

# Struggling for Sustainability

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## Introduction

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

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

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

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

### **Enter Civil Society Organizations**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Marcos Era

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

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

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

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

Post-Marcos Era

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

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

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

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

### **‘Poor is Power’<sup>7</sup>**

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

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

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

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

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

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

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

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

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

### **People Helping Themselves**

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

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

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

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

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

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

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

### **Democratizing Democracy**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### A Bundle of Issues

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

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

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

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

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

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

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

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

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

### **Conclusion**

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

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

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

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

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

The overriding challenge for Philippine CSOs seems obvious enough.

## NOTES

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

### *Struggling for Sustainability*

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

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