

Institutional Convergence Framework for Local Poverty Reduction Programs

Final Report

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PART ONE: FRAMEWORK FOR INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTING LOCAL POVERTY REDUCTION PROGRAMS

INTRODUCTION

Poverty and the intensity and extent of its incidence are multidimensional, particularly in developing countries. Its definition varies from place to place, while its indicators change over time. For some, poverty is a condition equated with hunger, vulnerability to debilitating illness and lack of shelter. For others, it means lack of jobs, an insecure future, or unavailability of basic services. Regardless of how it is defined, however, poverty translates to powerlessness, loss of freedom and limited productive choices. All in all, it is a dehumanizing condition.

The gravity of poverty and its consequences and manifestations are not new to those who have been engaging and grappling with them. Studies on poverty issues have been numerous. Programs and projects have been designed, formulated and subsequently implemented by the academe, the Philippine Government, the civil society and their partner international development institutions over the years. But up to now, not a single universal model or paradigm has evolved that can be applied to practically all poverty circumstances. This is because poverty situations and circumstances have always been unique to specific indigenous milieus. Given this, specific and unique solutions and approaches need to be developed and applied.

Under the *trickle down* model, pump priming the economy for growth is seen as an appropriate way to address poverty problems. This model assumes that as economic activity expands, per capita income increases. This supposedly brings economic benefits to all members of society. Over the years, however, it has been noted that despite growth in gross national product (GNP) and per capita income, the disparity in terms of income distribution has remained extremely wide. This condition is most apparent in developing countries where a very large majority of the population continues to suffer from hunger, debilitating physical conditions and other forms of deprivation.

In an attempt to address the limitations of the *trickle down* model, a new model was aptly suggested – the *basic human needs* model of development. It advocates a holistic approach to poverty alleviation and reduction. As a result, poverty has been redefined as “the inability to meet the minimum income needed to purchase the basic caloric intake needed to preserve human life (ADB: September 1999, p. 4).” Since human needs go beyond food, other dimensions of poverty such as lack of access to education, health care, nutrition, water, sanitation, income, employment and wages become part of poverty assessment studies to draw out applicable anti-poverty strategies. Moreover, this model promotes development efforts geared to meet these needs by providing important and significant services, interventions and initiatives that directly empower the poor.

While it can be said that the *basic human needs* model is far more superior to other models, many have opined that it fails to consider that human beings are not merely preoccupied with economic and material deprivations. Poverty also involves the erosion of multifaceted aspects of

wellbeing, including: (i) good health and disposition; (ii) the ability to exercise one's rights and to live a life of personal dignity; (iii) the freedom to make economic and political choices; and (iv) the opportunity to participate in decisions that affect their lives (CIDA; see also Jentsch, p. 5). The absence of or inability of some people to enjoy these conditions is generally equated with poverty.

Going Back and Setting the Stage for More In-Depth Discussion of the Poverty Issues

Development economists have been struggling to discover development models that will address poverty plaguing particularly developing economies. Their efforts are complicated by the tendency of economic problems facing each developing country to be individually unique such that a successfully implemented development model in one economy cannot be easily replicated in another. For instance, there are social and political structures that are exclusive to a developing economy that require formulating and designing very *specific* interventions germane mainly to the indigenous development problems being addressed. This requires clear attention and focus on existing structures that inhibit the economy from achieving growth objectives – structures that must be altered and changed so that meaningful reforms can be instituted to achieve momentum toward sustained economic growth and development.

The task is awesome and there are no simple solutions. Economists can propose short-term solutions hoping to generate certain economic benefits to immediately arrest deteriorating conditions. But long-term prospects of sustaining these initial benefits must also be included in the developmental program to make the intended initiatives far more encompassing and preclude the economy from sliding back to initially discouraging circumstances.

Economic problems always reflect certain clear and unmistakable manifestations of poverty. When the incidence of poverty becomes severe, it imperils economic stability and further worsens social and political distortions. Poverty is also an *encompassing phenomenon* that cannot be engaged by simple and tentative initiatives. Engaging it requires a lot of intuition and imagination, especially on the part of concerned stakeholders. The extent and degree of poverty problems are adversely far-reaching, capable of not only stunting long-term economic growth prospects but also the resolve of economic agents confronting its sheer weight and magnitude.

Poverty must be addressed with one thing in mind: it requires the cooperation and collaboration of an interdisciplinary, committed and devoted core of experts, specialists, and individuals and institutions. These stakeholders will be tasked to craft and design an encompassing program that will attack poverty in all its dimensions. If the war against poverty could not be won, the extent of poverty must at least be significantly reduced. That would, in effect, already constitute a considerable measure of success for long-term, sustained economic growth and development.

A. MULTIDIMENSIONAL APPROACH TO POVERTY

Despite strong efforts to confront the consequences of poverty by direct economic policy actions, often the results are not so encouraging. This is because other noneconomic factors that have direct bearing on why poverty persists are not considered, factors that are seemingly immune to direct economic policy initiatives and tend to make the problems more ingrained and deeply-

seated. It is important, therefore, to craft more comprehensive initiatives and policy approaches that are multidimensional in character. Poverty must be engaged at all fronts, sometimes simultaneously if the objective and aim are to significantly reduce its extent.

The following are the different dimensions of poverty:

1. *Economic Dimension*

Poverty must be viewed as the inability of certain individuals to have access to economic resources and opportunities such as land, technology and employment opportunities. These are basic requirements that make individuals economically productive. They are also means to ensure survival.

Take the case of landlessness, poor technology or lack of employment opportunities. Landlessness deprives individuals of the basic source of sustenance because it is from land where food and other economic opportunities are derived. Poor technology, on the other, limits and restricts individuals to subsistence endeavors and prevents them from producing a certain amount of necessary *surplus* that allows them to have command over other goods, commodities and services they do not produce. The lack of job or employment opportunities limits their potential to grow and defray basic expenditures required to realize a decent standard of living, compelling them to be dependent on the good will of others and diminishes their self-esteem and self-worth.

2. *Social Dimension*

The social dimension of poverty is very much related to its economic dimensions. For instance, access to basic education is necessary to enhance the competitiveness of individuals. The need to survive compels them to effectively compete for scarce and limited opportunities that are available in the market. Education is also necessary so they can effectively perform their assigned tasks with skill and dexterity. The lack or even the absence of skills as a result of poor access to educational opportunities makes them inefficient and uncompetitive. In the same manner, individuals with poor health or who have limited access to health care are bound to become less productive. Their ability to assimilate and absorb new skills and technologies and their capability to perform articulated tasks are impaired.

The lack of access to these basic human needs constrains individuals to take on jobs or undertakings that are not financially, psychologically and emotionally rewarding and tends to diminish their self-esteem and confidence. The consequences of these on society are persistent social problems such as prostitution, drug addiction, increase in the incidence of petty and heinous crimes, unsanitary conditions, irreparable damage to the environment, malnutrition, medical and health problems, and illiteracy.

3. *Political Dimension*

The political dimension of poverty excludes or prevents the poor from participating in decision-making and capacity-building processes. This is aptly referred to as the process of people *disempowerment*. It results in unstable governance structures, a prostituted electoral process, and

graft and corruption becoming an accepted societal norm that affect direly the stability of the macroeconomy in the long-term.

It is most difficult for government to push socioeconomic reform programs and projects when its political structures are unstable. This, in turn, dampens investor confidence, especially when there is also perceived peace and order problems. Experience has consistently shown that when investor confidence is low, private investment spending is also low, causing the national output and income to contract and unemployment to worsen.

4. *Ecological Dimension*

The acute need to generate whatever livelihood opportunities, especially in rural areas, cause the poor to draw upon dwindling natural resources, leading to their severe exploitation and the wanton and irreversible destruction of the environment. Bayot (1999), in one of the papers he wrote about the link between poverty and the environment, opined:

“Without any doubt, the extent and degree of poverty existing within a defined settlement will have an effect on the state of the environment. . . . The poorer the majority of the population, the more chances that the environment will be degraded, if not irreversibly destroyed. We need to understand that the poor have little choices, especially as far as their survival needs are concerned. In cases when extreme poverty exists, one cannot expect the poor to properly balance their priorities. In a situation where life or death situations are practically at stake, a natural human response is to use whatever means available in order to survive. The destruction and degradation of the environment is expected to happen when there seems to be no other choice left other than to sustain life.”

For the environment to be spared from continuous and ruinous attacks, the extent of poverty in any community must first be effectively reduced. This is a necessary condition for the sustainable utilization of natural resources. If this objective is not realized, the poor will continue to recklessly draw upon these resources and cause irreversible damage to the ecosystem, thus, in the long-term, perpetuating poverty.

5. *Cultural Dimension*

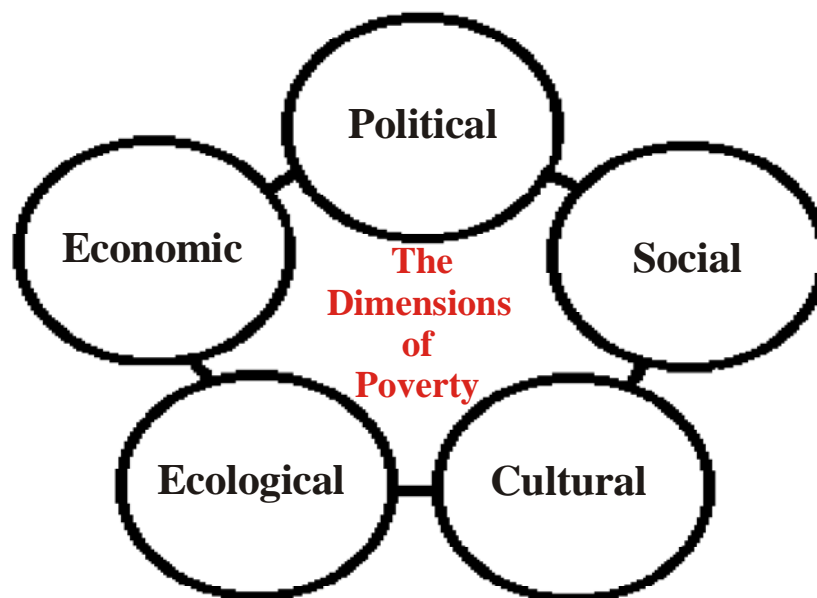
Support of concerned stakeholders needs to be earnestly mobilized to assist the poor in overcoming poverty. The interventions they provide must not be construed as mere *dole-outs*. The projects must be sustainable once they are turned over directly to the intended beneficiaries so they can be self-reliant. However, there are instances when beneficiaries cannot set aside individual interests in favor of collective ambitions. There is a strong propensity to disregard the common good so that programs and projects become unsustainable in the long-term.

It is unfair, however, to simply blame apathy, self-interest and the recklessly wasteful behavior of the beneficiaries as the main reasons why programs and projects fail. Those who are tasked to implement them also share in the blame. Some are not motivated nor technically skilled enough to implement them, particularly as far as transferring skills and technologies are concerned.

Others are driven by vested interests. There are also those who simply do not care what the outcome will be as long as programs or projects are implemented according to schedule.

National government bureaucrats, local government employees and even local executives, who are supposed to be at the frontline in implementing and monitoring these programs and projects seem unable to provide leadership and elicit the right kind of cooperation required to deliver the services needed by the poor. The absence of accountability mechanisms has been a major factor on why implementers can always bend or distort aims and objectives to suit their own vested interests and concerns, plaguing many programs and projects with so much graft and corruption. Unless beneficiaries and implementers change attitudes, mindset and outlooks, beneficial gains will not be sustained.

Figure 1



B. POVERTY REDUCTION AND ECONOMIC DEVELOPMENT

To address poverty, the poor must be provided, first and foremost, with basic human needs. Interventions must be such that they allow them to: (i) adapt to their harsh social and economic environments; and (ii) develop their social awareness and consciousness that predispose them to learn new life-sustaining skills to improve and increase their productivity.

The above propositions, however, are not expected to generate instant and immediate miracles that automatically raise the welfare and wellbeing of the poor to a higher plane. The key is the capability of the economy to create jobs – jobs that are not seasonal in nature but secure and permanent jobs that guarantee the poor relatively higher and sustainable level of incomes.

Creating jobs is not an easy task. The availability of employment opportunities is a function of the state of economic activities in a specific locality. Jobs only become available and abundant when, for example, firms have a greater demand for labor inputs. The theory is: Job creation depends on the consumers' extent of consumption spending and the firms' investment spending. When consumer demand is high, this sends the appropriate signal for firms to increase their output and production. Increasing output, in turn, requires new investments. These new investments, subsequently, generate new jobs. As the demand for labor increases, so are incomes.

These activities must be sustained and form necessary backward and forward linkages¹ that will accelerate the extent of productive activities and open more jobs, normally referred to as the “spill-over” effect.

However, the opening up of employment opportunities does not necessarily imply efficient utilization of labor inputs nor job security. Ensuring job tenure depends on the people's general attitude toward work. Those who are in need of secure jobs must be prepared to change attitudes and imbibe new progressive work values consistent with the demands of new working environments. They must be prepared to take responsibility for their fate, open up to new and progressive ideas, and learn to adjust to new production techniques and processes even if they can sometimes be alienating.

C. THE NEED TO ENHANCE COMPETITIVENESS

Poverty alleviation and reduction programs require an environment where the competitiveness of individual members of society is sufficiently guaranteed. This is another form of people empowerment, especially for the marginal sectors, that aims to improve their productive capacity. Improved productivity, under this scenario, is a function of the individuals' competitiveness. This may well be defined as their ability to rise above mediocrity.

There are four different levels where competitive enhancement takes place:

¹ Forward and backward linkage measures the relative “importance” of the industry in the whole economy. The *backward linkage index* measures the relative effect of the change in final demand for the column industry on the total output in the whole economy. On the other hand, the *forward linkage index* measures the relative effect of the change in final demand for all industries on the output of a particular industry.

1. *Individual Level*

In economic terms, the individual is society's most basic human capital. This capital is the one who directly innovates, creates, builds and produces goods and services required by society. The individual is expected to transform basic ideas and concepts into desirable and useful economic goods. The lack of access to even basic education and required health services prevents an individual to develop the necessary skills and talents required for more articulated tasks. It would be difficult for him/her to take on a rigorous work regimen required for increased general output and productivity.

Providing the individual basic human needs, resources and opportunities enables him/her to become more competitive. This kind of competitiveness brings with it employment and income-generating opportunities that are gainfully and financially rewarding.

2. *Firm Level*

The firm ranks next as an institution whose competitiveness must also be enhanced. It is the locus where the skills, talents and potentials of individuals are put to good use, harnessed and exploited to produce goods and services needed by society. Its stability, competitiveness and economic viability depend on the kind of skilled workforce it employs, among others.

However, firms need other support services or mechanisms to enhance their competitiveness. Having a skilled workforce alone does not guarantee its capability to effectively compete. Cases in point: Firms must have easy access to capital. They must be able to take on new production techniques or technologies to significantly drive down production costs. They must be assured of a steady supply of raw materials. The political structures must be stable enough so they can plan and implement their strategies on a much wider business horizon. Firms compete in both local and foreign markets. If they are not competitively enhanced through these support mechanisms, they are not able to generate local employment opportunities, much less provide higher wages for their workers.

3. *Local Level*

Individuals and firms are situated in localities where they conduct economic activities. The economic environment present in these localities and the available opportunities determine their economic potentials and prospects.

To economists, good gauges of a locality's economic dynamism are: (i) its ability to attract local and foreign investments; and (ii) the availability of economic resources and investment capital. These conditions create jobs.

Localities have to compete with each other to attract investments. This competition motivates localities to set up needed physical facilities and infrastructure to encourage investors to come in. Moreover, there are noneconomic factors that determine or characterize the suitability of localities as investment havens. Social services must be available and the peace and order

situation must be reasonably stable, among others. There should be dynamic and development-oriented local government leadership.

4. *National Level*

With the advent of trade liberalization and globalization, competition takes on a new and complicated dimension. While it is true that foreign markets can be opened up for domestic exports, imported goods and services can also swamp the local market. Unfortunately, developing economies will always be disadvantaged by unequal trade that has a debilitating effect on domestic incomes and employment.

Competition at this level, if not carefully addressed, will tilt the trade balance in favor of rich countries. To deal with the situation, the skills of the labor force must be developed and enhanced. Human capital must be truly imbued and permeated with new and progressive values and attitude toward work. As far as firms are concerned, new technologies must be assimilated because production costs must be efficiently managed to maintain competitiveness. The macroeconomic fundamentals and sociopolitical structures must be made stable and secure as they determine the ability of the national economy to survive and compete.

Since it would be quite impossible to prevent imported goods and services from entering the domestic market, some painful dislocations may be expected to take place. Firms producing the same goods but not as efficiently as their foreign counterparts will simply fold up. This can worsen economic distortions and cause poverty to exacerbate.

Thus, government and the private sector must vigorously link up with each other and identify production areas, undertakings or endeavors where the economy has comparative advantage. The capabilities of these so-called *niches* must be developed and built up to preclude the terms of trade from truly deteriorating on the part of the disadvantaged economy.

D. THE NEED FOR POLITICAL STABILITY

Many economists assert that it would be almost impossible to strengthen economic structures when the corresponding political structures are unstable. Bayot (2000), studying the investment function, discovered that under certain situations and conditions, investments may no longer be a function of simply the interest rate, as posited by traditional theory, but rather by certain noneconomic factors that clearly influence the microeconomic behavior of investors. Bayot said:

“Investment may not, obviously, be simply predicted by the interest rate. Managing the interest rate, as a monetary tool, may have become a useless and futile exercise in the face of other far more interesting variables, which, we contend, seem to really influence firm behavior especially during certain abnormal episodes. On these occasions, investors seem to adopt extreme measures to insulate themselves from perceived or real risks or uncertainties. Absurdly, investors are, somewhat, likened to cattle being herded sometimes by mere rumors to allocate or re-allocate their investments from one country to another, from one region to another regardless of the macroeconomic fundamentals obtaining in a host country.

Some analysts would even go to the extent of saying that before, say, foreign investors make a decision whether or not to invest, they first consider the political, then economic conditions prevailing in a prospective investment destination. If there exists some sort of political instability, it follows that economic policies will have to be assumed to be, likewise, unstable and uncertain.

Investor confidence will be reflected on an overriding paramount decision parameter. The political and economic conditions must be stable on an extended period of time so that investment programs can be designed on a much stable and somewhat prolonged investment horizon, which would permit and accessibly allow the recovery of investments implanted.

We noticed in our investigation that risks and uncertainties brought about by political instability have a direct negative and/or inverse effect on capital formation. This factor invariably has a way of really influencing investor behavior.”

E. SOCIOCULTURAL CONSIDERATIONS IN DESIGNING AND IMPLEMENTING POVERTY REDUCTION PROGRAMS

The following considerations should be given attention in designing poverty reduction programs:

1. Definition and Characterization of Poverty

One of the basic considerations often neglected in designing poverty alleviation programs is how the condition of poverty is conceptualized. Poverty, as a social phenomenon, is multifaceted and contextual in nature. Its manifestations vary at different levels of analysis. Poverty looks different when viewed at the macro level compared with how it is articulated through household relations and experienced at the personal level.

Bringing in the notion of wellbeing highlights the differential access and allocation of opportunities (resources, power and influence) and obstacles among different sectors of society. This, in turn, produces a hierarchy of social positions even among the poor themselves. Focused and qualitative microstudies of the poor and marginalized sectors of society strategically conducted by NGOs, specific government agencies and academic institutions underscored this. Moreover, in formulating anti-poverty approaches, they indicated the need to examine the everyday lives of the poor – how they are excluded from access to power and resources, how such process of exclusion and marginalization is normalized, and how the poor themselves cope and respond to these.

Poverty can manifest in the forms of:

1. Shortage of basic physical requirements for decent survival
2. Disadvantaged or marginalized economic and social position in society
3. Exclusion from critical processes shaping or determining one's life as a member of society

4. Powerlessness in directing, averting or influencing key decisions, issues and actions of both government and the private sector directly relevant to one's urgent and basic needs

Lack of access to resources forces the poor to endure affronts to their personal dignity and to give up part of their rights and freedoms as price of human survival. One of the ill effects of poverty is the low self-esteem of those afflicted by it. Having no regular incomes, no assets and lack of control on means of earning income, *ill-being* becomes associated with certain behavior and mindsets. These include having many children, lacking in skills, unwillingness to work hard, being worrisome, having disabilities, always borrowing from one source to repay another debt, dependency on others, and loss of faith in God. Taking these into consideration, Mukherjee (1999) defines poverty as dispossession of material assets and access to material benefits that promote psychic and spiritual deprivation as well.

The characterization of poverty as a multifaceted phenomenon calls for a poverty reduction approach that is targeted (i.e., directed towards specific sectors), holistic and integrated. Korten (1987) refers to this as *people-centered development*. This framework requires a broad set of indicators that cover not only income and access to basic needs but also the more qualitative aspects of wellbeing such as human dignity, people empowerment and participation in decision making.

From the perspective of people-centered development, it is presumed that the poor themselves are the most reliable source of information about their experiences and needs. This is attested by Kerkvliet's (1990) study in Nueva Ecija where it was illustrated that rural folks constructed their hierarchy of class and status based on material goods and social relations. Following this, it can be surmised that the participation of the poor themselves in defining poverty and well-being is thus as crucial as their involvement in formulating and carrying out poverty reduction efforts (Racelis-Hollnsteiner, 1979; Racelis, 1999).

In addition to this, poverty reduction programs should consider that the poor are not homogeneous in terms of characteristics. Rather, there are varying categories of the poor and the basis of their differentiation is not limited to economic indicators alone. It should be acknowledged that some poor groups are rendered more vulnerable than the others by virtue of where they live or their environment, their social conditions or their status, ethnicity, occupation, and age, and their political participation or level of organization.

In terms of location, it is noted that the poor in the Philippines are predominantly found in rural areas. However, urban poverty cannot be considered less of a problem since it is observed to be getting more severe in recent years. In 1996 alone, about 35 per cent of the Filipino poor were discovered to be concentrated in Metro Manila. Projections also indicated that by the beginning of the 21st century, one out of two people mired in absolute poverty will be found in the urban areas of Asia (UNCHS: 1996: 29, Table 11). This is in light of the phenomenon of rapid growth of urban population coupled with mass rural-urban migration. As people flee the farms due to poverty and other push-pull factors, the poor living in urban areas also grow in number. Moreover, since only few of the rural migrants own assets such as land or have access to funds, job skills or opportunities to training, they are less equipped to survive in an urban milieu. These, in turn, increase pressure on the living conditions in urban slums and settlements.

Poverty can be linked to ethnicity and religion. This is evident even in terms of the regional distribution of poverty. The civil war in Mindanao, in fact, has been largely attributed to the deprivation experienced by Muslims and other indigenous people in the area.

Poverty also has its gender dimension as it is observed to afflict women more than men. The deprivation experienced by women is not limited to material aspects such as lack of income, assets, food, nutrition and health care alone, but also in terms of nonmaterial concerns like social status and power. Women-headed households, for example, are more likely to experience poverty. In rural areas, women face fewer employment opportunities than men while in urban areas female household members experience disparities between their inputs to and benefits from household survival strategies.

The poor's access to survival and productive resources is also largely affected by their ability for concerted efforts to lobby and assert their rights. For the most part, the unorganized sectors of the poor are most vulnerable to abuses from dominant groups who take advantage of the inefficiency of their technologies (as is the case of the fishers whose boats and fishing gears limit their abilities to fish in open seas), lack of market linkages, access to support services such as credit, and the neglect of public officials and bureaucrats. Being unorganized, they cannot articulate their interests nor represent themselves in venues where the state mediates and makes decisions on what policies reflect public good.

2. Social Exclusion

Within the context of people-centered development, the focus of poverty reduction should be to enable the poor to gain access to resources that could allow them to survive and at the same time harness their creative potentials. Generally, however, societal and institutional processes exclude certain groups from full participation in the social, economic, cultural and political life of societies (Narayan: 1999, p. 4). Social exclusion is thus closely related to “capability poverty” – the deprivation of real capacity to do valuable things or to achieve valuable state of being (Sen in ADB/b 1998, p 2). It involves restrictions imposed on the outcasts or marginalized groups that lead to cultural alienation, loss of self-respect and self-worth, violence, family breakdown and social isolation.

Social exclusion is relative, however. It occurs in a particular society at a particular time and place. It requires certain individuals or groups (i.e., an agent or an agency) to do the excluding. Moreover, it is dynamic in the sense that exclusion is based not only on the current situation of the excluded but also on the future prospects of their self-improvement (Narayan: p. 4). Social exclusion can also be active and passive depending on the deliberateness of the intention of agents and agencies involved. It is active when policies are aimed specifically to exclude certain groups of people from having access to basic services and productive engagements as in the case of indigenous people forced out of their ancestral lands to give way to development programs intended to benefit urban dwellers. Thus, it is important for poverty reduction programs to be sensitive to the different stakeholders at play in the community and the extent by which certain efforts can lead to the exclusion of some sectors of society. In general, certain sectors in society are automatically disenfranchised on the basis of specific attributes like gender, age, physical

attributes and occupations. Women, children, the elderly and the physically impaired are particularly prone to social exclusion.

Part of the considerations, therefore, that need to be made in relation to making decisions as to which groups should be prioritized for assistance and support is the determination as well of their economic, social and political costs.

At the national and local levels, social exclusion are manifested through differences in terms of (i) social status; (ii) allocation of power and resources; (iii) access to basic services like health and medical services, education, housing and credit; and, (iv) levels of participation in political and social events. However, social exclusion is most real in the experience of everyday life – within households and at local communities – and is usually reinforced by state policies, cultural practices and the mass media. At the household level, social exclusion is manifested by the distribution of resources, responsibilities, power and authority among household members. Poverty afflicts the children the most. Child workers, for example, have to work at an early age, risking their lives and health, to help in sustaining their families. In the process, many have to drop out of school, which reduces their chances of a better future.

Not all occasions of social exclusion are deliberate, however. At times, it comes about from social processes that do not apparently or directly attempt to exclude (Sen: p. 2-3). Disenfranchisement of some sectors of society sometimes occur even during times of economic prosperity, particularly when it occurs under conditions of increasing social inequality. One form of passive exclusion is *economic marginalization*. In the Philippines, it is observed that sectors involved in the direct extraction or utilization of natural resources through the use of traditional technologies are the most prone to this. Most of them, like the artisanal fishermen, upland farmers and workers in antiquated quarrying and mining sites and indigenous people are from rural areas. They share three things in common: (i) lack of access to and control of resource bases that are further eroded by natural calamities such as typhoons, floods and volcanic eruption; (ii) geographic locations that isolate them from the rest of the country; and (iii) an already subsistence level of existence.

Due to their preoccupation with material survival, these people could not also participate in community activities nor take interest in issues beyond the concerns of their families and friends. Thus, they are not likely to link their personal problems of survival to larger issues such as the role of community organizations and government agencies in development (Porio: 1990, p. 5).

Lack of participation in governance leads to further disenfranchisement. Indigenous people, for example, find themselves displaced or driven away from their ancestral domains to give way to roads, dams, geothermal plants, resort development and military camps usually initiated or sponsored by the state. Tenants and small plot cultivators, on the other hand, are pushed out of their farming grounds by competition and mechanization brought about by industrialization and farm modernization. Miners find themselves not only out of work when antiquated mining sites are closed or depleted but also face health and environmental hazards due to unprocessed mine tailings. Without being able to air their concerns and express their protests to appropriate policy-making bodies, these groups find themselves displaced and dispossessed.

Others push their natural ecosystems to the limits to survive. Due to the dwindling volume of fish catch, for example, small fishers are compelled to resort to fishing methods such as dynamite and cyanide fishing that are destructive to marine ecological balance. Upland dwellers cut trees illegally or clear mountain ranges of forest cover to plant rice and other crops. By pushing these ecosystems to the limits, however, their poverty situation worsens.

In the urban areas, urban informal slum dwellers are evicted or systematically eased out of their homes to give way to roads, business establishments or housing projects for the middle and upper class groups. Those in the informal economy are discriminated against, often harassed by authorities and not accorded the legal and business benefits available to the legal and more formally established commercial establishments.

Given all these conditions, it is crucial for any poverty reduction strategies not only to identify and address the vulnerability of the poor, but also to address the roots of their exclusion and marginalization.

3. *Resiliency and Coping Mechanisms as Means of Social Inclusion*

While it is crucial for poverty reduction programs to understand and address the social exclusion and vulnerability of the poor, it is also important to draw on the strengths of the poor. It is interesting to note that despite the adversities that they have to contend with, they are able to go on with their everyday lives. Perhaps, due to the need to cope and survive the harshness of life, they develop capabilities to harness limited resources at their disposal and seize whatever opportunities are at hand. Such capacity to deal with obstacles, constraints and lack of institutional support depict their *resiliency*.

Resiliency mechanisms employed by the poor can range from the mildly adverse to strongly adverse forms. Mild forms of resiliency mechanisms include, among others, adjustments in consumption and savings, increased work efforts, migration (domestic and international) to obtain higher-paying jobs, and changing their utilization of social services such as education and health care (Knowles, Pernia and Racelis 1999: p. 49-50). At the extreme, poverty resiliency strategies could involve victimization of others (e.g., theft, drug peddling, etc.), destruction of natural environment and ecosystems, and commitment of petty crimes and delinquencies. Generally, however, these extreme forms of adverse resiliency mechanisms are committed as actions of last recourse, usually under conditions of desperation and lack of alternatives.

Another factor which needs to be considered in designing poverty reduction programs is the poor's access to *social capital* – norms and social relations embedded in society's social structures that enable people to coordinate action and achieve desired goals (Narayan: 1999, p. 6). Unlike economic capital that focuses on access to means of production and consumption, social capital is relational. It is based on people's relationships with others that could be harnessed to their advantage (Portes 1998 as cited by Narayan).

In most cases, the poor's ability to survive adverse conditions and their construction of resiliency mechanisms depend on their access to either bonding social capital or relationship among each other and bridging social capital or links to groups with access to influence and resources. Since

many excluded or marginalized groups lack access to formal security membership, they rely heavily on informal social capital for survival. At times, social networks extend to groups with access to resources and power. Such ties are tapped in times of needs under the principles of reciprocity. In the Philippines, the family structure is the most important source of social capital, as it provides the individual's cushion against the adverse effects of poverty. It is the most reliable source of bonding social capital. Through the cooperation of all household members, resiliency mechanisms are devised and negotiated to maximize the abilities of the household to cope with and survive adversities.

Access to social capital maximizes people's abilities to be creative in addressing their needs amid conditions of adversities. This is also where they draw support and strength. Poverty reduction initiatives thus should not undermine social capital but rather capitalize on its features that facilitate social redistribution. However, it should also be kept in mind that at the extreme, traditional social networks and norms could also contribute to the perpetuation of the *status quo*. Those who belong to social networks with ready access to resources and influence are most likely to ensure that they retain measures of control over their lives by virtue of their ability to participate in social processes (Narayan: 1999, p. 5). Here, the role of government in leveling the playing field by promoting policies that equalize opportunities is very crucial.

In promoting access to social capital, poverty reduction programs can facilitate *social inclusion* – the process of promoting equitable access to economic and social benefits of development. It is on this that state and civil society cooperation in implementing poverty reduction programs is most crucial. Lessons derived from the experiences of Asian economies indicate that among the factors that facilitated their development was their government's efforts to equalize social opportunities for majority of their population by prioritizing basic services such as education, health and asset redistribution. East Asian countries also gave priority to agricultural extension, credit and market infrastructure that, in turn, enabled small investors to compete with the more organized capitalist sectors (Oxfam: 1997). These are not enough, however. Successful poverty reduction programs elsewhere also indicated that listening and learning from the experiences of the vulnerable groups as well as the efforts to engage in dialogue with their constituencies on the latter's home turf maximize the possibilities of success. In the Philippines, this is proven by the experience of General Santos City where relocation had become a festive rather than a conflict-ridden occasion largely through the mayor's openness and responsiveness to the recommendations of her urban poor constituents (Racelis: 2000, p. 5).

4. *Phases of Capacity Buildup*

Assume that basic human needs have been provided. Now there is a need for beneficiaries to undergo capacity buildup. This attempt is conceptual in character and it is possible that certain other important phases may be left out in the subsequent discussion.

1. It is important to devise an accurate targeting mechanism to exactly identify the marginalized sectors in the community whose welfare is proposed to be upgraded. When talking of the marginalized sector, it is necessary to consult with people who belong to the sector that needs immediate attention and help. If the targeting mechanism is flawed,

resources earmarked as forms of interventions may be unduly misused, negating the real aims and objectives of the programs or projects.

2. After the beneficiaries have been effectively targeted, the next phase is to prepare the ground to develop or build up their social awareness and consciousness. This is absolutely required to change deep-seated traditional values that have impeded the social and economic transformation of targeted beneficiaries. As earlier discussed, beneficiaries are made to actively participate and cooperate by *organizing* them. That way, self-interests are clearly ceded in favor of the common good.
3. The next phase is the process of skills upgrading and the transfer of progressive technologies intended to directly improve their productivity. This phase can also be referred to as the process of capacity and confidence buildup. One of the aims and objectives of poverty reduction programs and projects is to make the beneficiaries self-sufficient and self-reliant in the long-term. That way, programs and projects are effectively sustained even when implementers have already turned over the projects to the beneficiaries.
4. Usually, these programs and projects are employment-generating undertakings and designed to provide livelihood opportunities to the beneficiaries. They can serve as an incubation institution that can evolve into small and medium scale firms and be connected subsequently by way of forward and backward linkages to much bigger firms. In view of this, it is important to follow through their progress to ensure that they continue to grow and expand.
5. As the beneficiaries become more exposed to a new progressive environment and as their capacity is being constantly built up, their skills and talents are also upgraded. They become more confident and open up to progressive ideas. It would be natural to expect that as these improvements occur, the incomes of beneficiaries also increase.
6. The final phase is the actual turn over of the management of programs and projects to the beneficiaries. By this time, they are supposed to be prepared and ready to assume self-sufficiency or self-reliant status.

F. PROVIDING THE ENABLING ENVIRONMENT FOR POVERTY REDUCTION PROGRAMS AND PROJECTS

Poverty reducing interventions at the micro level would be extremely difficult to sustain if the macroeconomic environment is not favorable to or supportive of the welfare gains being sought at the micro level. This enabling environment is important to sustain development and business activities that augurs well for improving the labor generating capacity of the economy.

The enabling environment may not immediately impact on poverty reducing objectives but rather provide the necessary conditions that support initiatives and interventions at the micro level and sustain growth and development in the long-term. Below are its features and characteristics:

1. At the Micro Level

At the micro level, programs and projects aim to elicit social awareness and consciousness among targeted beneficiaries. Value formation and individual and group capacity buildup are also sought. They constitute the social component and should be complimented by an economic component, namely: (i) skills upgrading that is accomplished by the direct transfer of new production techniques and technologies and training; and (ii) provision of direct assistance packages in the form of credit and capital, inputs like production equipment, raw materials and other resources directly required in the production process, marketing support, and storage and handling facilities, among others.

2. At the Macro Level

Interventions at the macro level are two-pronged: monetary and fiscal. They provide the enabling environment to sustain social and economic gains generated at the micro level. On the monetary side, the interest rate must be maintained at a level that induces more investment spending. The exchange rate must be maintained at a certain level so as not to cause domestic prices to increase. The money supply in circulation must be just enough to preclude the buildup of inflationary pressures. On the fiscal side, government expenditures must be at a level that increases economic activity. However, this level must not cause government to embark on borrowing that could later enlarge the budget deficit. Tax rates must be maintained at levels that do not constrict consumption expenditure. Fiscal incentives must be provided to investors so they can start or expand businesses.

G. DEVELOPING A CONVERGENCE FRAMEWORK FOR POVERTY REDUCTION: A GOVERNANCE CHALLENGE

It is not easy to provide initiatives and interventions to targeted beneficiaries. Situations are such that: (i) beneficiaries have to be provided certain forms of assistance and support packages to uplift and upgrade their welfare; (ii) they have to be organized so that the delivery of assistance packages can be deliberately concentrated and focused on achieving efficiency; and (iii) the assistance requires various stakeholders involved in poverty reduction programs to closely coordinate and collaborate with each other so that intended goals and objectives are realized. In this regard, their roles, functions and mandates must be clearly specified and defined so that overlapping responsibilities are avoided. While stakeholders have their own basic operational or organizational interests, these may be subsumed under a convergence framework so they can closely coordinate their efforts and endeavors.

1. National Government Agencies (NGAs)

Policy direction and coordination must be clearly given by concerned NGAs tasked to oversee the implementation of poverty reducing and alleviating programs and projects. This direction must clearly identify the particular aims and objectives of any program and project and how to achieve them. The NGAs must also clearly outline the collaborative framework that defines specific roles and mandates of all stakeholders involved in the implementation. They must provide technical assistance and convey its mode and approach.

Funding is another area of interest for NGAs where they coordinate, seek assistance and initiate efforts so that the programs and projects can be funded and financed. Efforts are exerted to tap into the reservoir of financial resources made available by international aid agencies. The NGAs also generate funds internally or in conjunction with other government agencies.

2. Local Government Units (LGUs)

LGUs are government's front liners in its fight against poverty. They are clearly mandated to be the main implementers of poverty reducing and alleviating programs and projects. They also provide technical support services and financial assistance to targeted beneficiaries and all other grass root organizations involved in these programs and projects.

The 1991 Local Government Code mandates the LGUs to provide assistance to POs and NGOs to carry out socially-oriented, economic, environmental and cultural projects (Chapter 4, Sec. 36). In cases when the LGUs exercise strong political will to implement this, the poor are able to influence decisions that affect their lives. However, this should be complemented by the NGOs as representatives of civil society, taking on the responsibility of organizing the poor so they can build enough social capital to lobby for policies that support their needs and interests.

For example, the strong political will of an LGU was clearly manifested in Mercedes, Camarines Norte. It provided policy direction and material and logistical support to build up the institutional capacity of the local fisher organization, the Inter-Island Management Council (IIMC). It spearheaded the *bantay dagat* volunteer program to prevent commercial fishers from encroaching on municipal waters.

This laudable intervention provided the fishers the initiative and motivation to participate in policy deliberations, particularly at the municipal level. However, this would not have been possible if the fishers were not organized with the assistance of the Institute of Social Order (ISO), an NGO operating in the area. The support provided by the NGO proved to be psychologically empowering for the fishers as this truly reinforced collective undertaking. This reflects the observation that an increased sense of personal potency has recursive, positive effects on the continuing struggle for more power (Friedman, 1992: 23). The more successful their collective activities are, the more the poor strive to do something to increase their power.

3. Community Based Organizations (CBOs) / People's Organization (POs) / Cooperatives (COOPs)

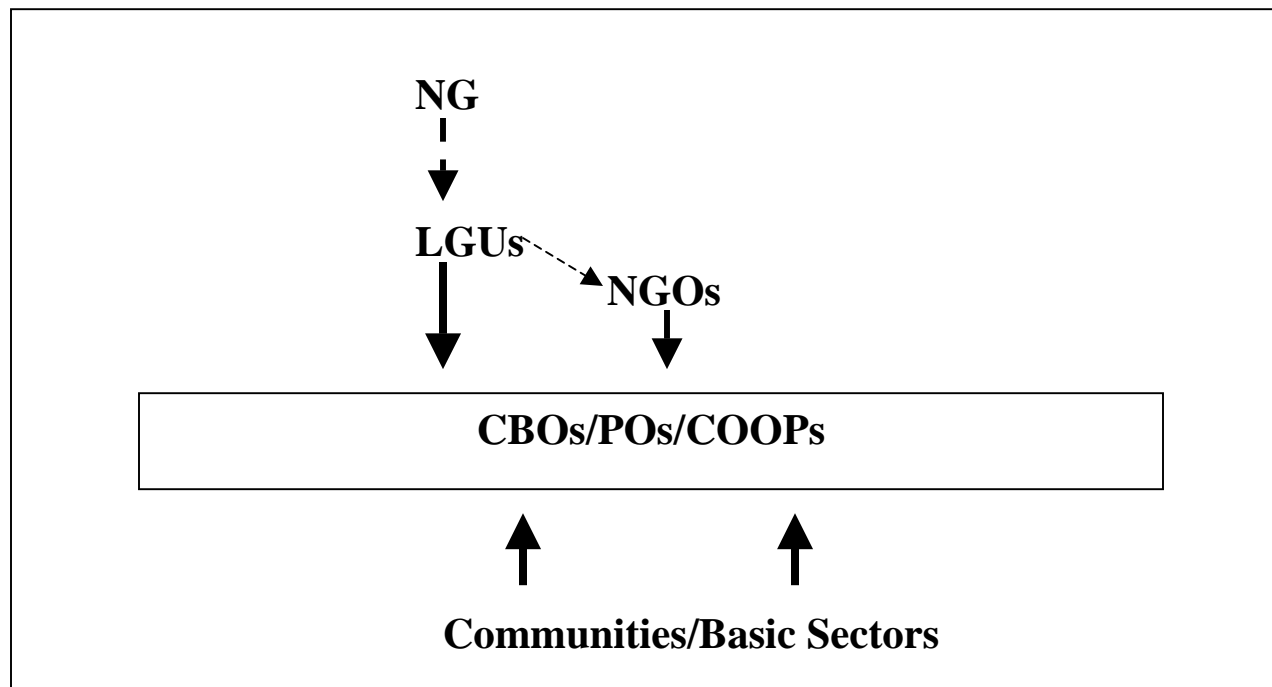
These organizations perform very crucial and important roles and functions in directly empowering beneficiaries, communities and basic sectors to participate in various governance

activities and endeavors such as planning, implementing, monitoring and evaluating programs and projects; capacity buildup in needs assessments; and project and financial management. They need values formation and education and training in leadership and financial and project management so they can participate in the design and implementation of projects. They need to acquire technical, financial and management skills to maintain and operate infrastructure built under the project. In many cases, they also need financial assistance that can be provided by the national government through the LGUs and by the LGUs themselves. The NGOs can also provide capacity building and training activities, even financial assistance, for the LGUs or for other donors, illustrated in Figure 2.

If community participation in project design and implementation is to be real, the community must be organized so it can be empowered to actually participate in a genuine and meaningful way. If there are already existing organizations, they can be utilized and given the necessary training. If there are none, then one will have to be created in a manner attuned to the local culture. Most importantly, “there must be an explicit, adequate financial commitment to popular participation. Goodwill is not enough.” (Cernea, 1985)

Figure 2

Convergence Framework for Poverty Reduction



4. Nongovernment Organizations (NGOs)

There are NGOs that are most effective in transacting, negotiating, linking and networking with other concerned stakeholders so that programs and projects can be conceptualized and funded. They act occasionally like investment bankers who link fund donors with intended beneficiaries.

Through their extensive network of contacts, they are able to link concerned stakeholders with beneficiaries. These NGOs, adept in project designing, are termed as *transactional* in orientation.

There are also NGOs that are more comfortable in implementing pro-poor programs and projects. They specialize in directly building up the institutional capacity of CBOs, POs or COOPs. They conduct training programs on all aspects of the project cycle and various ways to ensure sustainability. They provide leadership training and values formation so that community or organization leaders may exercise their leadership for the common good. They have a definite timetable for their work in the community and aim to leave the community with a working and sustainable organization after a certain period. They also undertake monitoring and evaluation activities that determine whether or not the goals of the program and project are realized. This kind of NGOs may be termed as *transformational* in orientation.

The NGOs can also facilitate social inclusion. Their role is crucial because they are familiar with the characteristics and profiles of the poor. They are able to facilitate the organization of beneficiaries into self-managing and autonomous democratic groups that can articulate views and decide on actions that provide them with some sense of control over their future. They also assume the role of development intermediaries by positioning their resources in relation to a target system in such a way that it accelerates the learning of organizations that comprise that system (Korten, 1987, p. 149). As development intermediaries, they can assist in the redistribution of survival and productive resources to the poor. They should always keep in mind that the ultimate objective is to organize and capacitate CBOs/POs/COOPS so they can sustain programs and projects even after donor funding is used up.

As the acknowledged leaders of civil society, the NGOs can provide check and balance to government. With their association with the church, their concern for moral reformation and the restoration of professional ethics in government service, and their technical knowledge and skills, the NGOs can assume the roles of monitors of development programs. On behalf of the poor and the marginalized sectors of the Philippine society, the NGOs can make sure that transactions concerning the utilization of funds allocated for poverty reduction programs are undertaken in a transparent manner. They can also track the delivery of public goods and services, ensuring that these reach their intended beneficiaries on time and in accordance with specifications. More importantly, the NGOs can pinpoint bottlenecks and provide recommendations to government agencies concerned on how program implementation can be improved. Recent experiences of civil society's external monitoring of the KALAHI-CIDSS program indicate that such involvement of the NGOs actually promote people's involvement and facilitate transparency in decision making and service delivery.

A strong cooperative and collaborative partnership has to be fostered among all stakeholders to maximize social inclusion. This partnership provides the foundation for intersectoral and multilevel linkages in program implementation. Government accountability, transparency, technology transfer and democratization of decision-making process have resulted in areas where such partnership exists. At the same time, the sharing of expertise and experiences between the NGOs and the LGUs has led to a better understanding on how to successfully implement pro-poor programs and a reciprocal partnership. For one, this partnership has given the NGOs the

opportunity to understand how the government bureaucracy works and how to fit their mission and vision to the aims and objectives of poverty alleviating and reducing programs. They are able to contribute efforts designed to upgrade the technical and organizational capabilities of CBOs/POs/COOPS and even LGUs. This has strengthened the political will and capacity of LGUs to promote pro-poor programs and projects in their respective localities.

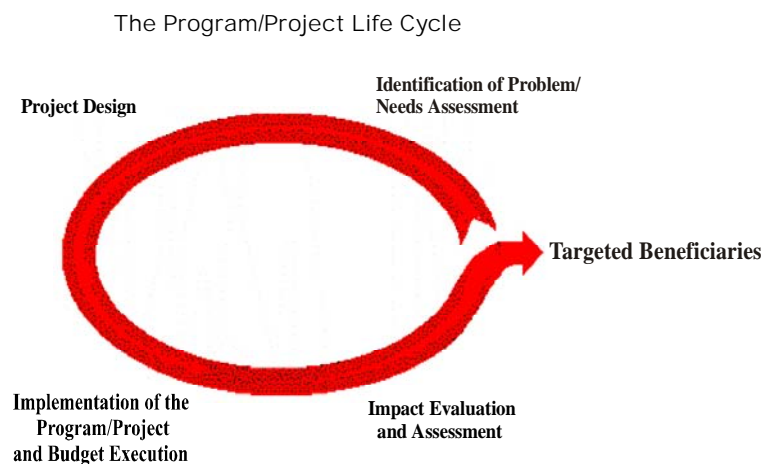
H. MANAGING LIFE CYCLES OF POVERTY REDUCTION PROGRAMS

Reducing poverty requires formulating a systematic and holistic conceptual approach to fully appreciate the required implementation cycles that form the basis for understanding the processes and stages needed to implement pro-poor programs and projects. These stages should be able to prescribe the steps to be taken from the start of the design to the final implementation and disposition of poverty alleviating and reducing programs or projects.

1. Program and Project Life Cycle

The program and project life cycle constitutes the general encompassing cycle implementation framework. This cycle is made *operational* by the other components cycles described below.

Figure 3



a. *Identification of the Problem/Needs Assessment*

The poverty problem and issues must be clearly identified. *The basis for the conveyance and delivery of project interventions and initiatives is founded on this particular phase.* In view of this, an appraisal of the actual needs of the intended beneficiaries must be undertaken. The issues and problems sought to be addressed should be reconciled with existing theoretical frameworks for two reasons: (i) to validate or debunk what the theory

has posited regarding these issues; and (ii) to formulate a specific hypothesis unique or specific to the poverty circumstances being studied or investigated.

b. Project Design

After identifying the problems, a technical proposal is formulated that includes, among others (i) the methodology required to satisfy these needs; (ii) the significance of the proposed interventions and initiatives; (iii) the financing and disbursement requirements; (iv) the time schedule of implementation; (v) the economic and social benefits that will be generated and derived; (vi) the specific involvement of stakeholders in the implementation phase; and (vii) the prospects for sustaining the program or project in the long-term.

c. Implementation of the Program or Project and Budget Execution

The program or project is implemented based on the project design and is adequately funded. Failure to raise the needed funds will certainly cause it to fail and raise false hopes on the part of the intended beneficiaries and implementers. It is also in the implementation phase that required services, interventions and initiatives are delivered.

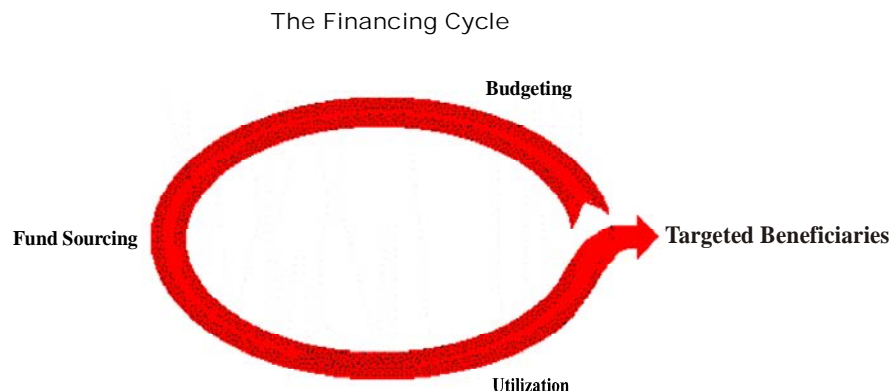
d. Impact Evaluation and Assessment

Once the implementation phase has been executed, it is now necessary to determine whether or not the goals and objectives have been adequately realized. Questions that can be asked include: Are the intended beneficiaries better off now? Has the program or project been able to help them cross over the poverty threshold?

2. Financing Cycle

The program or project needs to be adequately financed so its objectives can be realized.

Figure 4



a. Budgeting

The budget must clearly outline the funds required to implement the program or project and its components or stages. It includes the following: (i) fees, allowances, and emoluments to be paid to professionals who will directly implement the program or project; (ii) costs in defraying surveys, consultations, interviews, conferences, and meetings; (iii) other costs such as purchase of equipment, supplies, travel and accommodations, and administrative overhead; and (iv) direct costs in providing and conveying services, interventions and initiatives to the intended beneficiaries.

b. Fund Sourcing

Sources of funds must be clearly pinpointed ahead of time. They can come from a single funding source such as an international aid institution or from a government agency. Stakeholders who are involved could also provide counterpart funds to augment financing requirements. There are instances when credit can be obtained, especially from development banks or institutions to defray some important implementing costs.

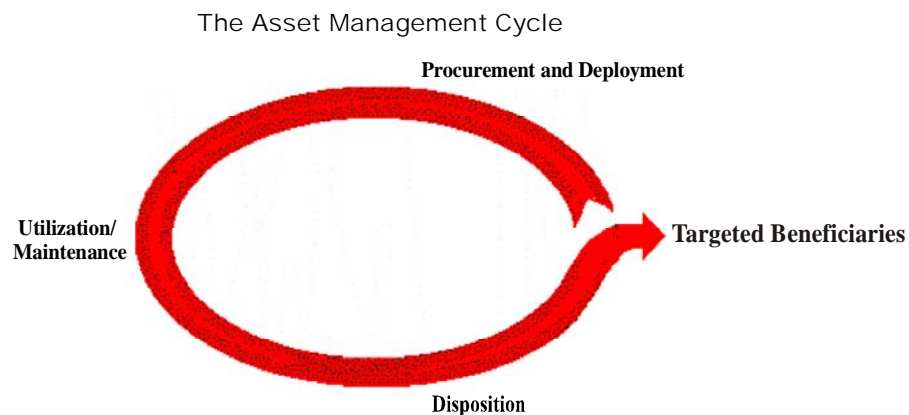
c. Utilization (disbursements/expenditures)

Project implementers should see to it that funds are disbursed exactly according to the budget items to be financed. The disbursement system must be in line with accepted or prescribed accounting and auditing systems. The management of funds must be periodically monitored and exact procedures must be established on how they should be disbursed. The technical proposal should determine who or which institution (as in the case of stakeholders) handles the disbursement. Normally, two responsible signatories are designated to sign checks.

3. Asset Management Cycle

Assets and equipment are acquired during the course of program or project implementation. They need to be maintained so that when they are eventually turned over to the beneficiaries, they will continue to serve their economic purpose.

Figure 5



a. Procurement and Deployment

Assets and equipment must be acquired given established accounting and auditing procedures such as competitive bidding and canvass. They will be subsequently turned over to a program or project custodian.

b. Utilization/Maintenance

They should be properly utilized and used only for their intended purpose. The custodian is tasked to maintain them so that they can be turned over to the intended beneficiaries later on.

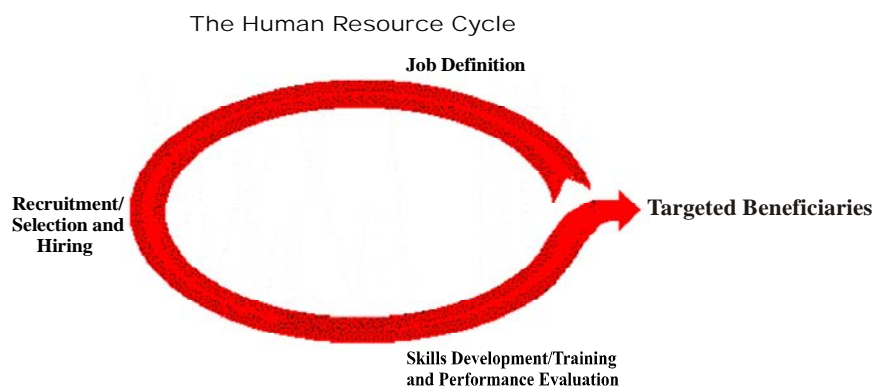
c. Disposition

If they are not to be turned over to the beneficiaries, they can be disposed of, sold, or donated to any of the stakeholders. These forms of disposition should follow certain established procedures.

4. Human Resources Cycle

The effectiveness of the implementation process depends on individuals equipped with the necessary skills and talents who are tasked to manage the program or project.

Figure 6



a. Job Definition

All personnel such as coordinators, managers, supervisors, assistants, consultants, and even personnel loaned to the program or project by stakeholders must have their individual terms of reference (TOR). The TOR clearly specifies job responsibilities to prevent overlapping of functions and pinpoint the exact areas of individual accountability.

b. Recruitment, Selection and Hiring

The recruitment, selection and hiring of personnel follow an established criteria based on the predetermined TOR. Interviews and written tests are undertaken to determine

qualified applicants. Usually, the program coordinator or manager has the final say on hiring a qualified applicant.

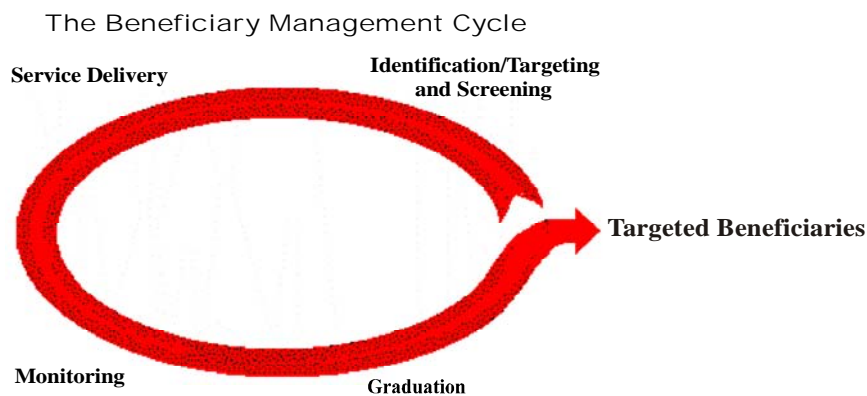
c. Skills Development and Training and Performance Evaluation

Considering the uniqueness of the program or project, hired personnel need to undergo specific training to orient them of their tasks and responsibilities. It is, however, assumed that hired applicants are basically familiar with the scope of work that was explained to them during the interview. Their direct supervisor periodically evaluates their performance. This forms the basis for contract extension or eventual separation in case they fail to live up to established work expectations.

5. Beneficiary Management Cycle

The beneficiaries must take on certain crucial responsibilities to sustain the objectives of the program or project in the long-term and ensure that it continues to operate long after it is turned over to them.

Figure 7



a. Identification, Targeting and Screening

This is a very important and crucial component of this particular life cycle. It should be clearly understood that not all the poor are good or qualified candidates for targeting. There are groups that, despite the offer or conveyance of direct assistance and support, are not be able to appropriately internalize and rationalize these interventions. Conveying resources to them merely wastes scarce and limited resources.

In view of this, a clear cut targeting and screening criteria must be adopted to ensure that the right candidates are chosen. These criteria may be difficult to formulate given the uniqueness of each poverty problem. Nonetheless, efforts must be expended to screen

the beneficiaries as they are central to the successful implementation of the program or project.

b. Service Delivery

The efficient delivery of needed services, interventions and initiatives largely depends on: (i) the availability of funds; (ii) the time scheduling; and (iii) the eagerness and enthusiasm of the implementers to effect welfare-uplifting changes on the part of the beneficiaries.

Conflict of interests among stakeholders can impair the efficient delivery of much needed services. Anomalies in disbursement can stymie efforts and lead to wasted funds. Cooperation and collaboration must be properly synchronized to ensure that glitches in implementation are avoided.

c. Monitoring

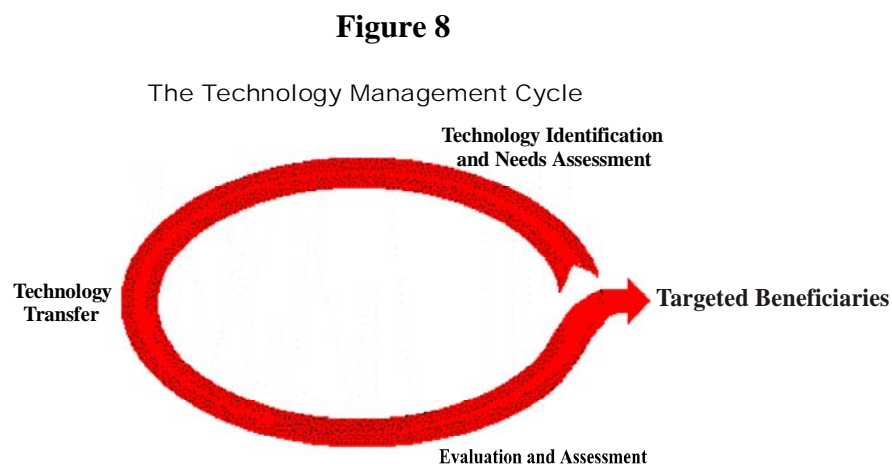
The delivery of needed services must be constantly monitored to ensure goals and objectives are achieved and anomalies and delivery problems are instantly corrected.

d. Graduation

The ultimate aim of all poverty alleviating and reducing programs and projects is to make the beneficiaries self-sufficient and –reliant in the long term. They are designed to provide *interim* support and assistance until such time that the beneficiaries themselves have acquired the institutional capacity and capability to take care of their own interests and welfare.

6. Technology Management Cycle

Successful implementation also depends on the kind, type or choice of technology used to improve the productivity of the intended beneficiaries.



a. Technology Identification and Needs Assessment

Identifying the type of technology to be transferred to the targeted beneficiaries is part of the general project design. This technology aims to improve the skills and productive capacity of the beneficiaries and expand their income-generating capacity.

b. Technology Transfer

Most of the time, the program or project engages the services of consultants and experts who are clearly knowledgeable about the workings and dynamics of the technology. They are in a position to easily transfer and convey the technology to the intended beneficiaries. There are also situations where trainers are recruited or hired to transfer the technology. A training program is designed to upgrade their skills.

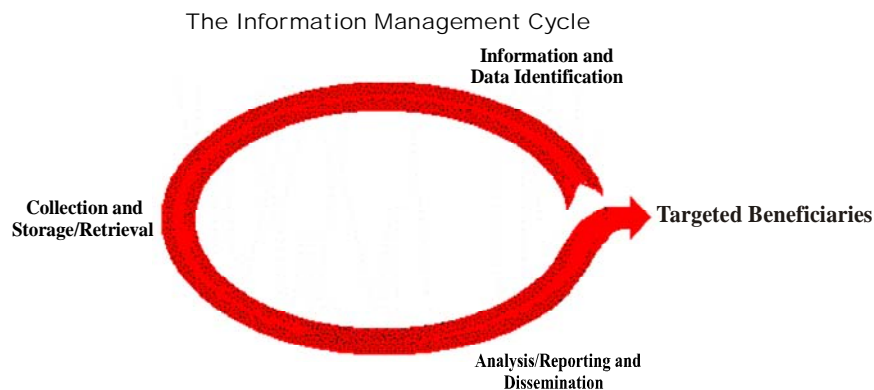
c. Evaluation and Assessment

At the end of the program or project, the rate and manner of the technology transfer are assessed relative to its goals and objectives. Primary questions to be asked are: Are the beneficiaries, through the appropriate technology conveyance, able to improve their skills and productive capacity? Are they economically better off? Has the technology able to generate higher levels of income for the beneficiaries?

7. Information Management Cycle

The generation, collection, storage, and interpretation of important data and information from the program or project determine whether it has been successfully implemented and whether it can be replicated.

Figure 9



a. Information and Data Identification

Poverty issues and information surrounding the program or project must be articulated in public. These include the following: (i) important demographics or socioeconomic profiles and the behaviors, strengths and weaknesses of economic agents; (ii) limitations and constraints they face; (iii) contractual structures and relations in place; and (iv)

identification of variables affecting agents that become the bases for understanding and appreciating how economic, social and even political variable positively or adversely impact the beneficiaries.

b. Collection, Storage and Retrieval

Data and information may be generated by the following modes: (i) direct field surveys; (ii) direct interviews or consultation with respondents or subjects; (iii) accessing the databases of government and nongovernment agencies; and (iv) referring to data provided by related literature. These data and information are stored in a program or project database.

c. Analysis, Reporting and Dissemination

Data remain as mere information or statistics unless they are analyzed. The analysis transforms them into relevant and recognizable information about pertinent issues and details surrounding the program or project. It also becomes the basis for formulating conclusions and recommendations that form part of the final output of the program or project.

CONCLUSION

Poverty is a complicated issue. There is no universal development model that can be used to address poverty plaguing a developing country. Its manifestations and consequences are oftentimes unique or indigenous to a specific country or economy. This makes the application of popular paradigms relatively difficult.

Poverty should not be engaged and addressed by simply applying supposedly successful models in other countries and using them in another as if all the variables are homogenous. Stakeholders tasked to implement poverty reducing programs and projects should be more imaginative than that.

Moreover, it is always a mistake to address poverty utilizing *piecemeal* and tentative initiatives because it has a *multidimensional* character.

Poverty has five dimensions: Economic, or the inability of individuals to access economic resources and opportunities to earn a decent living; Social, or the inability to equitably access social services such as education, health and housing; Political, or the inability to effectively participate in decision-making and management processes; Ecological, or the inability to sustain the economic utilization of natural resources that leads to the wanton destruction of the environment; and Cultural, or the inability to effectively internalize the true aims and objectives of poverty alleviating and reducing programs and projects.

Engaging poverty means *empowering* the poor. This results in their social inclusion and renders them economically productive. Improved productivity, under this scenario, is a function of the competitiveness of individuals and may be defined as their ability to rise above mediocrity. To

sustain economic growth and development in a much broader sense, it is imperative to effectively reduce the incidence of poverty.

Competitive enhancement must occur at the following important levels:

1. Individual – human capital must be developed to become a skilled and trainable labor force. Individuals must have access to health services to make them truly productive;
2. Firm – considering that the firm is the locus of productive activities, it must be provided support mechanisms such as access to capital, technology, raw materials, skilled labor, and domestic and foreign markets so it can effectively compete;
3. Local Area – it is important to increase and expand general economic activity in localities so jobs can be created. To realize this objective, needed social, economic and political infrastructure must be in place to attract new investments; and
4. National – the domestic economy competes with the rest of world. To preclude the terms of trade from tilting in favor of foreign producers, local producers must be insulated from debilitating risks and uncertainties. This can be achieved by maintaining sound macroeconomic fundamentals that promote economic and political stability, attract new investments, and create new jobs.

How is Poverty Reduced?

Engaging and addressing poverty is all about moving the poor up to a higher level of economic and social status. The key to poverty reduction and economic development is the capability of the economy to create jobs – jobs that are not seasonal in nature but secure and permanent jobs that guarantee the poor higher level of incomes. Job creation depends on the consumption and investment spending of consumers and firms. Higher consumer demand tells firms to produce more. Increasing output, in turn, requires new investments. New investments cause the demand for labor to increase. This is how jobs are created.

However, opening up employment opportunities does not necessarily imply the efficient utilization of labor inputs and job security. While people become gainfully employed, this could not ensure long-term beneficial prospects for the poor. Their ability to hold on to these jobs depends on their general attitude toward work. The poor must, therefore, be prepared to change attitudes and imbibe new progressive work values consistent with the demands of new working environments. They must be prepared to take responsibility for their fate, open up to new and progressive ideas, and learn to adjust to new production techniques and processes even if these can be alienating. These are necessary conditions to enhance their competitiveness.

The creation of jobs and the long-term prospects of sustaining growth and economic development should positively impact on the poverty situation. To this effect, an enabling favorable environment must be installed. Economic gains realized at the micro level need to be complimented by a supportive macroeconomic environment. This enabling environment is important to improve business activity and the job-creating capacity of the economy.

The success or failure of poverty reduction programs rests on the ability of concerned stakeholders to honestly cooperate and collaborate with each other in implementing them. Efforts must be concerted. Participation must be serious and dedicated.

Poverty must also be understood as unique from other phenomena. For the most part, it is embedded on structures and cultural systems at work in society that must be seriously attended to as well. The following are intended to be the starting points for this:

1. Broadening the definition of poverty to include the notion of wellbeing *vis-à-vis* ill being. In so doing, it is crucial that different categories of the poor be clearly identified and their living conditions examined not only from the perspective of program designers and implementers but also from the poor themselves.
2. Identifying the basis for social exclusion and marginalization of the poor as it constrains them from sharing the fruits of economic growth and makes them vulnerable. The means by which they cope with poverty in its multidimensional forms and how they display resilience to overcome it must also be examined so they can be used to anchor specific interventions.
3. Maximizing the roles and mandates of different stakeholders in promoting the process of social inclusion, empowerment, and participation of the poor in decision making and effective claims making.
4. Promoting institutional partnership among various development stakeholders for accountability, transparency and maximization of limited resources and capabilities.

The fight against poverty may not be entirely won for it has always been an elusive dream. But the extent of poverty can be reduced. This constitutes some form of inspiration that will continually move many to realize small but meaningful miracles.

PART TWO: CASE STUDIES OF INSTITUTIONAL ARRANGEMENTS FOR LOCAL POVERTY REDUCTION PROGRAMS

INTRODUCTION

The Local Government Code (LGC) of 1991 devolved the primary responsibility for the provision of basic social services to the poor to local government units (LGUs). Under this setup, the national government is mandated to grant internal revenue allotments (IRA) to LGUs. These funds are to be used to finance important LGU projects, including the delivery of social and economic services, particularly to the poor. The devolution of functions from the national to the local level is intended to achieve the following goals: (i) to better target government interventions; (ii) to lower transaction costs; (iii) to rapidly adopt efficiency-enhancing innovations; and (4) to improve the matching of resources with needs.

The Social Reform and Poverty Alleviation Act of 1997 similarly gave LGUs a key role in fighting poverty. LGUs are tasked to formulate, implement, monitor and evaluate the National Anti-Poverty Action Agenda in their respective jurisdictions. They are strengthened to enable them to effectively operationalize the Social Reform Agenda (SRA) in their local development plans and programs. The National Anti-Poverty Commission (NAPC) was created under the Office of the President to serve as the coordinating and advisory body for incorporating the SRA into development plans and its implementation at the national, regional, subregional and local levels. The NAPC, therefore, synchronizes, rationalizes and coordinates the poverty alleviation programs of national government agencies. The active participation of the basic sectors, local communities and nongovernment organizations is also institutionalized in the planning and implementation of the SRA.

However, despite various initiatives at the national, regional and local levels, a number of factors continue to impede the country's efforts at reducing poverty. Among these are:

Fragmented and highly centralized approaches. Implementation efforts remain fragmented because of lack of coordination and convergence among stakeholders such as NGAs, LGUs, basic sectors, and private sector groups. Efforts by some NGAs to implement programs have not been too successful or sustainable due to lack of support from concerned communities and LGUs. On the other hand, some LGUs, on their own, have taken some initiatives to develop and implement programs for their poor constituents. Unfortunately, they have not received the appropriate technical and financial support from concerned NGAs.

Limited participation and capacity of basic sectors and local communities. In many instances, the concerned local communities or basic sectors are not given an opportunity to participate in planning and conceptualizing projects and policies. Local communities and people's organizations are also usually not as aware and as capable as they should be to participate meaningfully in development plans and projects in their localities.

Inadequate design and targeting of public programs. The poor continue to have relatively little access to basic social services because many poverty reduction programs in the country have not

been properly designed or monitored. Lapses have been observed in the targeting of beneficiaries. Some programs are not based on felt needs of the poor and the choice of performance indicators is not reflective of the objectives. This is partly due to the lack of participation of the poor themselves in designing and implementing programs that are supposed to benefit them.

Inadequate funding. While there is a wide range of poverty reduction programs across a wide spectrum of government agencies, most of these programs are inadequately funded, and consequently, fail to cover a large portion of the supposed intended beneficiaries.

Weak institutional infrastructure for poverty monitoring and assessment, especially in local areas. The institutionalization of poverty reduction structures and tools for poverty analysis, monitoring, planning, targeting and assessment systems that have been started and piloted during the past few years have not been effectively sustained.

Several case studies have been chosen from among the many undertaken by various research centers and academic departments of the Ateneo de Manila University to show how various communities have sought to overcome the above impediments through successful and participatory poverty reduction projects.

A. URBAN SLUM UPGRADING PROGRAM FUNDED BY ADB-JAPAN FUND FOR POVERTY REDUCTION (Institute on Church and Social Issues – *Dr. Anna Marie A. Karaos*)

I. Background

The first case study was a project funded by the Asian Development Bank-Japan Fund for Poverty Reduction (ADB-JFPR) in collaboration with the Department of Social Welfare and Development (DSWD). The Institute on Church and Social Issues (ICSI) documented the whole implementation process. It involved one offsite project in the municipality of Muntinlupa and one onsite integrated community development program implemented in the Golden Shower Community in Payatas, Quezon City. The offsite project involved the relocation of communities along a railroad track in Muntinlupa, while the onsite program was concerned with land acquisition, site development and housing construction, livelihood and microfinance, education, training and exchanges, and community health.

The implementing agencies were the following NGOs assisting the local communities: the Muntinlupa Development Foundation (MDF) for the offsite project and the Vincentian Missionaries Social Development Foundation (VMSDF) for the onsite project implemented in Payatas.

II. Program/Project and Objectives

The ADB-JFPR provided Php1 million for each of the two projects. The funds for the land acquisition and site development components were provided in the form of bridge financing to be repaid upon the Community Mortgage Program (CMP) takeout. The project involved land

acquisition and site development. It aimed to address security of tenure for urban poor communities under threat of immediate dislocation from the railroad track. In the case of the Payatas project, it was determined that the residents were more vulnerable to the threat of eviction considering that they did not own the land where their homes were situated.

Most communities access the government program called Community Mortgage Program (CMP) where they can borrow money to purchase the land they are already occupying or offsite land where they eventually want to transfer. It has been, however, observed that accessing funds from the CMP is a cumbersome exercise. Community residents complained that they were not able to capitalize on the opportunity to own the land even when landowners were willing to sell it as it took a long time to access funds from the CMP. More often than not, land prices had escalated before any assistance from the CMP became available.

This particular program aimed to provide a kind of bridge financing so residents could buy the land while waiting for CMP loans to be subsequently released. As soon as a CMP loan is approved by the NHIMC, the loan proceeds are entered into a revolving fund that can be used to cover the bridge financing loans secured earlier. The Vincentian Foundation, in the case of the Payatas project, and the municipality of Muntinlupa for the offsite project provided counterpart funds.

The institutional arrangements for the ADB-JFPR-DSWD project were as follows:

Muntinlupa

- The NGO, represented by the Muntinlupa Development Foundation (MDF), acted as the (i) implementing agency of the project; (ii) facilitator; (iii) provider of technical advice; (iv) documentation processor; and (v) monitoring institution.
- The POs selected the resettlement site from the short list provided by the LGU. They also conducted the necessary negotiations with the landowner. They organized the community and undertook other responsibilities such as information dissemination, community meetings, and ground working and were assigned to directly collect payments from residents.
- The LGU provided the counterpart fund that amounted to Php10 million.
- SHOPCOM or the Socialized Housing Program Committee was created by the LGU as a regular and permanent unit within it to serve as the project steering committee. The MDF was a regular member and the POs were invited to attend meetings when the project was being discussed.

Payatas

- The NGO represented by the Vincentian Missionaries Social Development Foundation Inc. (VMSDFI) acted as: (i) implementing agency of the project; (ii) provider of counterpart funds of around Php16 million; (iii) the one responsible for documenting the process; and (iv) monitoring institution.
- The POs were tasked to negotiate with the landowners to acquire the land and apply for CMP loans.

- A Technical Working group composed of VMSDFI's consultants was created to design livelihood, microfinance, health and site development programs.

The Project Steering Committees were composed of representatives from the following agencies: the Department of Finance, Housing and Urban Development Coordinating Council, Department of Education, Department of Health, Technical Education and Skills Development Authority, Commission on Human Rights, the governments of Quezon City and Muntinlupa, four POs, the MDF, and VMSDFI. Representatives from the DSWD chair these committees. The steering committees were also tasked to assess and evaluate the progress of the two projects, propose interventions and modes of assistance, and identify lessons learned.

III. Lessons Learned

The two subprojects attempted to respond to three of the five weaknesses mentioned above.

1. *Funding:*
The two subprojects were able to show that locally mobilized funds can be obtained. As a matter of fact, they were able to leverage a larger amount of funds coming from different stakeholders such as multilateral and bilateral institutions, donor agencies, LGUs and NGAs.
2. *The Issue of Highly Centralized Approaches:*
The two subprojects were able to show that the management of anti-poverty programs and projects can be localized even if the institutional arrangements were not adequately perfected. They also proved that communities could gain actual control over the projects that affected them. Through the process of cooperative and collaborative efforts, they showed that community members themselves could manage projects and decisions could be clearly delineated by and devolved into the local structures.
3. *Inadequate Design of Projects:*
The strength of the ADB-JFPR-DSWD project lies in the fact that the programs were introduced and implemented were built on existing initiatives of the communities. In the Payatas project, for instance, the community was already involved in a land acquisition process, with the residents themselves negotiating with the land owner even before the project started. The community initiative was already there so the pitfall of introducing programs that did not respond to their needs was avoided.

B. LUPANG PANGAKO-UPA SAVINGS PROGRAM IN METRO MANILA (Institute on Church and Social Issues – Dr. Anna Marie A. Karaos)

I. Background

The second case study refers to the *Lupang Pangako* – UPA Savings Program. In preparation for the restructuring of the Archdiocese of Manila into six new dioceses, ICSI was commissioned by Caritas Manila to do an urban poor profiling and look into anti-poverty programs that have been successfully implemented. The LPUPA is one such program, properly documented by the ICSI through extensive data compilation undertaken by Ms. Sandra Yu.

II. Program/Project and Objectives

LPUPA Savings Program

The Lupang Pangako Savings Program was developed by the urban poor themselves to fund their own credit needs. It offered six types of financial services: (i) regular savings deposits; (ii) providential and business loans; (iii) fixed savings deposit for land and house financing; (iv) health insurance; (v) mortuary fund (*the community was able to link up with a bigger network of savings groups over the country with a membership base of about 30,000. Each member can get up to Php10,000 worth of funeral expenses for a minimal monthly contribution*); and (vi) membership in the Urban Poor Development Fund.

The Parish initiated the program but its operations and administration were transferred to LPUPA, with local residents working as staff and volunteers.

This study chose to assess two of the six services provided by the program: the land and housing savings and membership in the Urban Poor Development Fund. They were interesting because they made use of the savings of people to leverage larger amounts of funds from other institutions. Below are the institutional arrangement of these two services that is replicable and useful in many different settings:

For the Land and Housing Savings:

- Contractual savings required of members in preparation for equity and amortization payments before the actual repayment period began;
- Fund management was done by the PO;
- Savings were used as equity for CMP loan; and
- Loan takeout proceeds were used to replenish the Savings Fund.

For the Urban Poor Development Fund that pools resources from many urban poor organizations:

- Established by the Homeless Peoples Federation of the Philippines (HPFP), a national urban poor federation assisted by the VMSDFI;
- Provided longer-term financing facility;

- Emerged out of the need to support direct purchase land acquisition by poor communities and site development costs. The Fund is tapped due to the difficulty in accessing CMP loans. It takes a long period before CMP loans can be secured. Likewise, occasions may arise when some communities do not qualify for CMP loans.
- Members contributed to the Fund; and
- Other stakeholders such as multilateral donors, government financial institutions and the private sector also provided contributions to the Fund.

III. Lessons Learned

1. Delivery mechanisms need to ensure that the beneficiaries are able to pay back their loans to sustain the program in the long-term;
2. Savings of the POs are able to leverage larger amounts of funds from different sources;
3. POs are provided the opportunity to choose how they utilize resources accessible from the program;
4. POs are able to undertake numerous tasks, including funds management (*local staff and volunteers handled day-to-day operations and local leaders made up the board of directors*) and institution of financial mechanisms that ensure transparency and the promotion of necessary checks and balances;
5. Oversight structures installed are able to instill fiscal and administrative discipline and accountability among members and officers of the POs; and
6. POs require technical assistance from the NGOs. Decision-making roles must be clearly clarified and specified. In the Payatas subproject, for instance, certain problems emerged due to the inability to do this. The issue was not openly and properly discussed and led to some degree of confusion.

C. DEVELOPMENT ENTREPRENEURSHIP PROJECT IN STA. MESA (Center for Community Services – Jimmy Acevedo)

I. Background

The Center for Community Services (CCS) has been building up the Development Entrepreneurship Program (DEP) for the past three to four years. Development entrepreneurship is a variation of the more common term of *social entrepreneurship*. This concept promotes enterprises for those in need, with a strong community organization (CO) component. Historically, CCS has had a very strong CO tradition. The general objectives of the program are: (i) to promote the capacity of community-based POs to manage their own resource base; and (ii) to enable these POs to participate in wealth creation and be active partners in local governance and development.

There are four program components: (i) empowerment and capability building of community-based POs; (ii) promotion of community-managed microcredit and microenterprise programs and institutions; (iii) enhancement of the capacity of community-based POs to work with local governments and participate in processes of local governance; and (iv) mobilization of resources of community-based POs to respond to the health and education needs of the community.

Old Sta. Mesa Project

Old Sta. Mesa is composed of four barangays that became part of the Zonal Program of the National Housing Authority (NHA) then headed by Mr. Lito Atienza in mid-1980s. The area was privately owned by the Araneta family. About 30,000-35,000 of its residents belonged to the C, D and E socioeconomic classes. Their basic problem was the lack of livelihood opportunities. Most of the residents were low skilled workers. Plagued by problems related to drug abuse and violence, the community was highly congested and sanitation was a problem that needed to be immediately addressed.

The development partner of the CCS is the Old Sta. Mesa Credit Cooperative (OSMCC), set up in 1986 through the help of professors from the Polytechnic University of the Philippines and the UAP. It was registered with the Cooperatives Development Authority (CDA) in 1987. CCS only entered the picture in 1998 to provide technical assistance to the OSMCC as part of a project funded by MISEREOR.

II. Objectives of the Project

The following were the objectives of the project:

- Strengthen basic credit operations of the cooperative through sustained and enhanced cooperative business enterprise;
- Empower stakeholders and the development of a pool of cooperatives leaders;
- Provide assistance to members to improve their productive capacity so they can generate more savings;
- Install financial management and cooperative monitoring systems;
- Provide support services for business development through the process of strengthening the savings program; and
- Provide appropriate health and functional literacy programs.

Interventions provided were able to generate the following strategic gains: (i) increased cooperative membership; (ii) increased cooperative members' equity; (iii) increased cooperative deposits; (iv) increased total assets; and (v) increased total loan releases. Based on the PEARL's Indicators, an internationally recognized set of indicators measuring cooperative progress, the cooperative experienced tremendous growth in the past three years. The next step is to increase funding.

III. Lessons Learned

1. Credit cooperatives and other community-managed savings and loan schemes and programs have vast potentials in alleviating poverty situations. Unfortunately, many of them are not able to realize their aims due to lack or absence of capacity build up programs such as management training for PO leaders. The Land Bank even has to provide fund infusions to some of them. Because of this, the CCS has started to develop programs intended to improve the savings rate of the intended beneficiaries and their capacity to manage their own funds.
2. It is important to install adequate community impact assessment and monitoring systems. In view of this, a Systematic Impact Assessment Study of the work being done in Sta. Mesa will be conducted. The entrepreneurial core is being developed through technical assistance provided to the cooperative. Moreover, a child program is also being implemented to assist the poorest of the poor in the area.
3. There is an amount of difficulty working with government institutions, particularly those dominated by narrow political interests of public officials. In this regard, the CCS is supporting local development planning programs that try to bring various stakeholders in the community together to go against vested narrow interests of these officials.

D. IMPLEMENTING A COMMUNITY-BASED NATURAL RESOURCE MANAGEMENT PROJECT IN CAMARINES NORTE (Institute of Social Order – Liza Lim)

I. Background

The Philippines is one of the richest fishing grounds in the world. In 1994, it ranked third in Asia and 12th among the top fishing producing countries in the world. The sector provides livelihood to about 55 per cent of the country's population residing in its 10,000 coastal barangays. Roughly half a million of these are fisherfolk.

However, fish production has been tremendously declining since 1996. It only recovered when Republic Act 8850 (*Fisheries Code of the Philippines*) was passed in 1998 because this law provided small fishers with a legal weapon against commercial and illegal fishers who exhaust even municipal waters of its fish resources.

Sixty-eight per cent of fisherfolk are small subsistence municipal fishers. They are considered to be the poorest of the marginalized sectors. A study conducted by the ADB showed that fishers earned an average income of PhP 2,061.00 per month, way below the poverty threshold of PhP 4,777.00. To reach that threshold, they have to catch an average of three to four kilos of fish a day. However, this is not happening. Fishers from barangay Apuao in Mercedes, Camarines Norte, for instance, noted that in the 1950s, the average fish catch was 20 kg per day per person. In 1998, they could only catch two kg per day per person.

Poverty among small fishers is attributed to five factors: (i) overfishing; (ii) deteriorating coral reef system; (iii) mangrove conversion; (iv) limited access to municipal waters and destructive fishing gears; and (v) nonresponsive laws to promote the fishing industry.

Town of Mercedes and the Three Island Barangays of Apuao, Caringo and Quinapaguian

The town of Mercedes, Camarines Norte is in the Bicol region, considered as the fish bowl of the region for quite some time. It is a third class municipality with 26 barangays, including the three island barangays of Apuao, Caringo and Quinapaguian. In 1980, the waters around these three barangays contributed to as much as 80 tons of the town's daily catch although the barangays continually remained depressed. In the late 1990s, the fish catch declined due mostly to overfishing.

Eighty-two per cent of the members of the communities in the three island barangays are fishers. A few have ventured into seaweed farming. Their tenurial status is unclear. They do not have legal titles to their lands. In terms of resources, there seems to be an indication of a rapid decline in fish production in the area. High priced species and traditional fishing methods have all but disappeared. As a result, incomes of small fishers have been constricting over time.

Due to lack of alternative sources of income, the fishers have resorted to the cutting of mangroves and engaged in destructive fishing methods such as dynamite fishing. Others engaged in limited seaweed farming. However, the seaweed stock available in Camarines Norte is not of good quality. As such, their harvest remained insufficient to meet their income needs.

II. Objectives of the Project:

The Camarines Norte Institution Building Project used the community-based coastal resource management (CB-CRM) framework to address the needs of the fishers. As an NGO assisting marginal fishers, the ISO assumed the role of facilitator for value reorientation. It entered into a tripartite partnership with the local government of Mercedes and the local POs of the three island barangays. The objectives of the project included:

1. Find ways and means to encourage marginal fishers not to engage in destructive natural resource extraction as these will further decimate their resource base and push them further to conditions of want and hunger. To address this matter, it is important to build the capacities of the Inter-Island Council (IIMC) and the LGUs in community-based coastal resource management. It is also important to empower marginal fishers so they can negotiate for their rightful access to marine resources through community organizing and capacity building. Small fishers have to realize that sustainable development does not only involve caring for the needs of the present generation but also securing the survival of future generations;
2. Increase income and savings of the beneficiaries by encouraging the adoption of alternative livelihood endeavors that complement marine resource protection. This can be realized by developing appropriate land- and sea-based livelihood projects and opportunities for the communities in the three island barangays;
3. Build up goodwill with LGUs through mutually beneficial undertakings;
4. Increase environmental awareness of the household fishers for the protection, conservation and enhancement of their coastal communities;

5. Establish a management mechanism for the protection, conservation and enhancement of the coastal resources; and
6. Increase control of local fishers over municipal fishing groups.

III. Participatory Research Appraisal conducted by ISO

The ISO's community-based coastal resource management strategy operated under the following assumptions: (i) an oppressive structure is in place favoring the interests of the few who have control over marine resources; (ii) there exists overexploitation of resources; (iii) small fishers are the primary resource users and the rightful managers of their coastal resources; (iv) community organizing empowers people; (v) the NGOs and LGUs could assume catalytic roles to assist POs in implementing an effective CB-CRM program; and (vi) there exists certain cultural values that are not consistent with sustainable resource use that need reorientation.

The ISO then entered into a tripartite partnership with the local government unit of Mercedes, Camarines Norte and the local POs of the island barangays of Apuao, Caringo and Quinapaguian in implementing the Camarines Norte Institution Building Project.

The Inter-Island Management Council

An Inter-Island Management Council (IIMC) was set up out of the ISO's community organizing efforts. The IIMC is a people's organization representing the three island barangays. It has emerged as a countervailing force against commercial fishers and their politician supporters as well as poor fishers whose "instant cash" mentality resulted in the destruction of corals and the marine environment.

The ISO provided technical assistance in research and organizational development of the POs. The municipal government of Mercedes provided institutional and logistical support.

Establishment of Marine Sanctuaries

One of the initiatives taken by the IIMC was to lobby for the declaration of the adjoining waters of the three barangays as marine reserves of the municipality. A resolution was adopted by the Sangguniang Bayan that deputized some members of the community as *bantay dagat*.

Microfinance Projects

The ISO initially provided the three barangays with a Php 25,000 capital fund that was allocated equally. This was matched by counterpart funds from the barangay councils. The IIMC took charge of the information campaign and set criteria for the subsequent extension of loans to its members. Loans were used to finance backyard livelihood projects such as hog raising and seaweed growing. To date, the loan is on its third cycle with a repayment rate of 80 –100 per cent.

IV. Methodology

1. Focused group discussions; and
2. Resource mapping

V. Lessons Learned

1. Participatory Resource Assessment (PRA) and Resource Ecological Assessment (REA) that involved the local beneficiaries in determining their own needs and situation generate better understanding of local dynamics and the formulation of more responsive programs. Involving the beneficiaries early on in program implementation results in greater commitment and participation. Mutual “learning by doing” also empowers local people.
2. Respect for traditional practices and indigenous knowledge enhances program effectiveness.
3. LGU-PO-NGO partnership is critical in making community-based coastal resource management efforts work. The NGOs could mediate and facilitate the establishment of linkages between the local communities through their POs and LGUs. On one hand, they can help POs build capabilities and knowledge necessary to negotiate and deal with the LGUs. They can also assist the LGUs in making their municipal plans and projects more attuned to the needs of their constituents. In the case of the CNIB, the ISO assisted the LGU in gaining understanding of the Fisheries Code and DAO 17 and acquire skills and knowledge on the technical aspects of establishing marine sanctuaries as well as the legalities involved in operationalizing a *bantay dagat* program.
4. In relation to this, the ISO also learned the importance of facilitating laws such as the Local Government Code, the Fisheries Code and the DAO 17 in providing the framework for LGU-PO-NGO partnership. These laws became the basis for formulating the terms of reference in jointly implementing a CB-CRM program in Mercedes, Camarines Norte.

E. THE KALAHİ WATER SUPPLY PROJECTS IN CONCEPCION, ILOILO (Ateneo Center for Social Policy and Public Affairs – Dr. Ma. Cecilia G. Soriano)

I. Background

A Minimum Basic Needs (MBN) survey was conducted in barangays Botlog and Nipa, both located in the municipality of Concepcion, Iloilo. The result showed that the number one problem confronting residents was the lack of access to potable water. The residents knew where and how water could be sourced but could not afford to develop the Level II Water Systems themselves. To augment limited local funds, the dynamic mayor of Concepcion was able to secure financial assistance from the national government through the KALAHİ project and Congressional pork barrel funds. The KALAHİ is providing financial assistance in line with

its human development services mandate to provide a comprehensive approach to health, nutrition, and water supply and sanitation development. The implementing agency was the municipality of Concepcion while the cooperating agencies were the barangay councils. The main roles of the cooperating agencies were: (i) to facilitate the lot donation of the project sites; (iii) provide local skilled labor; and (iii) assist in monitoring and evaluating the projects.

The cost for the barangay Botlog project was PhP 570,000.00. It would benefit 97 households or 445 residents. About 113 households were the targeted beneficiaries in barangay Nipa and the project cost was PhP 500,000.00. The beneficiaries were mostly fisherfolk and upland dwellers.

The implementation strategy for barangay Nipa was to develop a spring source and carry the water down to a ground reservoir that would directly bring water to the residents. For barangay Botlog, an island barangay, the strategy was to tap water from a spring source at sitio Lo-oc, barangay Palopina in a neighboring island, while an underwater pipe would bring the water to an elevated ground reservoir and to residents.

II. Objectives of the Projects:

1. To provide all the residents of the barangays access to a potable water supply;
2. To disengage residents from continually allotting a significant amount of time fetching water from indigenous sources. This will lure them to engage in other income-generating or value-adding economic activities;
3. To reduce the incidence of malnutrition and decrease the occurrence of water-borne diseases; and
4. To organize the communities and mobilize them to effectively implement the project.

III. Significant Developments Gathered from Direct Interviews with Stakeholders:

Dr. Ma. Cecilia G. Soriano interviewed the stakeholders on the significance of the projects. The following were the findings:

1. The projects were directly initiated by the LGU as it had the capability to prepare feasibility studies and technical proposals. Unlike foreign-assisted projects, these were easy to implement because there was less bureaucratic red tape involved. For one, the projects were implemented by an LGU possessed with the needed technical expertise and internal capability, making them cost-effective. The funds directly came from the KALAHÍ and the PDAF of two senators solicited by the mayor. Labor was directly provided by the beneficiaries themselves.
2. It was imperative to form community-based organizations. In this case, BAWASAs were formed with primary responsibilities of maintaining the water systems and collecting

water fees set at Php 30.00 a month. To ensure discipline, water service was always disconnected for failure to pay the fees.

To involve the community to participate actively in the BAWASAs, the beneficiaries were continually educated on the significance of the projects and on their responsibilities toward them. They participated in their design, even pinpointing the source of water. They provided valuable inputs on the manner by which water from the identified sources could be tapped. This was clearly evident in the Botlog project where community members thought of the idea of getting water from another island. To successfully implement the project, they even provided the workforce who laid the underground pipes directly on the seabed.

To empower the residents and improve their institutional capacity, they were required to undergo various training seminars.

3. To illustrate how disadvantaged the communities were before, residents, particularly the ones from Botlog, had to get their potable water sometimes from the poblacion. They spent several hours a day just to fetch water. As a result, they could no longer attend to other important chores and productive endeavors such as taking care of the children, helping them in their studies, and engaging in other economic and livelihood opportunities. With the installation of the water systems, they can now allot more time to catch fish, raise farm animals, cultivate vegetable gardens, and attend to the needs of their children. Some even said that because they get their water directly from the tap, they could already take a bath every day. The savings generated from low water costs are then directed to other important household needs.

IV. Lessons Learned

1. Local government executives must possess progressive ideas and the political will to see through the effective implementation of projects of this nature. In the absence of that enthusiasm and purpose, the projects would not have taken off.
2. To sustain an economic activity in the long-term, it is imperative to strengthen the institutional capacity of LGUs and CBOs. Ultimately, the beneficiaries themselves have to shoulder the burden of maintaining and sustaining an implanted poverty alleviating and reducing measure.
3. Agencies and institutions in the front lines directly face the stark manifestations and consequences of poverty. If they are not empowered, pro-poor programs and projects will eventually fail. While project funding may be sourced from well-meaning aid institutions like KALAHI, people themselves have to take charge of their own future so scarce resources are not wasted.
4. Finally, it is clearly shown from these projects that, indeed, the welfare of the beneficiaries improved effectively. By providing them with potable water, they are able to engage in other productive and income-generating activities.

PART THREE: APPLICATION OF THE INSTITUTIONAL CONVERGENCE FRAMEWORK TO KALAH-CIDSS PROJECTS

A. TOWARD AN INTEGRATED AND SUSTAINABLE FRAMEWORK FOR THE KALAH-CIDSS PROJECT (Economics Department, Ateneo de Manila University – Dr. Leonardo Lanzona)

I. Background

This study intends to provide a project map for DSWD and analyze the design of the KALAH-CIDSS project. The main issue is: How can a poverty reduction program be institutionalized to make it effective?

Institutional problems observed in the implementation of previous poverty programs are:

1. *Fragmented and highly centralized approaches*
Despite the devolution process, the centralization of poverty programs and projects persisted, leading to the exclusion of the basic sectors in society;
2. *Limited participation and capacity of the basic sectors and local communities;*
3. *Inadequate design and targeting of public programs*
Poverty reduction programs have not benefited the poorest but rather those belonging to higher income brackets. Some of the programs are not based on felt needs of the poor and the choice of performance indicators is not reflective of the objectives of the program.
4. *Inadequate funding*
While there are a wide range of social protection and poverty alleviating and reducing programs being implemented, particularly by government agencies, these are not effectively sustained due to inadequate funding. Most of these projects are “one-shot deals” and end up merely providing or extending “dole-outs.”
5. *Weak institutional methods and infrastructure for monitoring and assessment, especially in the communities*
Most of these programs and projects are plagued by problems pertaining to monitoring and assessment. There is no institutional structure to assess their effectiveness.

II. KALAH-CIDSS Program as a Response

The KALAH-CIDSS program was established and instituted to address the above considerations. It is conceived as a five-year program starting from 2002 to 2007. A loan amounting to PHP 9.3 B was secured from the World Bank. Forty provinces or 191 poorest municipalities or about 5,152 barangays (12 per cent of the country’s total) are targeted to be provided material interventions.

It is estimated that government would be spending around PhP 900,000 per barangay over the next three years. The KALAHl, however, is a very costly project considering that it is a loan and not a grant. These loans will have to be repaid eventually.

Some problems have been noted concerning the project design. They include the following:

1. The beneficiary-villages that are recipients of funding interventions have to provide counterpart funds amounting to about PhP 2 billion or 30 per cent of the total village grants. The amounts may not be raised.
2. Barangays have to compete for these funds. The barangay that is able to come up with the best proposal receives financial support. Unfortunately, there are a lot of them that are not equipped to make or prepare good proposals even if they go to the extent of hiring NGOs for this purpose. It is feared, therefore, that only well-off barangays will be able to tap into the fund.
3. Funds flow design mandates a “direct transfer” to the barangay’s accounts. Funds are not coursed through the intermediate layers of government. The KALAHl program is based on the Indonesian Poverty Reduction Program commonly referred to as “*kadimatan*” where funds are directly conveyed to the villages. This approach, however, runs counter to the devolution process already put in place in the Philippines. If implemented, it will virtually bypass and possibly alienate the LGUs who are supposed to play major and crucial roles in implementing pro-poor programs and projects. Problems of coordination may arise precluding other stakeholders from actively participating.

III. Main Elements for KALAHl to Work

An effective targeting mechanism must be developed to improve the optimal utilization of government expenditures. This can only be realized if those who need the most important interventions are clearly and properly identified. The KALAHl program is expensive. It is a loan; therefore, funds have to be properly utilized to generate productive and sustainable activities. The improper targeting of beneficiaries will merely cause the wanton dissipation of these scarce resources.

To generate optimal benefits, the active participation of concerned stakeholders must be vigorously elicited. Moreover, the beneficiaries must be able to sustain by themselves the activities of these pro-poor programs. They cannot forever rely on the national government.

To ensure sustainability and guarantee the successful implementation of the program, an effective evaluation mechanism must be put in place. This is the CIDS component of the KALAHl program. Finally, institutional mechanisms must also be installed to ensure that the project is able to satisfy the basic needs of the intended beneficiaries.

IV. Theoretical Framework

Based on the study of different poverty reduction approaches, the following poverty reduction components were examined: (i) asset reform; (ii) social services and human development; (iii) employment and livelihood; (iv) social protection; (v) participation; and (vi) a summary of the best practices for each of these components. Previous poverty alleviating and reducing programs and projects were inventoried for the purpose of generating a comprehensive framework that will help guide the implementation of the KALAHI program.

V. Recommendations

1. The ideal situation is for the private sector to be actively involved in promoting and achieving growth and development objectives. But at the initial stage, public investment would be required. There are certain projects that do not require substantial investments. The private sector can very well provide these investments. This will lay down needed development infrastructure to initiate change.
2. It is important to move away from a narrow economic view of accumulation of resources. Policy rules must be formulated based on the capability to derive the best possible returns to the project. These rules must provide the necessary incentives so that resources are not wasted and the successful implementation of the project is ensured.
3. Institutions like LGUs, barangay- or community-based organizations must find a way to transform themselves so that instead of advancing conflicting interests, they would instead cooperate and collaborate with each other. The institutional setup should be such that it will be beneficial for everyone to cooperate and work together.

The above considerations should hopefully lead to asset equality. Based on studies previously undertaken, programs and projects that do not clearly address asset inequality or its distributional aspects will not be sustainable. This is the experience with land and agrarian reform programs. By addressing the asset distribution problem, it was noted that the productivity of farmers improved.

The delivery of services to the poor leads to their empowerment. The poor must realize that they should take charge of their future and not merely rely on decisions of and assistance from a centralized authority. Finally, for all the above to really work, there must be social acceptability. For instance, asset reforms may cause so much social conflicts. Asset reform programs must, therefore, be designed in such a way that they are socially acceptable. This can be done by clearly defining the rights of people.

By effectively addressing these problems, assets can be accumulated and income levels are increased as a direct result of greater participation. The poor must, therefore, be encouraged to organize for that is the only way to sustain pro-poor programs.

The satisfaction of basic needs is an important and crucial component of any poverty alleviating and reducing program or project. Experience has consistently shown that: (i) poverty reduction

is not merely measured in terms of income, rather, it is the ability of all concerned stakeholders to address basic needs problems; and (ii) providing the poor with their basic needs makes them more productive, while the process encourages them to participate more.

B. BRIDGING THE SOCIAL DIVIDE: URBAN POOR PROFILES IN METRO MANILA (Institute of Philippine Culture -- *Marichi Guevarra*)

I. Background

The IPC has been conducting two studies that may shed light on the problems and challenges being discussed. These studies are (i) *Bridging the Social Divide: Urban Poor Profiles in Metro Manila One*, funded by The Ford Foundation and (ii) *On the Child Friendly Cities and Urban Settlement Research: Views from the Community*, funded by the UNICEF. Both studies were conducted in Payatas B and BASECO but only the findings from Payatas B are discussed here. These studies may be suitably referred to as “voices of the poor” considering that the views elicited from the community pertained to their economic and social situations and their perception on poverty alleviating efforts extended by different concerned stakeholders.

II. Objectives of the Project

The main objective of the projects is to determine the views, insights and opinions, the “voices of the poor,” on many poverty issues they are confronting. Through their voices, it is hoped that concerned stakeholders will listen and act to seriously address them.

III. Poverty Framework and Survey Results

The NAPC framework of analysis was used, with its five approaches to reduce poverty: (i) asset reform; (ii) human development services; (iii) livelihood and employment opportunities; (iv) participation in governance and institution building; and (v) social protection and security from violence. The main question asked was: What do the people of Payatas have to say about these different strategies of the NAPC?

Results of the Survey:

1. *Asset Reform*

The objective of the survey was to determine how people perceived inequality in society. Sixty per cent of those surveyed believed that the gap between the rich and the poor would widen in the future. Fifty per cent believed that if this gap is not narrowed, a social upheaval could occur.

Another main issue was the problem pertaining to urban land reform. It was the number three problem that worried the majority of the respondents. They also believed that government was not seriously addressing it. The rate of satisfaction the government got on this issue was a mere 2.09 per cent, considered as unsatisfactory. (The rating criteria were 1 - very unsatisfactory; 2 –

unsatisfactory; 3 - neither satisfied nor dissatisfied; 4 – satisfied; and 5 - highly satisfied).

The respondents wanted President Gloria Arroyo and Mayor Sonny Belmonte to do something and for the POs to take issue and strongly lobby with authorities so they could someday own the land they are presently occupying.

2. *Human Development Service*

Issues on human development services include those pertaining to education, health, nutrition, water, shelter, and electricity.

Regarding education, survey results showed that only nine per cent of the people in Payatas finished college or vocational school. Fourteen per cent had some years in college. Seventy-seven per cent were not able to enter college. Twenty-three per cent of households had children 16-21 years of age who were out of school. Ten per cent of households had working children who worked mainly as scavengers.

Poor health was a major problem in Payatas, especially since there is a dumpsite situated at its very heart. There are three health centers, but only one attending physician. Medical facilities here were appalling. Only seven medical personnel for the three centers took care of the health needs of 56,000 residents of Payatas B.

Lack of water was the number one problem of the community. Sixty-two per cent of residents had not had their households installed with water pipes. Public artesian wells and open wells were the major sources of water.

Surprisingly, 51 per cent of respondents were aware that agencies like the DSWD and DOH have pro-poor programs. Only 32 per cent benefited from these programs. According to them, the DOH had the most impact on poor communities as it continued to provide polio vaccines, other forms of vaccinations, free medicines, scholarships, giveaways and dole-outs, among others.

When asked if respondents had heard of the KALAH I, only 14 per cent positively responded. Their idea of the KALAH I was a program that feed malnourished children. Some thought the KALAH I was established by the Jesuits of Ateneo. Ninety-eight per cent of respondents wanted the KALAH I program to provide jobs.

Other than government agencies, respondents were asked if they benefited from poverty alleviating programs of the Catholic Church. Thirty-four (34%) per cent responded positively. They were recipients of the Church's pro-poor services such as scholarships, giveaways and dole-outs, medical services, saving schemes, and spiritual interventions. According to them, the Church should not really be

expected to be involved in poverty alleviating programs. Rather, it should concentrate on providing basic spiritual services. It was the majority opinion that the Church should not involve itself on matters pertaining to politics.

On their views about the pro-poor services being provided by NGOs, it was surprising to note that very few were aware of the poverty programs being administered by these organizations. Only about 12 per cent responded that they benefited from such programs and services. When asked which program NGOs should champion, they were about unanimous in their opinion that these organizations should help provide employment to the poor.

They were also asked what roles should POs actively take on. Almost half of the respondents were aware of the presence of POs in their community and about 25 per cent directly benefited from their pro-poor programs. In Payatas B alone, there were about 54 POs. Most of these were involved in land and housing issues and water and electricity problems of the community.

3. *Livelihood and Employment Opportunities*

Most of those interviewed earned a living by hawking in the market, engaging in buy and sell activities, running small businesses like sari-sari stores, and operating junk houses and *videokes*. A great number were scavengers who were the poorest in the community. Unemployment was the second most serious problem in Payatas B, according to half of the respondents. As expected, they were not satisfied with the way government was addressing unemployment. Again, they gave the government an unsatisfactory rating of 2.07 per cent.

The monthly personal income or the median was PhP 4,500.00 and the monthly family income was around PhP 6,500.00. Seventy per cent of respondents said that their incomes were not enough. Supposedly, they should earn PhP 10,500.00 so they could meet their needs.

Seventy-six per cent of respondents considered themselves as somewhat poor and only 10 per cent considered themselves as very poor. They measured and understood poverty as not being able to eat three times a day, not being employed and not being educated. Thirty-seven per cent had experienced hunger episodes in the last three months and 10 per cent experienced hunger quite often.

4. *Participation in Governance*

Seventy-eight per cent of the members of the community were members of POs. Their most important reason for joining these organizations was their need to address land and housing issues.

5. *Social Protection and Security from Violence*

In Payatas B, violence was ranked as the fifth most serious problem. They were not new to killings, gang wars, perennial drunkenness and rapes. They primarily expected their barangay officials to seriously address this problem.

IV. Recommendations

1. Concerned stakeholders must truly combine their efforts through collaborative and cooperative undertakings. This is one way of fighting the war against poverty. Despite earnest efforts, pro-poor programs are still not reaching the intended beneficiaries. As a matter of fact, very few have benefited. Some even complains of favoritism and unequal distribution of services. According to many respondents, patronage politics continue to play a significant role in resource allocation.
2. In designing pro-poor programs, the most effective way is to seriously consider the views or “voices” of the intended beneficiaries. They know what is truly best for them. In this regard, concerned stakeholders must support community organizing, especially when this pertains to employment, housing and land issues.
3. There is a need to establish a sound database that focuses on the needs of the poorest and most vulnerable groups. Data on children, the youth and women must be meticulously generated for they are the vulnerable groups being referred to most of the time. The NGOs must spearhead this thrust since they possess the ability to truly understand the plight of these vulnerable groups. Lack of information invariably leads to a worsening poverty situation. Situations arise where a number of these groups tend to be marginalized further as they are excluded from the coverage of pro-poor programs. This should be addressed.
4. There is need to listen to the voices of children. They must be kept full-time inside classrooms and not be forced to earn a living. Without proper education, they would find it difficult to survive.

C. INSTITUTIONAL MAPPING APPROACH FOR KALAH-CIDSS (Ateneo School of Government -- *Deanna Lijauco*)

The Ateneo School of Government was commissioned by the DSWD to do an institutional mapping study. It was conducted by Dr. Angelita Gregorio-Medel, Henedina Razon-Abad and Butch Ragrario.

I. Objectives and Significance of the Study

This institutional mapping study aims to assist implementers of the KALAH-CIDSS project identify institutions that facilitate or hinder community involvement in decision-making processes. The overall goal as conceptualized by Cliff is actually three-pronged: (i) people empowerment; (ii) governance improvement; and (iii) poverty reduction. Of the three, people empowerment is to be given significant importance. Through KALAH-CIDSS, the aim is to

empower communities through participatory project development. It will be important, therefore, to determine which institutions and individuals can help in implementing pro-poor programs and projects, in general, and facilitate decision-making processes in the targeted areas, in particular.

Significance to KALAHI-CIDSS of the Institutional Mapping

1. Identify institutions (*both formal and informal*) and actors who could become project champions in the various regions based on their interests and stakes in the project and those who could hinder and obstruct the smooth implementation of the project;
2. Determine ways on how to engage “potential opponents” of the project during project implementation; and
3. Create a road map showing how to reach the poor in the community and identify some of the systematic blockages that cut them out, block their voice from being heard or hinder their access to resources and policy.

Operational Definitions

Institutional mapping refers to the process of determining the institutional landscape of selected project areas. It involves the following: (i) the determination of the structural framework for decision making, information flows and resource allocation; (ii) a description of leadership patterns; and (iii) an assessment of institutional competencies to effectively deliver the needed services.

II. Assumptions

The main assumption is: The success of poverty reduction programs is dependent on the presence and quality of participatory and inclusive structures and decision-making processes animated or reinforced by a capable and facilitative LGU leadership.

The specific assumptions are: (i) well-organized communities with strong sectoral organizations or POs facilitate participatory decision-making processes; (ii) development-oriented local chief executives and key local government functionaries enable the participation of the poor in local development planning, project prioritization and resource allocation; (iii) the 1991 Local Government Code mandates a number of participatory processes and structures that, if followed and made functional, are expected to lead to increased access and availability of information that can help in more poverty reduction programs; and (iv) the community’s informal systems and structures of mutual help in the community, if utilized by local governments, could help enhance local poverty reduction efforts.

III. Research Areas

Structural Framework

The following should be uncovered or determined: (i) LGU officials and functionaries who can champion poverty alleviation; (ii) LGU organs that are directly involved in pro-poor programs and projects; and (iii) the different forms of community organizations that influence the processes of decision making, information flows and resource allocation with the formal structures of local governments at the barangay and municipal levels.

Leadership Patterns

The following should be uncovered or determined: (i) the kind of relationship fostered by LGU leaders with their constituencies; (ii) their network of influence and access to political power; (iii) the manner by which they link up with institutions above the barangay level; (iv) concerned stakeholders in the community; (v) the relationship between how a community is organized and the pattern of leadership; and (vi) the manner by which community organizations shape leadership patterns.

Institutional Competencies

The following should be uncovered or determined: (i) the existing competencies of the LGUs and the community organizations in the seven areas supporting the program; and (ii) the gaps to be addressed by the technical support of KALAH I implementers.

IV. Methodology

The study focused on the six provinces of Ifugao, Quezon, Iloilo, Eastern Samar, Lanao del Norte, and Saranggani, covering nine municipalities and 66 barangays based on geographical location – two each for the three major islands. Fishing and tribal communities were targeted.

Data Gathering Approach

- Face-to-face interviews with key informants at the municipal and barangay levels;
- Focus group discussions (FGDs) with municipal and barangay officers, heads of the municipal service and line agencies, and representatives of community institutions; and
- Reference to secondary data.

A triangulation approach was employed where the same set of questions was asked of two different types of key informants (LGUs and community organizations).

It was discovered that formal government institutions served as the biggest institutional block. They are the main provider of funds, technical assistance and services. They influence three other institutions: the informal government institutions; the formal community institutions; and the informal community institutions. Informal community institutions and informal government institutions did not have direct linkages with one another.

V. Key Individuals in Poverty Alleviation Programs

The following are the key individuals involved in poverty alleviation programs: (i) the local chief executive takes the lead role and is the key animator in the planning, decision making, and implementation of poverty reduction projects; (ii) the Sangguniang Bayan provides legislative support; (iii) MSWDO; (iv) MHO; (v) OMA; (vi) MPDC; (vii) the barangay chairperson (the key animator at the barangay level) and the Sangguniang Barangay; and (viii) CSOs and NGOs.

VI. Success Factors

Most priority projects were on infrastructure and livelihood. There were a lot of social welfare projects and only a few on asset reform projects. For programs and projects to succeed, concerned stakeholders need to fully cooperate and collaborate with each other. LGU officials must also be able to provide effective leadership and good management. The community must be involved and actively participate in development activities. Finally, programs and projects must be sufficiently funded.

VII. Hindering Factors

There were factors that caused programs and projects to fail. There was a lack of social preparation among stakeholders and targeted beneficiaries who often lacked skills and technical knowledge. Organizational structures were weak, especially at the community level. Poor leadership plagued some communities and activities were mismanaged. Project designs were defective and incompatible with the basic needs of the beneficiaries. Sometimes, there was lack of monitoring and evaluation mechanisms. Most programs were hampered and encumbered by lack of funds. Natural calamities and environmental factors such as the El Nino phenomenon and typhoons damaged program infrastructure and seriously delayed program activities.

VIII. Network of Influence and Alliance Build Up

Institutional linkages are necessary to effectively fund and implement programs and projects. NGAs and their regional and provincial offices, offices of senators and congresspersons, and LGUs such as provincial and municipal governments have to link with each other to ensure efficient coordination. Institutions not included in the government set up would also have to network together. These are the NGOs, POs, and private funding agencies and institutions at the national level and the international donor community.

The personal initiatives of municipal and barangay leaders often determine networking and linkages. Partisan politics certainly facilitates the process, but the personal and professional affiliations of the incumbent leader also influence the extent and strength of the linkages that can be formed.

IX. Recommendations

The main problem plaguing poverty alleviating and reducing programs and projects is the failure on the part of all concerned to sustain development interventions. Lack or absence of technical support facilities can derail the programs from achieving their goals. Sometimes, participatory

processes are wanting, dampening the involvement of concerned sectors. So programs can be successfully implemented, the following recommendations are suggested:

1. Appropriate, well-planned, and effective technical assistance to LGUs, especially barangays, in project management and networking or alliance building must be present;
2. The active functioning of Local Development Councils must be fully supported and encouraged as this is one avenue to elicit the active participation of civil society groups;
3. It is important to institutionalize community participation at the onset of projects, particularly during their bidding; and
4. The LGUs' capability to monitor project activities must be strengthened.

To reach out to the poor, there is a need to:

1. Refine and sharpen the means and methods of identifying poverty groups;
2. Focus attention on improving social service delivery;
3. Identify established indigenous institutions in the areas and work through them; and
4. Identify champions of poverty alleviation projects.

The following should be stressed to engage and encourage stakeholders to actively participate in poverty alleviating and reducing programs and projects:

1. Consider the centrality of local chief executives as key leaders for local development; and
2. Regularly conduct institutional mapping to identify opportunities for leveraging with other government institutions.

CONCLUSION

Case studies presented in Part II show how several poverty reduction programs or projects have been successfully implemented with the cooperation of various stakeholders. Communities, through their community organizations, are actively involved in successfully designing and implementing them, tailored to meet certain needs identified by community members themselves. In some cases, such as the LPUPA and OSMCC savings and credit programs, the community is assisted by an NGO acting on its own or on behalf of the Church or some other nongovernment donor. Other initiatives such as the water supply projects in Concepcion, Iloilo is a direct partnership between the LGU and the beneficiary communities. In the urban slum upgrading programs in Muntinlupa and Payatas and the community-based fisheries project in Camarines Norte, the LGUs, NGOs and communities worked together in designing, funding, and implementing the projects. In Iloilo, the NAPC is the major sponsor of local projects. All these show how the convergence framework for poverty reduction programs presented in Part I can be implemented in different configurations but still lead to successful outcomes as long as the basic principles and hierarchy of roles are followed.

The case studies show that it is only by helping the poor organize themselves and empowering their organizations to take the central role in poverty reduction programs can the success and sustainability of these programs be ensured. In directly addressing the political dimension of

poverty and becoming sensitive to its cultural dimension, the poor can effectively address their need for economic opportunities, social services and ecological balance.

For stakeholders, especially those who are imbued with a high sense of concern and enthusiasm to effectively and efficiently implement poverty reduction programs and projects, it is hoped that this paper provides a comprehensive and intellectually rigorous basis to better understand the complexities of an encompassing phenomenon like poverty. The convergence framework it presents, if used as a guide for implementation, will hopefully make the awesome task of attacking poverty and all its manifestations more manageable and its intended benefits better felt on the ground.

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