotiation between the World Bank, the Philippine government and a group of Philippine NGOs which formed themselves into a coalition called NGOs for Integrated Protected Areas (NIPA) in December 1993

Another example was a debt-for-development swap to set up an NGO-managed trust fund. This involved the retirement of the entire debt stock the Philippines owed to Switzerland, amounting to US\$35 million. Since its creation in Sep-

tember 1995, the fund has been directly managed by the Foundation for a Sustainable Society (FSSI), set up by a consortium of Philippine NGOs for the purpose. Much in line with other similar processes and set-ups, this fund was also a product of negotiations between governments and NGOs in the two countries.

A number of CSOs are beginning to enter into more aggressive business ventures in anticipation of sharp declines in or the withdrawal of external funding support. The expected economic upturn (before the 1997 Asian crisis) made the country a low priority in development assistance. Some CSOs have started borrowing from former donor partners, and others have gone into banking. Two examples of this are the New Rural Bank of San Leonardo initiated by the Management and Organization for Development (MODE) and the Lagawe Highland Rural Bank organized by PRRM.

Floating bonds, already practiced by some local government units (LGUs), is a new thing for CSOs. The CODE-NGO has just ventured into this form of funding, using its connection with the Macapagal-Arroyo government. This particular initiative of the CODE-NGO was criticized by another coalition, the Freedom from Debt Coalition (FDC), as another form of increasing public indebtedness for an already debt-burdened country like the Philippines<sup>5</sup>. Other groups have criticized such initiative as an immoral and impermissible case of 'rent-seeking', 'influence-peddling' or even outright 'plunder'.

Corporate foundations are on the rise, as a response to growing popular pressure and demand for corporate social responsibility. From the 1950s onward, corporate donations have been channeled to organizations like PRRM. At the height of the resurgence of the revolutionary movement in the 1970s, these corporate donors decided to set up their own outfit, the Philippine Business for Social Progress (PBSP), to do community relations and some form of community development. PBSP has been sustained through a fund created from corporate-member contributions equivalent to one percent of each member's yearly profit. Additionally, it has been a major conduit of USAID assistance.

A fairly recent trend, some big corporations have been setting up their own foundations and have involved themselves in development and environment issues. Some of the more notable examples are Ayala Foundation and Shell Philippines Foundation, both PBSP members. This has been called by some critics as

“greenwashing,” a trendy sort of corporate initiative to acquire a green image and to avoid accounting fully for the environmental costs of corporate practice.

Competition for scarce resources is creating a new dynamic among CSOs in the Philippines. Jealousies and mistrust have resulted in strained relations and difficulties in building coalitions around common issues. Thus, erosion of social capital due to the breakdown of mutual trust is a distinct possibility.

Competition for scarce resources is creating a new dynamic among CSOs...

Negative trends notwithstanding, each CSO continues in its own way to make some contribution towards strengthening the civic infrastructure of Philippine society. The bigger challenge is how these otherwise disparate voices can come together to build a broad social consensus for the sake of the country’s common future.

### **How Much Do They Matter?**

CSOs in the Philippines do matter in many ways, but especially in influencing the course of development in general. They do matter in politics and governance and in the way the economy and society are being run. Such is their overall and collective impact.

But different CSOs have a differentiated impact according to strategic orientation. Based on such orientation, David Korten (1989) developed a schema of four generations of NGOs. The first generation is relief and rehabilitation; the second, local self-reliance; the third, sustainable systems development; and the fourth, mass/social movements for system change<sup>6</sup>. This may imply that the first generation CSOs would have mainly local impact while the fourth generation CSOs would impact on the whole society.

This model may be criticized for being so neat and linear. The reality of CSOs in the Philippines is more like a mosaic. Some CSOs might easily fit in one or another generational category, others might be harder to pigeonhole. The model, too, suggests a kind of progression in consciousness and level of activity. Indeed, some CSOs might start off with relief and rehabilitation and then graduate to another orientation through time. Yet some CSOs undertake more than one strategic

orientation all at once, sometimes all four strategic orientations rolled into one cohesive whole. Revolutionary organizations in the Philippines do all these.

Gerard Clarke (1998) argues that the impact of Philippine NGOs is not principally found at the micro level but in the shaping of macro politics. To prove his point, Clarke presents the case studies of two “primary organizations” in the country. The first is the Task Force Detainees of the Philippines (TFDP), a human rights organization set up by church activists in 1974 during martial law. The second is the Philippine Rural Reconstruction Movement (PRRM), considered one of the first rural development NGOs, organized in 1952 by a group of prominent Filipino leaders in education, industry, business and finance.

These two organizations are archetypes of CSOs in the Philippines. While they have different beginnings, motivation, focus of attention and style of work, among other differences, the TFDP and PRRM have chosen to confront the challenges of human rights and development from the perspective of the oppressed classes and sectors of Philippine society. Many other CSOs in the Philippines, especially of the activist kind, belong to this class.

Take PRRM as an example. Its roots may be traced to what Korten (1990) describes as a legendary development movement organized by Dr. Y. C. James Yen first on the European warfront in 1916-1918 and then later in China. PRRM is a civic movement that envisions a society of equity and sustainability. The long future is one where ignorance, poverty, disease and powerlessness shall have been eradicated and development takes place within the carrying capacity of the environment. PRRM’s basic strategy addresses the interlocking problems of poverty, environmental degradation and social conflicts.

Like many other CSOs, PRRM is rooted in local action around very specific issues concerning social and environmental justice. Its core field program, called Sustainable Rural District Development Program (SRDDP), seeks to affect through a coalition of efforts some structural change at a certain scale of sustainability at the sub-national level. The central element of this program is community empowerment, a long and complex process designed to bring about the eventual shift of power to the people and their communities. At every step, this process translates into increasing the capacity of communities and local



authorities for self-governance and community-based management of resources. The hope is to be able to install a mode of governance that is accountable to the citizens, can bring about eradication of poverty on site and improve the living and natural environments.

Like many other CSOs, PRRM also engages in shaping public policy around the themes of agrarian reform, sustainable agriculture and rural development, foreign debt, trade and ODA, human rights, peace and environment. Through research, they are able to fill in information and knowledge gaps between decision-makers and the local communities (Miclait-Teves 2000). The targets for advocacy and lobbying are the national government, bilateral and multilateral agencies and the corporate sector. PRRM helps build networks and coalitions within the country, in the Asian region and at the global level.

The impact of CSOs is indicated by a plethora of policies and legislation. Tables 1 and 2 list some of the significant social and environmental policies and legislation where the impact of CSOs may be reflected. (The lists, to be sure, are not complete.) Table 1 lists those that were formulated during the Marcos era and though they may not be attributed directly to any CSO lobby, given the climate of suppression for much of that period, they nonetheless could be taken as part of a regime's response to popular pressure. The citizens' anti-pollution movement in Bataan, for example, had emerged even prior to the imposition of martial law. Likewise, the 1972 Stockholm Conference, which inspired the environmental legislation of the Marcos regime, was certainly a response not only to mounting scientific evidence of environmental decay but also to a growing environmental movement worldwide.

There is no shortage of policy and legislation on sustainable development in the Philippines. This country would never miss making a law or creating a committee for every problem.

Discourses and debates on sustainable development in the Philippines, though seemingly endless and paralyzing at times, almost always result in some policy or a piece of legislation. This is true from the national level down to the *barangay*. And if it is all there is to sustainable development, the country should have been well on its way to sustainability, which does not seem to be the case.

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**Table 1. Key Policies, Legislation and Programs during the Marcos Period**

Marcos Era

- (1975) Presidential Decree 705 - Forestry Code
- (1975) Presidential Decree 704 - Fisheries Code  
Revised and consolidated all laws and decrees affecting fishing and fisheries in the country
- (1976) Presidential Decree 1067 - Water Code
- (1976) Presidential Decree 984 - Pollution Control Law– Provides guidelines for the prevention, abatement and control of pollution of water, air and land
- (1977) Presidential Decree 1219 - Coral Reefs Conservation
- (1977) Presidential Decree 1181 – Vehicular Emissions Control Law– Prevention, control and abatement of air pollution from motor vehicles
- (1977) Presidential Decree 1151 – Philippine Environmental Policy– First mention of concept of environmental impact system
- (1977) Presidential Decree 1151 – Philippine Environmental Code - Provides guidelines on land use, air quality, water quality, waste management, and natural resources management
- (1977) Presidential Decree 856 – Sanitation Code
- (1978) Presidential Decree 1586 – Philippine Environmental Impact Statement System – Mandates EIS for government and private sector projects affecting the quality of the environment
- (1979) Presidential Proclamation 2146 – Environmentally critical projects and environmentally critical areas
- (1980) Presidential Decree 600 – Marine Pollution (1976-as amended by PD 1698)

Sources: Philippines Environment Monitor 2000, The World Bank, July 2000

Rio in Retrospect: The Philippines and Global Agenda 21 1992 – 1996, PCSD, 1997

**Table 2. Key Policies, Legislation and Programs in the Post-Marcos Period**

Post-Marcos Era

- (1986) Philippine Constitution – This contains the State’s obligation to protect and advance the right of the people to a balanced and healthful ecology. (Article 2, section 15 and 16)
- (1987) Executive Order 192 – Creation of the Department of Environment and Natural Resources
- (1987) Republic Act 6657 – Comprehensive Agrarian Reform – Exempts lands devoted to reforestation, wildlife, etc. from land conversion
- (1991) Republic Act 7076 – People’s Small Scale Mining Program
- (1991) Republic Act 7160 – Local Government Code – Strengthens the role of LGUs in the country
- (1991) Ratification of the Montreal Protocol
- (1991) Inter Agency Committee on Climate Change
- (1992) Republic Act 7279- Urban Development and Housing Act
- (1992) Executive Order 15 – Philippine Council for Sustainable Development (PCSD)
- (1992) Republic Act 6969 – Toxic Substances, Hazardous and Nuclear Waste
- (1992) Republic Act 7586 – National Integrated Protected Areas System (NIPAS)
- (1993) Philippine Population Management Program (PPMP)
- (1993) Power Crisis .
- (1994) Ratification of Framework Convention on Climate Change (FCCC)
- (1994) Philippine Strategy for Biodiversity Conservation
- (1995) Water Crisis
- (1995) Republic Act 7942 – Mineral Exploration, Development and Conservation
- (1995) Republic Act 8172 – Act for Salt Iodization Nationwide or ASIN
- (1995) Social Reform Agenda

- (1995) Gathering for Human and Ecological Security (GHES)
- (1995) Executive Order 247 – Bioprospecting
- (1995) Executive Order 263 – Community-Based Forestry Management Strategy
- (1995) Philippine Action Plan for HABITAT II
- (1996) Philippine Agenda 21
- (1996) Executive Order 291 – Improving the EIS System established in 1978
- (1997) Republic Act 8371 – Indigenous People’s Rights Act
- (1997) Republic Act 8435 – Agriculture and Fisheries Modernization
- (1998) Republic Act 8550 – Fisheries Code
- (1999) Republic Act 8749 – Comprehensive Air Pollution Control Policy (otherwise known as the Clean Air Act)
- (2001) Solid Waste Management Act

Sources: Philippines Environment Monitor 2000, The World Bank, July 2000

*Rio in Retrospect: The Philippines and Global Agenda 21 1992 – 1996, PCSD, 1997*

### **‘Poor is Power’<sup>7</sup>**

Some CSOs mediate for others, for local communities, even as they strengthen themselves in the process. But with or without such mediation, local communities defend and stand up for their rights and welfare against what they perceive to be hostile and negative outside forces.

In Manila, a village of some 50,000 people was born and for a long while flourished on a mountain of garbage disposed by Metro Manilans who could not handle their waste in their own backyards. These poor people lived in tin and board huts or whatever scrap material they could scrounge to build makeshift shelters. They bought their water from poor water vendors, who in turn collected and bought or stole water elsewhere. Men, women, but especially children and out-of-school youth among them, would each make their few pesos scavenging, sorting out garbage to

sell to recycling companies. In mid-2000, this mountain of garbage collapsed after two days of heavy rains and fire, burying more than 200 residents (Worldwatch Institute 2001). The affected residents mobilized to call the attention of government to their plight and won a commitment of provision for a more decent human settlement. Some residents organized themselves into a credit union, mobilizing their small savings, and soon enough, were able to fund their own livelihood projects (UNCHS 2001).

For years now, down south, in Mindanao, indigenous communities and their supporters have resisted the construction of a large geothermal power plant they fear would destroy their ancestral lands and indigenous ways of life. The power project is now long overdue<sup>8</sup>.

In the early 1990s, in the coastal town of Masinloc, Zambales, the communities stood up against the construction of a 600-megawatt coal thermal plant financed by a huge loan from the Asian Development Bank and Ex-IM Bank. Citizens demanded public hearings and lobbied local and national authorities and the banks. The project was stalled but succeeded later when opposition waned<sup>9</sup>.

In 1993, in a small coastal town of Tanza, in the province of Cavite not far from Manila, some 8,000 citizens mobilized to oppose the construction of a 320-megawatt power plant in their community. A public hearing was conducted at the town plaza. On one side was the panel representing the project proponent, on the other, the citizens' panel. The mediator was the government's Environmental Management Bureau. After several hours of intense deliberations, a decision was made: construction could not be justified on social and ecological grounds and therefore would have to be suspended<sup>10</sup>.

Much earlier, in 1985, the citizens of Bataan province stopped the operation of what would have been the first ever nuclear power plant in the country. Financed by a syndicated loan package amounting to over US\$2.2 billion, the plant was mothballed in 1985, following huge mobilizations that previewed the 1986 people power revolution<sup>11</sup>.

Out there, many more stories from below are waiting to be written and told. Throughout the country, communities are fighting back and asserting their right to live decently, to be ruled by good and accountable government and to enjoy a

healthy environment. For many years now, they have been fighting against those forces out to destroy their life-support systems, communal cohesion and diverse indigenous cultures.

### **People Helping Themselves**

There is a long and rich tradition of mutual cooperation in the Philippines, though the story of cooperatives is itself a mixed bag of successes and failures. Everywhere, you find people trying to alleviate poverty or to improve their environment with whatever resources they can mobilize.

Socio-economic activities vary according to sector. Peasant organizations, for example, engage in both on-farm and off-farm activities such as diversified and ecological farming and trading their own produce. Upland communities employ sloping agricultural land technology (SALT). Fishers semi-process their catch, manage coastal resources and run alternative livelihood projects. Women's organizations prove effective in savings and credit, in running small and medium enterprises, among other things.

Economic activities are financed by personal savings and loans from credit institutions. As economic projects move up in scale, so do their financing requirements. Some people's organizations have set up their own microfinance and 'barefoot' banking systems.

Author of *Barefoot Banking* Andres Panganiban has these words to say about this pro-poor initiative:

*Microfinance is a system of providing credit, mobilizing deposits and generating investment at the micro-level. Anything below small and medium-scale enterprise is micro-level, which means providing services in the area of one peso to 1.5 million pesos. Put simply, any credit, savings or investment that caters to the enterprising poor is microfinance.*

*"Microfinance is neither about charity nor throwing away money. It is about encouraging the poor to set up enterprises, not only to generate income and employment, but also to earn profit that can be reinvested into their equity. Borrowers and lenders both earn money, but on the basis of mutual trust and respect. It is a two-way relationship that benefits both (2000, xi-xii).*

Community and people's projects in the Philippines address a wide range of development and environmental problems. Basic organizations also take up a variety of non-economic concerns like primary health care, literacy, environmental education, human rights and peace, among other issues. People do not allow their frustration with state policies and programs to get the better of them.

### **Democratizing Democracy**

The Philippines remains perhaps the most open and democratic country in Asia (Korten 1990, 161). But whether it is a better society or has better prospects of sustainability than, say, Malaysia, is not an easy question to answer. The country's dream of a better future dims by the day as poverty persists and living environments deteriorate. Meanwhile, an elite few stubbornly hang on to its hold to wealth and power and resist attempts by government to show some form of redistributive justice.

One leading light in business and corporate philanthropy thinks the Philippine brand of democracy might be one of the country's own weakness<sup>12</sup>. According to him, this democracy has failed in the last 50 years to eradicate poverty and redistribute wealth.

... the Philippine brand of democracy might be one of the country's own weakness

The old-fashioned issue of people's participation has taken on a more subtle turn in the Philippines. The advocacy of the most outspoken and militant CSOs has gone past the question of consultation. For them, to be heard and listened to is far from enough. They demand a big part in governance, if they are not prepared to run the show themselves, as it were. They even think it is their right to bring down an unresponsive, nonaccountable government even through extra-constitutional means.

Since the 1986 revolution which ended 20 years of Marcos rule, the space for citizen participation has expanded greatly. This is due in part to civic initiative and vigilance and partly to the government's growing sensitivity to popular demands and pressures. The 1986 Constitution has enshrined popular participation in governance, at least in principle. The Local Government Code of 1991 has opened the door for greater involvement of CSOs in governance issues and concerns.

Yet, from the post-Marcos regime of Aquino in 1986 to the present, the Philippines cannot seem to do things quite rightly.

Democratic restoration has made civil society more assertive. There has since been greater citizen voice and participation in the ways and means of running society and the economy. The media are having a field day, at times to the point of license and outright sensationalism. Other institutions, like the churches, want to project their clout and power on governance. There has been a strong resurgence of social and environmental activism. The dynamism of Philippine civil society has brought about regime changes, so that it has sometimes been branded as uncivil, arrogant and moralist. Unsympathetic critics in the media and elsewhere jokingly refer to this civil society as 'evil society'<sup>13</sup>.

Even after the ouster of Marcos, there were many rebellious challenges to government's legitimacy and capacity to govern. All these have had both destabilizing and strengthening effects on Philippine democracy.

Post-Marcos regimes have come and gone in constitutional and extra-constitutional ways. These regime changes and transitions have been occasioned by people power revolutions, so-called EDSA 1 in 1986 and the subsequent EDSA 2 and EDSA 3 in 2001 (La Liga 2001). Recent stirrings among the massive underclasses, the urban poor of Metro Manila especially, hint at a coming EDSA POOR,<sup>14</sup> which the current regime has been trying to pre-empt. It would seem that Filipinos have mastered the art of opposition and dismantling established institutions but have been doing poorly in rebuilding and strengthening governance and other institutions of democracy.

Governance issues continue to bother the nation. Mistrust of government is widespread and increasing. The reasons why people do not trust government are many (Nye, Zelikow, and King 1997). Transparency, rule of law, accountability and democratic participation are accepted principles of governance that are breached daily.

High on the list of problems is corruption, seen by many as having permeated government bureaucracy from top to bottom and having seriously infected the social fabric as well. The right of every citizen to good governance is obvious. The problem is that good governors and good governance are hard to find.



Corruption has been with us for as long as anyone can remember. It is not unique to the fallen Estrada regime. It is not that previous regimes were not at all corrupt, but that they were more sophisticated at it. It is ironic that the Estrada regime made combating corruption its major project, but turned out to be the project's main victim.

The problem of corruption runs deep. It's a 'cancer' that has crept through time and affected the entire public service at all levels. Corruption accompanies the everyday delivery of basic services, and in particular, in taxation and procurement. According to some studies,<sup>15</sup> only about 40 centavos of every tax-peso actually goes to the Treasury. In civil works contracts, tax-payers are cheated by as much as 50 percent of total project costs in the form of bribes or commissions (or the so-called "for the boys" and "SOPs") pocketed by politicians and bureaucrats.

The problem is that good governors and good governance are hard to find.

Corruption is an international problem, though most studies seem to focus almost solely on so-called corrupt Third World governments. "There is always somebody who pays, and international business is generally the main source of corruption," says George Soros (The Corner House 2000).

Effective governance does not necessarily mean accountable governance. The Suharto regime delivered dramatic results in poverty reduction in Indonesia, but it was judged as the most corrupt in the Corruption Perception Index (CPI) of the Transparency International (1993). Neither did the Suharto government fully account for its terrible human rights record. According to Costa Rica former president Oscar Arias Sanchez, "under totalitarian regimes, corruption is often directly linked to human rights violations" (Pope 2000, ix).

Some things change for the better or for the worse, others just stubbornly persist. The social and environmental reality in the Philippines is much easier to caricature than to understand and explain.

Poverty stubbornly remains at a high level (34.2 percent in 2000). A succession of four post-Marcos regimes declared war against this stubborn problem and managed to reduce it to that incidence level from a high of 44 percent in 1985. It even

went down to 32 percent prior to the Asian crisis of 1997, only to rise in the wake of the crisis and the drought (NCSO 2001).

Activists and critics are usually suspicious of these official poverty statistics and believe them to be grossly understated. Perception surveys on poverty conducted by the Social Weather Station (SWS)<sup>16</sup> have consistently presented higher numbers, sometimes as high as 60 percent, of people who say they feel they are poorer and their lives more miserable now than previously.

The rich-poor gap is wide and doesn't seem to be narrowing down, although the latest official survey (NCSO FIES 2001) claims that income distribution has become less unequal in 2000. The income share of the richest 10 percent went down from 39.3 percent in 1997 to 38.7 percent in 2000, compared to the income share of the poorest 10 percent which remained at 1.7 percent during the same period.

Environmentally, not much has changed by way of restoration from the 1992 baseline. The Philippines confronts three broad environmental challenges: (a) urban air and water pollution; (b) natural resource degradation; and (c) declining quality of coastal and marine resources.

The first set of challenges is called "brown agenda", referring to pollution caused by industrial, urban, transport and energy sources and the measures to address them. The second is called the "green agenda", to describe environmental impacts caused by agriculture, deforestation, land conversion and destruction of protected species and the conservation measures intended to address them. The third, the "blue agenda", refers to all forms of water resources management.

It seems the Philippine brand of democracy, as demonstrated in action needs some other ways of democratizing to be a means to sustainability. Yet, as much as CSOs put a huge burden on governments and corporations to solve the deficits of democracy, they must also demand the same civic norms and values from themselves as citizens.

### **A Question of Power and Values**

Social reform CSOs in the Philippines are concerned not only about improving the lives of the poor and excluded but also in changing the conditions that prevent this from happening. More and more, the questions that they raise and the answers they look for come down to basic issues of power and values.

These CSOs are big thinkers even as their activities are firmly grounded in local action. Deeply concerned about global issues, they pose the kind of questions that have transnational implications. During the 3<sup>rd</sup> World Assembly of CIVICUS in Manila in 1999, many of these CSOs participated in crafting a global citizens commitment<sup>17</sup> that addresses the following questions: Are we becoming a more civic world with globalization? Has rapid globalization made us more or less caring about each other and the things around us? Where is globalization headed? Is humanity any less troubled and more hopeful of the future now than before? Is humanity coming apart or coming together? What can we do as citizens, wherever and however we are located and live our everyday lives? Can we take hold of the accelerating race to progress and help shape this heady process in ways that best serve our common humanity?

To these CSOs, to be civic means to be more caring for the next-door and distant others, to demonstrate not only in word but more so in action that every one on this planet counts and has a dignified place at the table. A more caring world is yet to be, and certainly not the description of the ending century. And whether we can make this dream of a more civic world a reality might well be the single biggest challenge in the century about to begin.

Leading CSOs in the country have taken the challenge of citizenship in today's world. Much attention is now focused on the civics—high civic-mindedness and civic initiative. Here, we emphasize the role of leadership of CSOs to build a more civic world in the face of high-speed globalization. The civics are everywhere—in state, corporate and social organizations. The CSOs share with governments a common concern for how best societies should be organized and governed. They mirror the diversity and freedom of the market forces minus the latter's bent toward destructive competition.

### A Bundle of Issues

CSOs thrive on the failures of governments and corporations. And yet precisely because of their rising profile and influence, CSOs are now confronted with the same criticisms they level against their usual targets. Repeatedly, CSOs are questioned by governments about the source of their legitimacy, who they represent and by what right, why they should mediate at all for the poor who should speak for themselves. Moreover, it has been said that governments, whether elected or simply de facto, do represent a much larger constituency, interest and responsibility,

**CSOs thrive on the failures of governments and corporations.**

but these self-selected CSOs can only make extravagant and romantic claims about ‘doing good’ without any clear accountability.

Through debt swaps and bond sales, a huge chunk of the country’s public foreign debt has been converted into money for CSO operations. Akin to this is CSO implementation of a government project financed by loans from the World Bank or Asian Development Bank. The debt is every taxpayer’s burden but CSO operations benefit only a limited constituency. This kind of arrangement should then give rise to a number of accountability issues: Why should government privilege any group of CSOs to decide and manage a fund that originated from public sources? Who are these CSOs answerable to? What if their projects fail to deliver or create more harm than good? And even if they do well, isn’t this tantamount to giving government more reason to evade what it should be doing in the first place?

Somehow, CSOs are also party to promoting the new liberal mantra of “less state and more markets”. There is little doubt that the activist-oriented among them would generally be more predisposed to defending the nation-state against the threats of global corporations. They would oppose, for example, policies of deregulation and privatization of utilities. But CSOs whose services are procured by government and whose actions tend to do state-substitution contribute to the privatization of government. This is not quite unlike having corporations take over the power sector or run public toilets and prisons.

Surely, CSOs are not saints nor as noble as some of us paint them to be. They are at times less civil than civic and not entirely free from bad practices, even moral pollution. All things considered, however, they are one of humanity's best hopes for building healthy civil societies in a fast globalizing world (CIVICUS 1999).

Learning to live and work together is a huge challenge which CSOs in the Philippines have been grappling with. There are just so many issues to handle before government, corporations, CSOs and citizens can work together to put things right. Most basic, they must first recognize what keeps them apart even as they build on those things that bind them.

The questions before CSOs and civil society in the Philippines are not new. They have been posed in different ways before and continue to beg for answers. These are points of contention that will continue to shape the development discourse well into this new millennium. The hope is that once we are able to frame the issues that separate us, this recognition will signal the beginning of the possibility of working together, of learning to live together.

... they must recognize what keeps them apart even as they build on those things that bind them.

### **Conclusion**

By many indications, civil society in the Philippines seems to live up to its billing as one of the most vibrant in the world. Building on a resilient legacy of indigenous cultures, it has evolved from 1896 to its present state through a long process of social reforms, revolutions and regime changes. It is democratic almost to a fault and shares the 'goods' and 'bads' of many other civil societies in Europe or elsewhere in Asia.

The concept of civil society itself is borrowed, from Europe in particular. It could mean many things, ranging from the holistic to the more specific themes of beliefs, values and institutional forms. Commonly, in both official and non-governmental development literature and discourse, this notion is used to refer to the sector that is non-state and non-corporate. Its scope is large, from ordinary citizens

to organizations that are engaged in a wide range of issues and concerns having to do with welfare, human rights and sustainable development.

What makes it different from other civil societies in Europe and Asia is not at all clear-cut. What seems more obvious is how similar civil society in the Philippines is to its counterparts elsewhere. For one, civil society and CSOs in the Philippines confront the same outstanding issues and concerns arising from the universal condition of nonsustainability plaguing all of humanity. The recognized need for solidarity *sans* frontiers blurs the differences in thinking and action addressing the same issues and concerns.

But there is a difference worth noting. After all the sound and fury, civil society in the Philippines enjoys a far wider freedom of thinking and action than most of its Asian counterparts. And yet, it has not been able to translate this advantage in ways that lead to greater social cohesion, eradication of poverty, closing the rich-poor divide or saving the environment. It is a society marked both by dynamism and paralyzing social stalemate, if not outright social instability.

The overriding challenge for Philippine CSOs seems obvious enough.

## NOTES

- 1 Miklos Marschall, former Vice Mayor of Budapest and first Executive Director of CIVICUS (World Alliance for Citizen Participation), now with Transparency International (TI) in Berlin, made such an attribution in several conversations with this author.
- 2 Conversations between this author and John Clark took place in 1997 during the World Bank-sponsored conference on participation in Washington, D.C. and the Brussels conference on capacity building that same year.
- 3 The Green Forum Philippines, organized in 1989 by a Philippine NGO mission on environmental policy in the US, alluded to this term in its 1990 'white paper' on sustainable development. This author was part of this mission and was co-founder of this green coalition and one of the authors of the 'white paper'.
- 4 The term 'civil society' was tossed about within a small circle of social activists and environmentalists who were following the events in Eastern Europe. Part of this circle is a Philippine group co-headed by this author which did a 45-day study tour in Eastern Europe in 1991 sponsored by the Evangelical Academy of Hamburg and the Heinrich Boll Foundation.
- 5 Criticisms were raised during the press conference of the Freedom from Debt Coalition on 14 December 2001 in Quezon City, Philippines.
- 6 A 1989 paper by this author was cited by David C. Korten in *Getting into the 21st Century*, pp.123-124 & 131.

### *Struggling for Sustainability*

- 7 This slogan was carried by several streamers of the pro-Estrada supporters during the one-week EDSA 3 people power revolution in April 2001. Culminating in a violent rally at the presidential palace, this so-called uprising of the poor caused the declaration of a 'state of rebellion' by the newly installed Macapagal-Arroyo government.
- 8 Interview with a Mindanao community organizer sometime in December 2001.
- 9 Culled from the case files of the NGO Forum on the ADB.
- 10 Interview with Emma Aguinot, former PRRM field office manager in the province of Cavite, along the Manila Bay area.
- 11 A more detailed story is found in the masteral dissertation of this author, entitled *Learning Sustainability*, South Bank University, 2000.
- 12 The reference is to Washington Sycip, co-founder of the Sycip, Gorres & Velayo accounting firm and the Asian Institute of Management (AIM).
- 13 A number of well-known television and radio commentators, sympathetic to the deposed Estrada government, used the term 'evil society' to label the EDSA 2 people power. The term is sometimes used to downgrade civil society in general which is deemed to exhibit 'socially destructive traits'.
- 14 EDSA originally stands for Epifanio de los Santos Avenue, a half-ring road and major thoroughfare around Metro Manila. The people's uprising combined with military rebellion that led to the fall of the Marcos dictatorship in 1986 took place along this avenue.
- 15 Reference is made to the studies done by Rosario Manasan of the UP School of Economics and Edgardo Campos, a consultant to government and multilateral development banks.
- 16 The Social Weather Stations (SWS), a research NGO, has been coming out with a regular survey series focused on self-perception of poverty.
- 17 The global citizens commitment was drafted by a group headed by this author on the request of CIVICUS. Although it was not formally adopted in the Manila assembly itself, the draft was intended to trigger a process of citizen mobilization leading to the next world assembly in 2001 in Vancouver.

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# Non-Governmental Organizations and Advocacy: Lessons and Prescriptions for Policy Change

EDNA E A CO



## **Introduction**

Advocacy is a highly political exercise and virtually synonymous with policy reform. It is through advocacy that non-governmental organizations (NGOs) invariably articulate their perspectives about a policy issue, insist on their viewpoints, negotiate with policy and decision makers and showcase a good project or activity for replication and sustainability. Advocacy is also a venue by which to compete with various stakeholders for resources and resource allocation.

This paper deals with NGOs and their core efforts to contribute to policy reform through advocacy. It is a discussion on how NGOs conduct their advocacy and the lessons learned from these experiences. The paper also points to the direction for future advocacy work and the challenges that might go with it.

The paper uses the case studies on NGO advocacy done in 1997 by the Advocacy Working Group (AWG) as main reference. The AWG was composed of NGO advocates such as the Freedom from Debt Coalition and the Action for Economic Reforms, their donor partners and this author. The effort was supported by donor agencies such as Christian Aid, Oxfam Great Britain and Oxfam America and the NCOS Belgium. All donor agencies are engaged in advocacy work, which explains why they take an interest in the issues and problems of advocacy. Among those studied in 1997 were 12 NGOs engaged in advocacy work. These NGOs included the Freedom from Debt Coalition, SIBOL (a network of women's groups involved in legislative advocacy), Tambuyog Development Center, Philippine Peasant Institute, Congress for People's Agrarian Reform, Balay Mindanao Foundation, Inc., Ethnic Studies Development Center, Cooperative Foundation of the Philippines Inc., Nacfar, National Confederation of Labor and CO-TRAIN's environmental project in the Calabarzon. Using some tentative guidelines for assessing advocacy, the paper tackles the achievements and weaknesses of advocacy work and what these imply for future work and challenges. The indicators used are the following:

- a. Objectives
- b. Targets and Tiers of Advocacy
- c. Advocacy Implementation and Techniques

### **Non-governmental Organizations and Advocacy: Defining Some Key Concepts and Terms.**

The rise to prominence and recognition of the non-profit, non-governmental or voluntary sector has brought with it the emergence of a sub-culture of NGOs. Part of this sub-culture are terminologies that are peculiar to people in the NGO world.

**Non-governmental, non-profit organization :** There are varied ways to refer to NGOs and non-profit organizations. Most literature and documents refer to them as *civil society organizations*; others call them *development organizations*; the word also includes donor or grant-giving international organizations. David Korten coined the term *public service contractor*, which may strike some as having merce-

nary overtones and may connote an organization that is a do-gooder-for-pay. Others have defined the organization by referring to membership base, hence the terms *community-based organization* and *grassroots organization*. Fernando Aldaba (1993) distinguished between *non-governmental organizations* that are more often than not of middle-class origin and whose membership is professional and educated, whilst implying that *grassroots organisations'* membership tend to emerge from the lower sections of society. The common thread that runs across these organizations is, in the words of Ian Smillie (1995, 22), altruism – the philosophy and the historic record of humanistic service. In this paper, these organizations — whether referred to as non-governmental, non-profit, voluntary or community-based organizations — are seen as contributing to and working towards change in policies that affect public lives, especially the poor and those on the margins of society. These organizations are engaged with decision-makers and the processes of policy decisions that affect the lives of many poor people. Non-governmental organizations referred to in this context are politically engaged groups.

**Advocacy:** *Advocacy* is another key term used to refer to activities and processes in which NGOs engage, with the objective that these activities contribute to right unequal power relations. Advocacy likewise refers to the act or process by which NGOs and people's organizations demand, defend or maintain a cause before a body of authority that includes among others, the executive, legislative and judicial branches of government. Even if democratic institutions are in place and exercises such as elections exist, advocacy is meant to provide *substance* to the democratic process so that weaker populations could emerge from a state of disenfranchisement. The aim of advocacy is to effect reforms in policies, attitudes and practices. In social movement theory, this approach is often called unreasonable because it insists on changing the structures of the world to serve the interests of the poor.

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Through the freedoms of speech, press, assembly and association, advocacy legitimizes the opinions of those whose power is less in the formal processes of decision making.

**Policy Cycle:** The cycle of a policy refers to the life process of policy, the most political activity viewed from a governmental perspective. Policy is also considered to be highly political by most NGOs, a reason that they engage with government on policy at its various stages – from the making or formulation of a policy, its implementation, monitoring and evaluation, as well as policy reform. Each stage of a policy, which aggregately constitutes the policy cycle, offers an opportunity for reform and therefore, for advocacy.

**Policy Reform:** Policy reforms refer to specific and tangible gains emanating from advocacy initiatives that result in a change in policy or provisions of a policy, attitude, behaviour or practice.

**Policy and Decision Makers:** Policy and decision makers are people in either the executive, legislative or judicial branches of government, and whose opinions and decisions matter in public policy. Whilst they are mostly political, either elected to or appointed to public offices, they also include individuals who have authority by virtue of their positions and responsibilities.

### **Observations and Lessons from NGOs' Experiences in Advocacy**

**1. Advocacy's intended objectives are not necessarily the achieved outcomes. There is often difficulty in defining objectives and target outcomes of advocacy work.**

Not a few evaluations on the outcomes and impact of advocacy have been undertaken by both local and international development organizations. Almost every donor agency that supports advocacy work had at some point, sought an evaluation of the advocacy and its outcomes. Based on these assessments, the bone of contention is often the measure of success. Both donors and local NGOs find it difficult to measure the outcomes and impact of advocacy because NGOs claim that advocacy is a fluid and context-based activity. There are many variables that affect advocacy and that are outside the control of the actors. One of these vari-

ables is the changing political mood of decision makers, which then determines the direction of a decision on a given issue. A change in political leadership, for example, may alter the interpretation of a policy and consequently, of the manner of advocacy on said policy. These factors are difficult to determine and are difficult for advocates to predict at the outset. It is likewise difficult for the actors to set out very specific objectives and parameters, unlike in a project such as health, whose outcomes might be easily measurable in terms of the number of trainees trained or health services delivered, or a credit facility program in which the number of borrowers to target and the total costs of loans to extend might easily be pre-determined.

Because of such difficulties, advocates claim that the achievement of advocacy outcomes may not necessarily correspond to intended targets and objectives. What one aims for is not necessarily what one achieves in the end because of unpredictable intervening factors.

It is common for NGOs to fall short of the targeted outcomes. There is often a lack of clarity of objectives and targets. Clarity refers to realistic measures or indicators of advocacy outcomes that are measurable and specific.

It is often the case that advocacy is intended for high, even idealistic, goals and ends. Some advocacy objectives are broadly stated, almost impossible to gauge and wanting in specific and measurable targets. Often articulated as vision, some advocacy objectives defy measurement. At the end of the activity, debates ensue between the advocates and the donor and among the advocates themselves regarding the targets and outcomes of advocacy.

Another interesting observation about objectives and outcomes is that there are achieved outcomes and impacts that were not targeted at the onset of advocacy.

Advocates should be quick to adapt to changing events and to calibrate the objectives of advocacy based on these changes. Although events quickly change, the fluid turn of events is not an excuse for avoiding objectives and target outputs. Objectives can be defined in specific ways and with measurable indicators. In mid-stream of advocacy activities, it might be necessary to guard against changes and what these might mean to the objectives set by the advocacy. In case of changes,

there should be flexibility in the parameters and objectives – and in such cases, the advocates should promptly inform and level off with donors about these changes.

**2. A common objective of advocacy is general information and education amongst the general public. Often, advocates are not clear about who they want to reach by way of information, education and action.**

A common objective of advocacy is information and education amongst a broad group. Many advocacy efforts inform and educate the broad public, but with little recognition that education is effective if targeted at a particular audience and proposes a precise course of action. Target remains a basic problem of NGO advocacy. Are the targets local authorities? Companies? Congress? Sections of the community? It is often quite difficult to simply state that the general public is the target of the advocacy. The challenge for NGOs is to be more focused and specific in their target group and to offer clearly stated courses of action if they want to mobilize the target groups. For example, if advocates aim to reach medical practitioners and professionals, the language and substance of the information campaign should then be attuned to such groups, and if the advocacy wishes to generate action and support from these groups, the plea for action should then be on possible courses of action that are realistic and appropriate to medical practitioners such as in prescription of medicines. Or if the advocacy is meant to reach consumers, then the course of action should spell out options with regard to purchase, consumption or patronage of medicines.

Impact is gained through clear targeting of a specific group or audience. Different audiences may result in confusing messages and gross loss of impact.

**3. Some good examples of effective advocacy clearly indicate key result areas.**

Some examples of clearly framed key result areas were defined by SIBOL, the Freedom from Debt Coalition and the Tambuyog Development Center as follows:

- a. Passage and adoption of a policy that supports the cause of NGOs (such as Republic Act 8353 redefining “rape” (in SIBOL’s advocacy) or the approval of the debt cap in 1991 by Congress including the passing of resolutions



- supporting the debt cap by provincial boards and city councils (an advocacy by Freedom from Debt Coalition) or the adoption of the Community Based Coastal Resource Management policy by municipal councils (framed by Tambuyog Development Center);
- b. Affirmative execution of existing laws (such as the decisive intervention and affirmation by President Ramos of 100 hectares of the Quisumbing estate in favour of the Sumilao farmers); and
  - c. Generation of communications of support and solidarity from various groups addressed to the Office of the President (such as international support for the FDC advocacy and for the Sumilao farmers' cause).

These key result areas were determined by the advocates in clear and specific measures at the start of the advocacy. It is indeed possible to define the targets and intended results of the advocacy, contrary to what some NGOs claim is difficult, if not impossible, to do.

**4. The focus of NGO advocacy has either been the executive or legislative branches of government, while advocacy has kept away from engagement with judicial issues and the judicial branch.**

Most of the 12 NGOs referred to in the 1997 study engaged the legislature on either the passage or change of policies on certain issues. For example, SIBOL advocated the passage of the Anti-Rape Act, Tambuyog worked hard on the passage of a Fisheries Code that is pro-small fisherfolks, and the anti-logging movement pressed for the passage of a law that would ban log cutting, whether clear-cut or selective.

Another big advocacy target focuses on the executive branch. One advocacy aimed for the reversal of an executive decision that favoured agri-industrialization over agrarian reform.

There seems to be limited engagement by NGOs with the judicial branch. It can only be surmised that NGOs have no familiarity with the courts system, a factor that insulates the judiciary from the public eye. The distance between the judicial system and the advocates is ironic because there are numerous issues that

touch on the judicial system and should merit advocacy. Victims of injustice are mostly poor people who have no access to courts, let alone to fair hearing and trial. The non-implementation or weak compliance with the laws results in gross injustice, most victims of which are the poor. There are many policy issues in which the major problem is the weakness in the implementation of laws and policies. In this regard, meaningful and relevant advocacy lies in the pursuit of policy implementation and in case of implementation failure, advocacy with the judiciary becomes crucial. One such case was the failure of agrarian reform among the Sumilao farm-

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implementation

ers in Bukidnon. With the executive decision that reversed the implementation of agrarian reform, the farmers and their allied advocates eventually dealt with the courts.

Another advocacy issue is consumers' rights. There is flagrant non-execution of policies regarding rights of consumers in spite of policies framed by the Department of Trade and Industry. And yet NGO advocates do not seem to take keenly to these issues. Another problematic area is the maladministration of criminal justice, which NGO advocates seem to have little engagement with as these cases appear less "ideological" or political.

The suggestion of the 1997 study was to build the capacity of NGOs to understand the judicial system and process and thereby enable themselves (NGOs) to deal with the judiciary. At the very least, the intervention of advocates into the judicial realm should challenge the courts' lack of transparency in their decisions as these affect the public in large measure.

##### **5. Access to solid and data-based information is crucial to advocacy work.**

In many instances, advocates have affirmed the importance of information as a tool for advocacy. The Freedom from Debt Coalition (FDC) believes that a successful information, education and support-generation campaign and effective negotiations and dealings with public institutions and policy makers are based upon solid and well-researched arguments on debt issues. The FDC had taken its issues to public officials' attention, to congress, the executive agencies and even to inter-

national bodies and the media because it had arguments that could withstand the queries and discourses of these agencies. The FDC spoke on the basis of well documented data and case studies. The data and well-woven analysis by advocates served as ammunition for advocacy work and were well received by policy makers.

Similarly, the Bukidnon Sumilao farmers' case on agrarian reform was supported by well-researched legal arguments prepared and documented by lawyers and by case studies and testimonies of farmers. Indeed, it is inevitable that research and advocacy go hand in hand. When advocates speak, they must do so with credibility, so that policy makers listen, that media pick up the issue and so that stakeholders respect the advocacy. Advocacy cannot endure with massive but hollow slogans.

**6. The advocacy that creates impact is that which cuts across different tiers of policy decisions – local, national and international.**

Amongst the 12 NGOs involved in the 1997 case studies, two organizations, namely, the FDC and the Sumilao agrarian reform farmers undertook advocacy in a comprehensive fashion. They took up their cause on all fronts, namely, at the national, local (provincial and city) and international levels. The issue on debt and debt management was effectively presented by FDC not only as a daily issue affecting everyone, but also as a national policy concern of decision makers and governments, as well as an issue that cuts between borrowers and lenders on the global front. The multi-tiered advocacy drew in the support and interest of a wide constituency, both inside and outside the country, and established FDC as a role model for advocates in other countries. A positive gain for FDC was that through a comprehensive, multi-tiered advocacy, it enlightened a wide audience and rallied wider support, thereby alerting policy makers to the advocacy issue.

Many other NGO advocates focused only on either the local or national level. For example, advocacy on aquatic reform and coastal resource management was limited to the municipality level, in spite of its potential to connect the issue at the national level. With such a narrow reach, the advocacy tended to miss out on raising the awareness of and mobilizing a good number of potential supporters.

It was also an observation of the 1997 advocacy study that most NGOs tended to generate enthusiasm only at the local level, failing to connect a local issue with a national or international campaign. It is important for advocacy to engender a transliteration of the issue at various levels. A positive example in this regard is the advocacy waged by the FDC, weaving the debt issue and launching the campaign across the national and sub-national levels of government, across legislative and executive, and even judicial branches of government, across national and local constituents and supporters, and across countries in the region and elsewhere.

### **Implications of the Lessons on Advocacy Strategies, Techniques & Implementation**

It is important to lay out the advocacy strategy from the onset. Is the advocacy meant to campaign to a particular audience for the enactment of an environmental policy? Or to urge middle class professionals to take on the housing rights of the urban poor and the homeless? Is the campaign meant to urge target audiences to take direct action? Is it for information and education? Or is it to legislate a policy?

A clear strategy is half of the campaign and advocacy. Techniques and implementation constitute the other half of the work. The following elements are relevant to advocacy and campaign techniques.

#### **1. Integration of information and solid research with advocacy work.**

Data and research-based information are basic and extremely powerful tools in advocacy. Information includes a knowledge of the system and structure of the decision making process as well as of the key actors in decision making. In this regard, an understanding of the bureaucracy and how it works, for example, is important for non-government advocates. Timing of the decisions, calendar of policy activities and the informal processes of decision making are crucial to responsive interventions and negotiations. For example, an advocacy on the local budget would need to be grounded on the budget process, the calendar and schedule of budget preparation and deliberation and the individuals, agencies or units involved in the budget process.

Information and research on the issue are most vital to advocacy. In the case of the FDC, the success of its advocacy hinged on the knowledge and expertise of the advocates on debt issues, including debt management and the economics of borrowings. Enormous data and extensive case studies supported the arguments and stance of the FDC before the executive and the legislative branches and in international forums, thereby gaining credibility and sympathy. Similarly, the testimonies of farmers, their first-hand accounts of the costs and losses to their lives, their households and their gross bondage as a result of the conversion of agricultural to industrial lands and the non-implementation of agrarian reform gained worldwide solidarity and support for the farmers, won sympathy from allies and caught the attention of the public, thereby creating a significant impact and putting pressure on executive decision makers. The use of well-researched and documented data and information gained mileage for the advocates and put the government on the defensive.

In the legislative branch, lawmakers have always looked up to advocates who have strong support for their stance. One of these effective advocates was the Philippine Peasant Institute (PPI), which always spoke with confidence and credibility because of the hard work they put into research findings. Case studies on farmers, agricultural programs and surveys, including policy analysis of public documents, have become respectable sources and references for policy makers who need to expound on the issues of agriculture, agrarian reform and land use. The media have regularly quoted the PPI as an authority on land, agriculture and agrarian reform issues.

The imperative for NGO advocates is to do their homework seriously, namely, to establish their facts, to document and write up their cases and to put substance to their statements. The hard work of the NGOs in research, data-base and information, and documentation has always contributed to a sound and effective advocacy.

## **2. Engagement of academic and technical people in advocacy efforts.**

Research, information and data base for advocacy purposes require the involvement of academics and people with technical expertise. The experts' knowl-

edge and skills on issues are essential to mount a framework for advocacy as well as to substantiate the arguments of the advocates. In the case of the advocacy on the Generic Drugs Act of 1988, medical doctors and pharmacologists were the initial architects of the policy advocacy on generics. Based on scientific studies and their practice, medical doctors staunchly argued in favor of the generics such that policy makers found it difficult to raise effective counterarguments. Similarly, lawyers and legal practitioners armed SIBOL advocates with legal arguments and cases in aid of the legislation on the Anti-Rape Act until it was passed as Republic Act 8353.

**Advocacy is a battle  
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Advocacy is a battle of arguments and counterarguments. It is not only a battle of beliefs and values but also of reasoning, logical coherence and evidence. Academics and experts could be of tremendous help here.

### **3. Working with people who matter in decision-making.**

Official public officeholders make the crucial policy decisions. These individuals include the President, legislators in Congress, executive officials and justices of the courts.

However, there are also those in the “corridors of power” who do not necessarily occupy prestigious and high posts in the bureaucracy, but who, by their mandate and responsibility, are authorized to convene meetings, set the agenda and determine the timing and the procedures of decision making. Among these are the secretaries of legislative committees. Committee secretaries determine the preparedness of committees to meet and set committee agenda and schedules. They can “kill”, delay or “activate” an issue. They are largely responsible for determining who may participate and sit in committee hearings and deliberations. They make the “world go round” in the legislative exercise, and they set the direction of the decision process. In fact, the committee chairs depend on the secretaries for the agenda. It is therefore important for advocates to cultivate these people behind the powers. Rapport with these people is essential, and they should be treated as allies and supporters in advocacy work.

Legislators and other political players are difficult to categorize and label as either “conservative” or “progressive” or as “allies” or “foes”. Their stance changes depending on the issue. A legislator may support a progressive advocacy on one issue, but may fail to do so on another issue. For example, one senior legislator did not share the NGOs’ advocacy on the Visiting Forces Agreement (VFA), but was a staunch ally on housing and urban poor issues. Would the legislator be labeled as “progressive” and an ally or “a foe” in the advocacy? There is certainly no easy answer to this question. Nevertheless, legislators are considered strategic players in the advocacy effort, depending on their access to information, their understanding of the issue and their sentiments.

#### **4. Making crucial decisions at the right time and opportunity.**

Timing and opportunities are important for effective interventions in policy reform and advocacy. When the Department of Health (DOH) advocated the passage of the Generic Drugs Act of 1988 into Republic Act 8755, the leading advocates knew that post-EDSA was the momentous period for such policy reform. There was no other better timing than immediately after the EDSA people power – the new administration was open to reforms in government, people were expected to push for greater democratic space, and legislators were fired with enthusiasm from the EDSA event and so were inclined to support any policy that was pro-poor and pro-democracy. The advocates seized the opportunity for policy change and succeeded in mustering the support of crucial players.

Timing also meant quickness of response from the advocates to events and to media bulletins. This meant responding with timeliness and promptness to public information demand so that when issues such as the debt problem were publicly debated, the NGOs were quick to offer explanations or clarifications on the issue. The tit-for-tat approach was meant to offer a variety of perspectives on the issue and to generate favorable public opinion. Experience shows that NGOs tend to be slow in their response and to have complex, lengthy and sometimes incomprehensible positions on an issue. An underlying reason for such sluggishness is the practice of NGOs to wait for their leaders to issue the ‘official position’. But this prac-

tice then requires lengthy debates and deliberation, including bureaucratic procedures that have entrapped NGOs. The problem of designated advocacy officers to make decisions also contributes to a delayed response. Ironically, advocacy officers are not themselves empowered by their own organizations to make decisions regarding the advocacy issue.

As a result, the NGOs squander the opportunity to be heard, to be visible and to make a mark on the public consciousness.

### **5. Knowing work with media.**

Advocacy seldom succeeds without the thoughtful involvement of media. Media and media relations are both a channel and a goal of advocacy. They are a channel because it is through media that an issue is fairly and effectively amplified and opinions are generated. Without media, information is not made accessible to the public and the articulation of an issue is hardly realized. Media institutions are a valuable resource to advocacy, and not only a tool for heralding an issue. It might even be helpful in constructing an effective advocacy design, strategy and techniques.

Knowing the value of media in advocacy, the advocates should consider media culture – its pace, work habits and demands, particularly with regard to the type of information needed and the style and manner by which an issue is presented.

### **6. Policy cycle as a guide for assessing future policy advocacy work.**

NGOs have always been in search of a guide for measuring advocacy efforts and their outcomes. There have been long discussions and debates on advocacy and on what constitutes an effective measure of impact. Some believe advocacy can be measured; others however, express greater doubt.

In the future, it might be helpful for advocates to adopt the policy cycle as a guide for assessing advocacy and its phases. The policy cycle which reflects the stages and phases of policy is a comprehensive approach to looking at policy. The policy cycle refers to the various stages of policy, from the agenda setting to policy formulation in Congress until it is officially upheld by the Executive, and then on to policy implementation and policy evaluation and assessment. It might be useful to



consider setting targets based upon the stages of the policy cycle or to use the policy cycle as a benchmark for planning advocacy targets and strategies.

### **Conclusion**

Campaign, advocacy and political activities by NGOs in the Philippines have a long and distinguished history of contributing to social reform and public policy. Advocacy continues to have an invaluable contribution to issues that are central to society and its well being. Advocacy also contributes to the formation of public opinion, critical thinking and public action. The cause of advocacy is clear and held highly among NGOs.

The challenge however lies in the formulation of advocacy strategy, techniques, organization and implementation. The strategy asks the questions: What is the cause? Why is the advocacy and campaign being undertaken? Who is the target audience? The techniques involve an array of activities which some NGOs are good at, while other techniques prove ineffective in delivering positive outcomes. These techniques need to be sorted out. An effective advocate is one who combines the traits of a thoughtful academic, researcher and expert along with the commitment of an activist. The lack of traits of one or the other results in a failure of advocacy.

An effective advocate is one who combines the traits of an academic, researcher, expert and activist. The lack of traits of one or the other results in a failure of advocacy.

Finally, it must be stated in this paper that these experiences and lessons are limited to those organizations doing advocacy based upon the 1997 case study. There are other experiences which other organizations have learned in the course of their work and which we can learn from.

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# Afterword: NGOs Face Bigger Challenges

FILOMENO S STA ANA III



The late Renato Constantino once asked: “NGOs: boon or bane?”<sup>1</sup>

NGOs are reputed to be do-gooders. They are, in the main, voluntary organizations doing a wide range of tasks in the public realm.

At the grassroots level, NGOs are involved in delivering goods and services traditionally provided by the state, in creating small-scale enterprises and hence generating jobs, and in building institutions of popular empowerment. Development NGOs are engaged in the advocacy to advance public or general interests—on economic reforms, human development, civil liberties and environmental sustainability, among others. Some are engaged in the production and dissemination of information, knowledge and technology. A few specialize in fostering culture and the arts. And there are networks that help strengthen and bridge human capital. All told, NGOs are in the business of promoting the public good.

Moreover, NGOs, as a component of civil society, contribute to enhancing the system of check and balance in relation to the state. They provide an answer to the question: *Quis custodiet ipsos Custodes?* Who will guard the Guardians? The guarding of the guardians becomes all the more necessary in a society where both state and market failures are prevalent, emphasizing the capture of the former by business interests.

Constantino's daughter, Karina Constantino-David—a well-known NGO personality and at times a reformer within the state—observes that Philippine NGOs wield a significant influence in Philippine society. She believes that, “academe, ideological groups, people's organizations, and, much later, development institutions and agencies, have also been constant and critical components in shaping the public discourse on the direction of the country.” NGOs<sup>2</sup> challenge the dominant paradigm and pursue their alternatives for reforms and social change.<sup>3</sup> Yet she also acknowledges that NGOs are a heterogeneous lot and questions the purposes and functions of some NGOs (1998).<sup>4</sup>

### **Tainted Image**

Indeed, some groups classified as NGOs have gained public notoriety. They have tarnished the clean image of NGOs. Politicians, for example, have used foundations—technically, NGOs—as conduits for laundering money or for keeping political and electoral financial contributions. A damning piece of evidence during the impeachment of Joseph “Erap” Estrada was the set of documents allegedly showing how *jueteng* money amounting to more than PhP200 million was transferred to the Erap Muslim Youth Foundation. Gloria Macapagal-Arroyo also maintains foundations. Recall the admission of Mark Jimenez, a crony of former President Estrada, that he contributed PhP8 million to Macapagal-Arroyo through the Lualhati Foundation at the time that she was the Vice President. It is common knowledge that national and local politicians, even the petty ones, have their own NGOs for money laundering, self promotion and the like.

Corruption is not a rare occurrence in the NGO sector though probably not as bad as in the public sector<sup>5</sup>. Anecdotes circulate about how NGOs or NGO people are involved in corrupt practices. It is surprising that, except for occasional stories from the media, the survey or dissection of NGO corruption in the Philippines is undeveloped in the literature. Aldaba in his essay recognizes the problem, for even he has to cite a foreign study about NGO misdeeds globally and say that the enumeration “looks familiar” and applies to the Philippine situation.

An interesting expose done by *Newsbreak* (Rufo 2002) concerned the alleged misuse of foreign donations and unethical financial transactions committed by the Child Sponsorship Program of the Philippine Children's Fund of America. As a result, this NGO sued *Newsbreak* for libel.

It is not only the "mutant NGOs," as it were, that have made NGOs look bad. Even development NGOs known for progressive causes have not been spared from controversies:

A case of alleged NGO corruption that attracted media attention in the summer of 2002 concerned the mismanagement of the Global Environment Fund for the Philippines. The World Bank is the lead global institution responsible for the allocation of the Fund; in the Philippines, it assigned the management of the Fund, amounting to US\$20 million, to a consortium of 25 NGOs, collectively known as the NGOs for Integrated Protected Areas, Inc. (NIPA). Subsequently, the World Bank charged that some officers of NIPA engaged in deals that violated the conflict-of-interest principle and that NIPA misused grants amounting to approximately PhP500 million (Soriano 2002).

Similarly contentious was the issuance by the National Treasury of zero-coupon bonds with special features (reserve eligibility and tax exemption), popularly called the PEACE bonds, which netted PhP1.4 billion for the Caucus of Development NGOs (CODE-NGO). This was the subject of headline news and editorials in the first quarter of 2002. The PEACE bonds issue deeply divided the NGO community and other civil society groups, with NGOs, academics and the media from the opposing side saying that the PEACE bonds transaction was unsound, from policy, political and ethical perspectives.<sup>6</sup> Some quarters attributed the CODE-NGO's gain from the PEACE bonds to political connections.

Without necessarily passing judgment on the examples cited above, we can nonetheless agree that they serve to underscore the seriousness of the issues and problems that confront NGOs. The said controversies have brought NGOs to intense public scrutiny. Whether such controversies have caused the diminution of public trust for NGOs remains to be seen.

As Serrano stylishly states in his essay, NGOs "are not the saints some of us paint them to be." Thus, even though NGOs are abstractly recognized as both

constitutively desirable and instruments for reform, they should not be placed on the pedestal. To paraphrase Constantino (1989), NGOs have positive and negative aspects, and their role and impact in the process of development should be examined critically.

Still, the disturbing cases of NGO corruption or misbehavior that have been revealed to the public should not negate the basic proposition that NGOs are a vital cog of Philippine development.

It is against this backdrop that the contributors to this volume have tackled some of the critical issues that beset Philippine NGOs. To wit: accountability, transparency and legitimacy (Aldaba and Serrano); internal governance, effectiveness and efficiency; (Aldaba); financial management and sustainability (Aldaba, Fernan and Serrano); and policy reform advocacy and relationship with the state (Co and Serrano).

### **Accountability and Transparency**

NGO accountability and transparency are arguably among the most debatable issues. The editor of *Newsbreak*, Marites D. Vitug (2002), poses a provocative but valid point: “NGOs need to apply accountability and transparency—their buzzwords—to themselves.” It is precisely the lack of transparency and accountability of some NGOs that have made NGOs as a whole vulnerable to the criticisms of NGO skeptics.

NGO critics, especially the politicians, question the lack of legitimacy of NGOs. They argue that NGOs are not accountable to the people whom they profess to serve because NGO leaders are not subjected to the grueling test of elections. After all, elections serve to discipline politicians and to make them accountable (Solon, Fabella, and Capuno 2002). Politicians are motivated to perform well and deliver a necessary minimum of goods in order to get re-elected.

The point about elections as a disciplining mechanism is undeniably correct. However, to overemphasize elections as a device for accountability and to ignore other means is a narrow-minded view, for there are ways to achieve accountability and legitimacy other than elections.

In the first place, it must be emphasized that NGOs are first and foremost accountable to themselves—to their constituents or members. This we can call internal accountability, which requires institutional rules and a motivated leadership that is capable of sound NGO governance and management.

That said, since NGOs are involved in activities in the public realm that affect people outside their constituency and produce spillovers (the externalities), they must be held accountable to society. Hence, NGOs are constrained by laws and regulations and are subject to supervision and monitoring by public institutions. Regulatory oversight enables, or even compels, NGOs to disclose information and analysis of their activities, performance and financial situation. Analysis on the yearly reports submitted by NGOs to the Securities and Exchange Commission (SEC) may prove instructive and interesting.

To be sure, government regulation of NGOs is easier said than done. Philippine regulatory institutions are generally weak. The capable ones, on the other hand, are overburdened, besieged by too many responsibilities and functions. For example, the SEC is one agency responsible for regulating NGOs. But understandably, the SEC cannot focus on NGOs, for this is neither its *raison d'être* nor part of its core competency.

In light of weak government regulation, self-regulation becomes an important mechanism of accountability and transparency (see Aldaba's essay). NGOs in various networks or coalitions have developed their own code of conduct or code of ethics which can serve to deter abuses and misbehavior. The question though is whether the rules are followed and more importantly, whether enforcing mechanisms are in place or set in motion to give teeth to the rules. It must likewise be stressed that the rules should apply evenly to all.

Some of us are familiar with stories about how certain NGOs or NGO personalities violated the code of conduct but got away with this either because of the lack of enforcement or because the penalty or the disciplinary measure is negligible.

A novelty is the creation of the Philippine Council for NGO Certification (PCNC), founded by NGOs and endorsed by the Fidel Ramos administration, which provides a system of accreditation to determine the qualification of Philippine NGOs to receive tax-exempt contributions from private entities. The PCNC

also aims to promote more transparent NGO financial systems. It is run by NGOs, although the Department of Finance and the Bureau of Internal Revenue are represented in its board of trustees.

Aldaba in his essay enumerates the criticisms of the PCNC. An additional point to stress is that the PCNC evaluation can also be compromised by the reliability of information on the NGO being evaluated. It is an example of what economists call asymmetric information, leading to non-optimal or distorted outcomes. Be that as it may, the PCNC has gained enough experience to evaluate NGOs. One common NGO problem it has noted is the inadequacy of financial systems and procedures, including internal controls (Vitug 2002).

Last but not least, the market is a test of NGO accountability. Let me deviate a bit from NGOs and use journalists as an example. Journalists or columnists, like NGO leaders, are not elected by the people, but they can and do speak and write on behalf of the public interest. But do the ideas and actions of, say, Conrad de Quiros lack legitimacy just because he is not publicly elected? Arguably, Filipinos give more respect and attention to de Quiros than to an outspoken *trapo* (traditional politician) in Congress. But the legitimacy is earned—measured, for example, by the number of readers of de Quiros’s column. But the columnist cannot rest on his laurels, for he can lose the public’s faith anytime because of an error or wrongdoing.

The same test applies to NGOs. Effective and performing NGOs receive public support. And the public as well as donors will ignore or reject NGOs that are corrupt, unresponsive, irrelevant and inefficient. In this regard, we return to the value of information, so people can make a sound judgment on the performance of NGOs.

The rejection of corrupt or non-performing NGOs will lead people to turn to other institutions to provide them the goods or services they seek. This is one reason why the pluralism of and competition among NGOs should be seen in a positive light. Furthermore, competition, or just the threat of it, helps create the conditions for NGOs to be accountable, effective and efficient.



Competition and a healthy relationship among NGOs can go hand in hand. Here, we gain from Serrano's insight: "[NGOs] must first recognize what keeps them apart even as they build on those things that bind them."

### **Effectiveness and Efficiency**

The second set of issues that bedevils NGOs pertains to governance, effectiveness and efficiency.

A serious charge against NGOs is that their very nature makes them both inefficient and ineffective. Undoubtedly, NGOs, like any other type of organization, face distinct institutional problems. But these problems do not necessarily render NGOs inefficient *ab initio*. Below are some stylized observations that underpin the argument about NGO inefficiency.

The first is that NGOs lack the mechanisms of accountability and transparency. This paper has responded lengthily to just this point in the preceding section. It is acknowledged that much still has to be done to promote accountability and transparency. But the mechanisms exist, and the problems are surmountable.

The second is that voluntary organizations lack the financial incentives for NGO people to perform efficiently. Related to this is the low pay received by NGO personnel. Surely, material or economic incentives matter. But they alone cannot explain human behavior. NGO leaders, especially, have made a free and deliberate choice to work in voluntary, non-profit or cause-oriented groups, mindful that the compensation is below what the business sector can offer.<sup>7</sup> In other words, they willingly deny themselves the high opportunity wage. It has to be emphasized that NGO leaders and officers are highly trained and highly educated.<sup>8</sup> Hence, they are considered prize recruits by the business sector and the academe.

The value of non-economic incentives should not be underestimated. In the literature, highly respected economists have argued that economic incentives are not enough to explain the behavior and performance of managers or executives (Simon 1991, Akerlof 1991, and Stiglitz 1994). The identification with an ideal, a cause or an objective is a powerful motivation. This identification oftentimes entails solidarity, hard work and sacrifice. And all this is precisely what NGOs have.

Some may be astonished as to some how the mass organizations and NGOs of the radical Left (the so-called “reaffirmists”) have sustained themselves over the years despite facing severe financial constraint in the wake of the withdrawal of financial contributions from erstwhile donor supporters. They have even managed to expand their ranks and to intensify their efforts despite the absence of a revolutionary situation. Without delving into the exact factors that motivate the cadres and activists, one can hypothesize that they are likely non-economic.

In the longer view, the non-economic incentives by themselves are not sufficient to improve NGO effectiveness and efficiency. Aldaba points out the need to increase the compensation for NGO staff though he likewise qualifies that their pay is comparable to that in the public sector. The challenge is to find the complementation of economic and non-economic incentives.

The third stylized view is that the nature of voluntarism collides with the “professionalization” of NGO work. This is actually a myth, for voluntarism and professionalism can go hand in hand. (The cadre party comes into mind. The rules are severe and the organization is tight, but the full-time cadres are driven by voluntarism and commitment.) “Professionalization” refers to the institutionalization and formalization of rules and the systematization of management and financial systems. Nevertheless, the adoption of “professionalization” does not negate the accommodation of informal rules and arrangements. In fact, even in business, informal rules are sometimes the norm—e.g., the experience in China and in other parts of East Asia, where entrepreneurship and investments flourish despite the lack of formal contracts.

Finally, there is the view that NGOs are disadvantaged by their weakness in dealing with market mechanisms and signals. It is argued, for instance, that subsidies (or grants) to NGOs, by their very nature, undermine efficiency. In the same vein, since the goods or services that NGOs provide are subsidized or offered free, the recipients or beneficiaries are not as demanding of the quality of NGO products or services. The flaw in this argument is that NGOs are being measured against the standard of business whose reason for being is to amass profits. NGOs are non-profit organizations; they are engaged in work that is qualitatively different from the profit-seeking activities of business enterprises.

The products or services offered by NGOs resemble the public goods provided by the state. In this light, subsidies are acceptable; in fact, desirable.

One can likewise argue that grants per se do not distort the incentive to perform. The grants serve as a carrot. This, of course, has to be combined with the credible threat of imposing a penalty, including grant withdrawal, in the event that recipient NGOs fail to deliver. The problem arises (e.g., moral hazard) when the grant is not tied to performance or when the carrot comes without a stick.

To reiterate, market indicators are not the most appropriate benchmark to measure the efficiency and effectiveness of NGOs. As an illustration, let us suppose that the mission of the NGO is to promote primary health care among the poor. If this NGO is more concerned about the recovery of cost—thus focusing more on charging user fees—it loses sight of its mission. The NGO thus becomes ineffective in carrying out its mandate. This is not to suggest that market indicators be discarded altogether. In the example above, NGOs can charge fees from those in the community who have the ability to pay.

It is hence necessary to develop alternative indicators that are more sensitive to specific NGO characteristics. Herzlinger (1994), for example, shows how indicators can be developed on the basis of answers to questions that revolve around the following: consistency between goals and financial resources, intergenerational equity, match between sources and uses of funds, and sustainability.

It goes without saying that effective oversight must set up to monitor the indicators. Putting monitoring and evaluation (M&E) systems in place has become fashionable, although this is externally driven—that is, required by donor agencies. This is a welcome development so long as it is principally used for internal learning. The tendency to do M&E just to please donors is harmful since the outcome only serves external demand so that the lessons might not be institutionally absorbed.

Another word of caution is that the M&E should be designed to be as simple as possible. The efforts (as well as the time and money) devoted to M&E should not come at the expense of sidetracking the NGO from pursuing its central mission.

### **Financial Sustainability**

Financing is a serious constraint, and the sustainability of NGO operations is threatened by the continuing decline of development assistance from donor governments and private donor institutions.

The signals are clear. Generous Northern European donors such as Denmark and the Netherlands have either withdrawn or scaled down development assistance to the Philippines. US private donor agencies, known for their progressive or liberal standpoint, have moved out of the Philippines one by one. The decision of Ford Foundation, already an institution in the Philippines, to close its Manila office is perhaps the biggest shock.

The reasons behind declining assistance have become too familiar—donor fatigue, financial losses of private donors, rise of conservative governments in donor countries, reallocation of aid to the poorest or to war-ravaged countries, complications of the war on terrorism, geo-politics, etc.

NGOs must now wean themselves from dependence on external funding. The options, at any rate, are limited. Most sensible is for NGOs to raise their capability to internally generate financial resources. Admittedly difficult, internal generation of financial resources may be the best means to achieve financial stability for the long haul.

But given the existing capabilities of NGOs together with the present state of giving among Filipinos (see the result of surveys in Fernan's essay), it is unlikely that the internal generation of funds would be enough to cover NGO operations, much less ensure financial sustainability.

At first glance, the data from the survey used by Fernan is disappointing: Filipinos are more inclined to give to individuals they know than to organizations. And acts of volunteering mainly take the form of praying, giving advice and lending money without interest. On the positive side though, Filipinos are ready to give and do voluntary work. The high incidence of giving comes as a pleasant surprise, albeit the low amounts given, which is understandably a function of income.

The question is whether NGOs can tap the positive aspects and influence the mode of giving and volunteering. This requires an intensification of information

dissemination and education. Again, this is not easy work, and the gains are not immediate. Some NGOs would rather look for other “creative” means to generate funds.

Philippine NGOs also have a reputation for proposing and effecting innovative fund-raising schemes. The variants of debt-for development swaps discussed in Serrano’s paper have often been cited as examples. These debt-swap schemes, unfortunately, have been exhausted.

Given the above constraints, it is not surprising that NGOs have turned to the Philippine state for funding. National and local government budgets are robust sources of funds for NGO programs and projects in the pursuit of state resources.

The downside of this is that NGOs, especially those who profess to be politically independent, risk co-optation and involvement in partisan and patronage politics.

The lobby to obtain economic or financial gains is legitimate. The danger though is to be sucked into becoming self seeking in the process. Resources and political connections can be and have in fact been used to change or slant rules towards obtaining particularistic outcomes.

### **Advocacy**

The relationship between the state and NGOs is quite complex. The common view is that in the Philippine context, the relationship is oppositional and fractious. Even though NGOs have a heterogeneous composition, they in the main represent and articulate progressive views. The Philippine state, on the other hand, has essentially been perceived (and rightly so) as conservative. The conservative, if not reactionary, forces have had no difficulty neutralizing the weak reformist stream in the bureaucracy and in different political administrations.

Thus, substantive policy reforms, especially those proposed by the progressive groups, are minimal. Even the most popular reforms are undermined—the comprehensive agrarian reform program being the prime example. Hence, the rare instance of attaining progressive policy and institutional reforms becomes a sweet victory. The essay of Co provides insights into how these rare victories happen.

More importantly, her paper distills the lessons from the success stories at the same time that it pinpoints the weaknesses in the advocacy.

Co's paper draws from case studies of the advocacy of 12 NGOs (Co 1999), including the Freedom from Debt Coalition (FDC). I am most familiar with the experience of the FDC, especially during the heyday of its advocacy for the reduction or cancellation of the tainted debt incurred by the Ferdinand Marcos dictatorship.<sup>9</sup>

The FDC experience has been emulated elsewhere.<sup>10</sup> We can draw a number of positive lessons from the FDC with regard to sound national advocacy. I highlight some of the lessons below.

First, an advocacy group must be able to win the support of the broadest segment of society, cutting across the different geographical regions. The NGO (or coalition) advocacy is further strengthened by the participation of other civil society institutions such as the Church (different denominations), the academe and the media. Politicians and policy-makers are more responsive to an advocacy that can mobilize a broad national constituency.

Second, in the case of a coalition advocacy, the organization must respect differences, especially the political and ideological contradictions. The key here is to be clear about the unity on the organization's specific mandate and program. By sticking to the specific mandate, the coalition is able to preserve internal unity. Along this line, the organization has to adopt flexible, even informal, mechanisms and processes to build trust among the members and to respond to complex, fast-changing conditions.

Third, a point likewise emphasized in Co's essay is that solid technical analyses as well as academic studies have to support the positions and demands of the popular struggle. It is here where academics and technicians play a distinct role in the advocacy. The FDC then had a leadership that was composed not only of political stalwarts and cadres but also of noted academics from different disciplines.

Fourth, the seeking of just compromises is a virtue. The formulation of public policy under liberal democratic processes accommodates differing demands. And in a struggle between a superior force and an underdog, the latter has to calculate

which battles can be fully won and which should be subject to concessions and compromises. Flexibility and reasonableness are indeed endearing traits. Maximum demands have to be compromised, without sacrificing the basic objectives and the forward movement of the overall struggle. As Co points out: “Advocacy’s intended objectives are not necessarily the achieved outcomes.”

A final lesson, which is relevant to this afterword, is that the international component of the advocacy also plays a crucial role since many development issues are linked to globalization. To gain headway in the international advocacy, the advocacy group or coalition has to forge a robust partnership with global NGOs or with NGOs in other countries.

It is difficult to measure the impact of NGO advocacy. In the FDC case, the desired strategic policy objectives—e.g., a cap on debt-service payments and a repudiation of fraudulent loans—did not materialize.

And even in the exceptional circumstances that policy reforms were obtained, proof would have to be shown that the gains could indeed be attributed to the NGO advocacy. Kelly (2002) stressed that one cannot find “simple methods” for measuring the performance of NGOs engaged in advocacy. Nevertheless, Kelly identifies the features of effective advocacy which can be used as performance indicators. These include: the legitimacy of the NGO, the clarity of its strategy and objectives, and the strength of its relationship with partners or allies.

But in evaluating policy, one must likewise be critical of the content or substance of the policy that the NGO advocates. A policy adopted by the NGO, regardless of its good intention, is not necessarily the correct or optimal one. Because no one has the monopoly of a correct policy, NGOs must welcome the competition of ideas. “Let a hundred flowers bloom, and let a thousand schools of thought contend.”

NGOs are bound to have different policy positions. Disagreements are fairly common and we accept this as a fact of life.<sup>11</sup> To borrow the famous quotation from Beaumont and Fletcher: What’s one NGO’s poison is another NGO’s meat or drink.

Moreover, some of the disagreements go beyond policy to become debates on paradigms. To illustrate, NGOs disagree on how important economic growth is for

development. The mainstream view is that growth is a necessary though admittedly insufficient condition to reduce poverty. A number of influential NGOs and their personalities, however, de-emphasize the role of growth. Growth, they say, produces inequity and harms the environment.

We must avoid putting a dichotomy between growth and equity. Equity serves as a foundation for sustained growth. It is nonetheless acknowledged that the tradeoff between the two occurs in many instances. For instance, the concentration of public resources on high-growth urban areas can accelerate over-all growth but has marginal impact on poverty which mainly proliferates in the rural areas. On the other hand, while the shift of resources to poverty-ridden areas will have a substantial effect on poverty reduction, this may not immediately translate into a higher growth rate in national output.

Some groups—particularly those associated with deep ecology—have raised serious concerns about the environmental degradation arising from rapid growth. For environmental reasons, they prefer low growth to high growth. We cannot deny a real tradeoff between high growth and ecological protection. Growth requires the further exploitation of primary resources. Yet growth is necessary to attain poverty-reduction and other development goals. Hence, the optimal balance between growth and environmental concerns must be found at the same time that the tradeoff between the two must not be grossly exaggerated.

Advocacy for general public interests is far less controversial since society at large benefits. Co and Serrano provide some examples of such advocacy: environment, justice and human rights, and consumer welfare. These are undeniably public goods.

NGOs that promote narrow interests are more vulnerable to criticism. We should bear in mind the distinction between public interests and particularistic interests. Generally, business lobby groups are more oriented towards serving the latter.

A final point is that national reform advocacy is enhanced by having solid allies in the government. Especially in a situation in which the party system is weak and progressive political parties can at best win a handful of seats in Congress (through the party-list system of representation), NGOs are understandably drawn into poli-



tics. They support personalities, usually from their ranks, who would become part of the ruling administration.

Complications arise when the regime co-opts the NGOs or worse, “bribes” the NGOs (e.g., easy access to state resources, appointment of NGO leaders to high-paying posts in state enterprises, etc.) in exchange for political support.<sup>12</sup> Any NGO has the right to support politicians or an administration. The NGO that opts for this, however, should be transparent about its political bias and drop the pretension of political independence. It cannot then be credible in performing the civil society role of “guarding the guardians.”

### **Conclusion**

This volume has tackled some of the most critical issues and challenges confronting Philippine NGOs. The survey and analysis of issues are far from complete, but we hope the volume can serve to stimulate rethinking and to push forward the debate among NGO practitioners and policy-makers on these critical issues.

The afterword is an attempt to consolidate and highlight the main issues, namely: accountability, transparency and legitimacy; NGO governance, efficiency and effectiveness; financial management and sustainability; and advocacy and NGO-state dynamics.

As Serrano observes, the questions facing NGOs and the bigger civil society “are not new,” but these questions still “beg for answers.” A forward-looking view, without contradicting Serrano, is to situate the NGO challenges in the broader context of Philippine society’s transition. The transition in society also affects its institutions, including the NGOs. The incremental but cumulative changes in these institutions, in turn, would influence the direction and shape of society’s transition.

Perhaps NGOs have reached a crossroad after so many twists and turns in a long historical journey. It is then not just a question of NGOs doing better on all fronts. The main challenge is for NGOs to blaze new paths that can bring society closer to a higher level of development and democracy.

## Notes

- 1 This was the title of Constantino's column in *Philippine Daily Globe*, 16 May 1989.
- 2 I define NGOs in the way the United Nations uses the term—a generic term that covers many types of organizations (e.g., people's organizations and coalitions) that exist separately from the state and the business sector.
- 3 Also see Aldaba (1993) on the role of NGOs in the movement for social transformation.
- 4 For instance, she has a category called "mutant NGOs," which include government-run and initiated NGOs (GRINGOs); business-organized NGOs (BONGOs) which are used for narrow ends like tax shelters, and fly-by-night NGOs (COME N'GOs).
- 5 I use then term "corruption" in a liberal sense. The commonly accepted definition of corruption is the "abuse of public office for private gain."
- 6 Aldaba and Serrano mention this controversy in their essays for this volume. See Debuque (2002) for a comprehensive analysis of the issue on PEACE bonds.
- 7 Note, however, that a few NGOs such as corporate foundations, donor NGOs and locally based international NGOs can match the compensation rates in the business sector.
- 8 This, for instance, is shown in the survey data used by Aldaba.
- 9 The author served as the FDC's secretary general from its founding Congress in the first quarter of 1988 until the first quarter of 1996.
- 10 Indonesian NGOs, in the aftermath of the fall of the Soeharto dictatorship, formed the *Koalisyon Anti Utang* (KAU), literally translated as Anti-Debt Movement, which is patterned after the FDC.
- 11 A fine example is about tariff protection. The Fair Trade Alliance, a coalition of NGOs and some business groups, supports the protection of the cement and petrochemical industries. Other groups such as Action for Economic Reforms have opposed this, arguing that the social costs of the protection exceed the benefits. Another interesting debate is about the effectiveness of minimum wage as a tool to protect the welfare of workers. The debate pits reform-oriented economists and policy cadres against organized labor. It is, of course, to the interest of the trade unions to have a legislated minimum wage. On the other hand, the policy cadres and some academe-based NGOs argue that in a situation of high unemployment and underemployment, the legislation of minimum wage, while beneficial to the organized workers, hurts over-all employment as well as the welfare of the unorganized informal workers and the unemployed.
- 12 Conrad de Quiros has time and again written about this in his columns. Former Cabinet official Ernesto Garilao has said in several conversations with the author that NGO favoritism and NGO partisanship became evident during the Ramos administration and was more pronounced under the Estrada and Macapagal-Arroyo administrations. Hence, we see the rise at different periods of pro-Ramos, pro-Estrada and pro-Macapagal-Arroyo NGOs.

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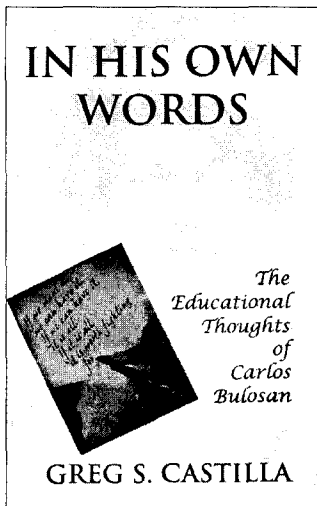
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## Two Book Reviews

In His Own Words. The Educational Thoughts  
of Carlos Bulosan By Greg S. Castilla  
Naga City, Philippines: Ateneo de Naga  
University Press, 2003 168 pp.

BY PAZ VERDADES M. SANTOS



*In His Own Words: The Educational Thoughts of Carlos Bulosan* is a book based on Greg Castilla's dissertation for a PhD in Multicultural Education from the University of Washington in Seattle in 1995. In it, Castilla, a graduate of Class '66 of the Ateneo de Naga High School and Ateneo de Manila University in the early '70s, draws parallels between Bulosan's vision of society and the principles of multicultural education.

Not all dissertations deserve publication in book form, but this one certainly does, and for many reasons. It is of value to scholars of both education and literature in the Philippines, for Castilla deploys theories

in education to read the work of Bulosan. He likewise uses literary texts and a method of literary criticism to unveil an educational ideology.

Castilla's summary of issues in multicultural education, his conceptual framework and his methodology inform as well as guide education students. Multicultural education may seem to be primarily a concern in North America, Australia and Europe, where immigration is a social issue. But multicultural education is also important in the Philippines, a country which exports a big chunk of its population to the West to support families back home and keep the Philippine economy afloat. It is this Filipino diaspora which could be the eventual beneficiary of a non-racist, equal, free and just system preached by Filipino-American writer Carlos Bulosan and the gurus of multicultural education. Furthermore, the Philippines is also multicultural,

though it does not seem so, dominated as it is by a monocultural power structure of Catholic elite based in its northern islands. Multicultural education, or education that considers cultural pluralism and diversity with the end of eliminating inequalities in society, is certainly not irrelevant in this poor, war-torn country.

For Bulosan scholars, Castilla's review of literature, references and methodology in the two appendices provide a good overview for those who would embark on yet another study of this controversial Fil-Am. For example, Castilla calls attention to studies of Bulosan by Zabala and Alquizola, aside from those by Epifanio San Juan Jr. and Susan Evangelista which Philippine academics are familiar with. Summaries and highlights of the works he reviews are helpful information for teachers of Philippine literature, many of whom teach a poem or a chapter from Bulosan's novel.

Even for scholars of the Filipino diaspora or those studying other Filipino writers, the method of content analysis should be helpful.

The meat of the book is in the third chapter, "Betrayed by His Own Dreams." Castilla uses Bulosan's own words to show that American society in the 1930s was racist, corrupt, dehumanizing and economically unjust. However, Castilla points out that despite this grim scenario, Bulosan remained optimistic that people would eventually be free and racially equal.

The question that readily comes to mind after reading this chapter is this: Have things changed since Bulosan's time? My own perception, based on media and friends in the U.S., is that not much has changed essentially. Racism seethes below the surface, boiling over internally through discrimination of "ethnic looking" Americans (especially Middle Eastern-looking ones post 9/11), and to explode abroad as in the US invasions of Afghanistan and Iraq. All the other ills of American society pointed out by Bulosan also continue to exist, for if not, why then the continuing passionate struggle for multicultural education?

Castilla presents in counterpoint the ideology of Bulosan and the theories of multicultural education in the last two chapters. He shows how Bulosan's ideas on education are a "conceptual progenitor" of multicultural theories. It is not too difficult to see the pedagogical principles in Bulosan's writings nor to summarize the tenets of multicultural education. However, focusing on the pedagogical implications of Bulosan's works, and linking these with multicultural education in what

American professor of Ethnic Studies Rick Bonus calls “deft innovation and analytic braiding” is this book’s contribution to scholarship.

The context of Castilla’s book may be America, but the issues of race, ethnicity, class and gender are all too familiar in the Philippines. Reading it may also make Filipinos reflect on whether education in the Philippines is what Bulosan calls the “filth that the culture-mongers teach in the schools [with] Books that are written by the cultural procurers of the ruling class.” (Castilla quoting Bulosan, p. 122) Hopefully not, but when school administrators insist on Harvard or Yale curricula, syllabi, books etc. in the Philippines, I tend to think so. I also tend to think this when I see that Philippine minorities are either absent from or misrepresented in our books and classrooms.

Therefore, though Castilla’s book caters to academics in the U.S., it is also worthwhile reading for those in Philippine government for insights into what type of education and society we must map out for the Philippines.

However, from my viewpoint as a teacher, the book’s best audience in the Philippines would be other teachers, for they then would have another source for educating this generation of aspiring OFWs taking Physical Therapy, Nursing or Caregiving on the truth about the “land of the free and the home of the brave.”



#### SUSAN EVANGELISTA

The idea of **multicultural education** is rather new to us here in the Philippines, and not something we pay much heed to, although we have been celebrating Ramadan with a school holiday throughout the country since 9/11, and elementary school textbooks make occasional reference to the Chinese among us. Maybe we think we don’t really need to consider multiculturalism, as we are more homogenous than, say, American society. On the other hand, we do have profound class differences, and we too are in a situation where a rather limited class controls what goes on in schools — course offerings, syllabi, etc. So perhaps the multiculturalists do have something to say to us after all.

**In His Own Words**, Greg Castilla's new and very interesting book on Carlos Bulosan offers us an original reading of Bulosan, based on how he would relate to present-day multicultural educators. Bulosan was, of course, bicultural in his own right, spending his childhood in Binalonan, Pangasinan, and then immigrating to the United States to function as a field worker, labor organizer and writer for the rest of his too short life. He had to negotiate between two or three cultures — white or sometimes Japanese management, and Filipinos or Mexicans, or black or white workers in labor work. His books — notably **The Laughter of my Father**, and **America is in the Heart**, were read, in translation, in cultures around the world.

Castilla's book starts out detailing Bulosan's "take" on American society, which he found to be racist, unjust and unequal, but which he still felt had some sort of democratic spirit or vision. Bulosan felt, then, that there was hope, that there was a reason to continue the struggle for justice and equality. Castilla then takes a look at the theories of multicultural education of six particular writers, and discovers that they share Bulosan's view of society, including the hopefulness that the democratic vision can be attained. The theory is in fact rooted in the interface between inequality and vision, just as Bulosan's writing was. Castilla then focuses, perhaps too briefly, on the terms of the struggle for both Bulosan and the modern movement for Multicultural Education.

The theoretical backing of multicultural education seems sound enough; it suggests the necessity for an educational plan that deals with a tremendous variety of complex issues: i.e. Castilla points out that an Asian American male student, in assessing his own position in society, would have to recognize that while he is of an often victimized racial grouping, he is also a member of the dominant gender group and may be from the dominant economic class as well. It isn't simply the good guys against the bad guys.

Yet one of the multiculturalists points out that knowledge "is always created and influenced by the social-class position of individuals and groups," and another reminds us that education in America "primarily reflects the perspective and points of view of the victors rather than the vanquished." (Castilla, 122) This presumably means that few school boards or administrations will willingly embrace



multicultural education, and therefore, a great deal of strategizing must be done to make way for this system.

And this brings to mind two earlier educators, Neil Postman, author of **Teaching as a Subversive Activity**, and Paolo Freire, author of **Pedagogy of the Oppressed**. Both were excellent strategizers, although neither was actually faced with an unwilling school board. Both, however, theorized from premises that the multiculturalists would no doubt support.

Postman theorized that to remain healthy, a society **must** have its internal critics — much like the friendly opposition of the British parliament — and since all other governmental institutions are hopelessly conservative and backwards looking, the school system is the only hope. Students, he postulates, must learn to think critically about everything that goes on in their lives. Postman suggests topics, courses, readings and includes long transcripts of actual classroom conversations in which high school students grapple with problems of justice and fairness and goodness. Postman's students make their own classroom rules, and decide how to deal with violations. They generate their own "problems" for investigation and more or less set their own curriculum. Their teachers must be open, willing to learn, willing to let them lead in new directions. The book was a run-away best seller among educators, so there must be some teachers to whom this appeals. Postman did not concern himself with the inevitable flak that such teaching might evoke from administrators and perhaps even parents.

Freire, of course, did not work within the school system but among peasants and workers, teaching literacy along with liberation. He postulated that the oppressed had to liberate themselves by **naming** the world, discovering their own truths. His method of teaching reading through meaningful syllables, starting with FA - VE - LA or slum, and leading learners into discussions of their own lives and meanings, the whys and wherefores of their oppression, is known to many and was particularly popular among the anti-martial law activists of the 70's.

Bulosan was probably closer to Freire, as he taught in the fields and in the canneries, asking Filipino workers and sometimes Mexican, white and black American workers, to figure out their own truths, to credit their own experiences and to

generate their own actions. One can only wish that he had left transcripts like Freire's so modern readers could see how these conversations went.

Bulosan's own writings would be extremely useful in a multicultural classroom, as they deal with an immigrant experience, an outside view of a rather rugged America. Many students other than Filipino would be able to identify equally well with these experiences, or with their modern counterparts. Racism, for instance, is something that has changed in form over the years — at least it is no longer illegal for Filipinos and whites to marry — and it would be very stimulating to get an interracial high school class to document racism as **they** experience it.

Bulosan also has two stories that deal rather directly with education, both of which Castilla discusses: "**As Long as the Grass Shall Grow**", and "**Be American.**" The first deals with a young, idealistic white teacher who does literacy work with the Filipino farm workers until she is literally beaten up and run out of town by vigilantes. Unfortunately, she doesn't have too much time to process these experiences with her students, but readers must suppose that they get the point. The other story deals with an immigrant named Consorcio who arrived in the U.S. full of enthusiasm for learning, determined to go to school and become a citizen. He bought books and tried to go to night classes, but he couldn't read the books and often had to work nights — and found out later that he was racially ineligible for citizenship anyway. So he involved himself in the labor movement and over years of struggle, educated himself in a much more valuable sense. At the same time, while struggling for the dream of equality, he became a **real** American in the most idealistic sense.

What wonderful teaching tools these stories might be!

So there we have it. For anyone who is interested in the Filipino experience in the United States, and the Filipino contribution to the struggle for true democracy; for anyone who is dedicated to education as a tool in the struggle; and for anyone who simply wants a fresh new reading of Carlos Bulosan, Greg Castilla's book is well worth reading. It is productive in all these directions.



## ABOUT THE AUTHORS

FERNANDO T ALDABA is currently the Asia Research and Advocacy Officer of the Catholic Institute for International Relations and Associate Professor and Chairperson of the Economics Department of the Ateneo de Manila University in the Philippines. He is also a Senior Research Fellow of the Ateneo Center for Social Policy and Public Affairs and currently the research adviser of the Ateneo School of Government. His research interests include governance (decentralization, transparency and accountability, civil society participation), development and labor economics (micro-credit programmes, unions and industrial relations, child labor, poverty issues, labor migration).

His varied work experiences include stints in the NGO/civil society sectors, private sector and the academe. He was formerly the Secretary-General of a coalition of labor federations (1986-87), the Lakas Manggagawa Labor Center and a coalition of development NGO networks (1990-1993), CODE-NGO. He was also deeply involved with research and community extension work for the Ateneo de Manila University for more than 15 years as Director of the Center for Community Services (1988-90) and the Center for Social Policy and Public Affairs (1993-2000).

EDNA E A CO has a doctorate in Public Administration from the University of the Philippines. She is Associate Professor at the National College of Public Administration and Governance, University of the Philippines. Before joining the academe in 1993, Edna had a long engagement with development work in various capacities, through different non-governmental organizations, here and abroad. Her work with non-governmental groups inspired her to look at advocacy initiatives and policy reform.

Her research interests range from citizenship, political engagement and participation of the youth, democratization, policy advocacy particularly on health and health-related issues, and civil society's role in public policy. Her latest article on civic service and citizenship will soon come out in the *Global Service Inquiry*, a publication of the Global Service Institute, based in Washington University at Missouri. She serves as consultant to local and international development organizations. Edna is presently doing research on the *Sanggumiang Kabataan*.

SUSAN EVANGELISTA has had a major academic interest in Carlos Bulosan and other Filipino-American writers for many of the 30 years she taught in the Ateneo de Manila. She has now retired to Palawan, where she is still teaching, but has turned to writing *with* Filipino-American writers instead of *about* them through the medium of an Internet writing group.

RAMON L FERNAN III works as a researcher for the Philippine Nonprofit Sector Project, a pioneering research effort mapping the basic contours of the non-profit sector in the Philippines. He is currently engaged in a study of what volunteering means for Filipinos and is producing a video program on the topic. He has worked for a number of nonprofit organizations and NGOs, dislikes working for the government, is an advocate for the environment, and rides his bicycle 15 kilometers daily to the office.

PAZ VERDADES M SANTOS is a Literature professor at the De La Salle University and has a doctorate from La Salle, an M.A. from the Ateneo de Manila University, and an AB from the University of the Philippines. She was also a Fulbright Fellow at the Columbia University in 1991. Her longest teaching stint was at the Ateneo de Naga University where she headed the Department of English and Development Communication. She is the author of *Hagkus Twentieth Century Bikol Women Writers* (2003).

ISAGANI R SERRANO is Senior Vice President and Board Member of the Philippine Rural Reconstruction Movement (PRRM). He describes himself as a community organizer, educator, writer, guitarist, 'farmer' and political prisoner for seven years during martial law in the Philippines. He is trained in education and literature, community organization and development management and holds a Master of Science in Environment & Development Education (MSc in EE/DE) from the South Bank University-London.

FILOMENO S STA ANA III is the coordinator and co-founder of Action for Economic Reforms, an advocacy group that tackles macroeconomic and governance issues. He also serves as a Trustee in various national and international non-governmental organizations.





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## Doing Good and Being Good: Aspects of Development NGO Governance in the Philippines

FERNANDO T ALDABA

Development NGO governance for the purpose of this paper is defined as the processes and structures by which these organizations try to fulfill their vision and mission towards the promotion of social and human development. These would encompass management and personnel practices, financial management and reporting, networking and partnership arrangements and project and program implementation. Development NGO praxis characterizes good governance by the following:

- Social Development and Public Service as Key Mission
- Transparency and Accountability
- Participatory Management and Decision Making Processes
- Effective and Efficient Implementation of Programs and Projects
- Participatory and Consultative Processes in Program and Project Implementation

## Giving and Volunteering among Filipinos

RAMON L FERNAN III

The Philippine Nonprofit Sector Project is an effort to map the nonprofit and civil society sector in the Philippines and to understand the phenomenon of altruism among Filipinos as expressed in their giving and volunteering behaviors. Do Filipinos give to charitable and other non-profit causes? Do they volunteer for such causes? To what specific causes are these resources now directed? What are the prospects for increasing these resources over time and broadening the causes that they support? This paper expounds on the results of the project's study of the giving and volunteering behavior of Filipinos and what this implies for the sector in terms of raising local resources.

## Struggling for Sustainability

ISAGANI R SERRANO

The Philippines offers a rich contextual backdrop for considering important regional and global issues related to civil society and development. Emerging trends in Asia and the Pacific, to say nothing about trends worldwide, may be read from changes happening in Philippine economy, society and politics.

Civil society in the Philippines is by no means a boring lot. It is a very dynamic society that has seen major social upheavals and five regime transitions in the last 15 years of the century just ended. People power revolutions have been an outstanding manifestation of such dynamism. True or not, the 1986 people power revolution in the Philippines was supposed to have inspired subsequent people's revolutions in Eastern Europe.

## Non-Governmental Organizations and Advocacy: Lessons and Prescriptions for Policy Change

EDNA E A CO

This paper deals with NGOs and their core efforts to contribute to policy reform through advocacy which is a highly political exercise and virtually synonymous with policy reform. It is through advocacy that non-governmental organizations (NGOs) invariably articulate their perspectives about a policy issue, insist on their viewpoints, negotiate with policy and decision makers and showcase a good project or activity for replication and sustainability. Advocacy is also a venue by which to compete with various stakeholders for resources and resource allocation. This paper is a discussion on how NGOs conduct their advocacy and the lessons learned from these experiences. The paper also points to the direction for future advocacy work and the challenges that might go with it.