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SECOND QUARTER REPORT

ON

THE "ROOTS OF DEVELOPMENT" PROGRAM

COOPERATIVE AGREEMENT NO. PDC-0230-G-00-1060-00

July 15, 1992

Submitted to the

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

by the

INTERNATIONAL INSTITUTE OF RURAL RECONSTRUCTION

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"Roots of Development" Program
Quarterly Report
April 15 - June 14, 1992

SUMMARY

During this quarter, a number of activities were undertaken to achieve the project's goal "to educate Filipino-Americans about critical development issues in the Philippines." These activities are summarized below.

Workshop

The project's first development education workshop, focusing on the theme of "Prospects for Philippine Development in the 1990s," was held on May 30, 1992 at the International House in New York City (see Attachment A). There were 53 participants, including representatives from 20 Filipino-American organizations (community, youth, professional, and business organizations), 5 development agencies, 2 media people, and the Philippine Consul General in New York. People came from New York, New Jersey, Washington D.C., Boston, and Philadelphia.

The resource persons included: Horacio Morales, Jr., President, Philippine Rural Reconstruction Movement (PRRM); Leopoldo Clemente, Pres. of Clemente Capital, Inc.; Laura Lopez, Chief Program Officer, Trickle Up Program; Polly Parks, Philippines Program Associate, Unitarian Universalist Service Committee; Christopher Sigur, Vice President, Asian Programs, Carnegie Council on Ethics and International Affairs; and Eric Blitz, Deputy Executive Director, IIRR.

Aside from the presentations by the resource persons, the audience engaged in small group discussions on the role of Filipino-Americans in contributing to national development in the Philippines. An ad hoc committee was formed to follow up on some of the suggestions.

The feedback from the participants as well as the resource persons was largely positive. Among other things, they liked the speakers on the Philippine situation, the exposure to a broad range of ideas, the opportunity for networking, and the representation from the youth (see Attachment B for a sample of responses).

Media Coverage

The Philippine News, reputedly the "largest Filipino-American newspaper," devoted half a page to the May 30 workshop (see Attachment C). This provided exposure to a number of development issues--rural based industrialization, sustainable development, agrarian reform, energy crisis--touched upon by the main speakers at the forum.

Informal Discussions

Members of the Philippine Environmental Network (PEN) attended an informal dinner meeting on June 10 with Dr. Julian Gonsalves, Director of the Appropriate Technology Unit of IIRR, Philippines. Dr. Gonsalves, who had just come from the Rio Earth Summit, updated the group on the global conference and discussed the environmental issues facing the Philippines. The PEN members expressed their desire to help in whatever way they can and agreed to work with IIRR on the development education project.

Focus Group

In preparation for a development education workshop in November, a focus group meeting was held on May 20 at the Philippine Embassy in Washington D.C. The meeting was attended by representatives from three Filipino-American organizations and by Filipino-American youths. The group identified health and education as among the critical issues facing the Philippines. The video, "Filipino Dream," produced by Lutheran World Relief, was shown and elicited a positive response as an educational tool. There was also enthusiasm about developing an exposure and internship program in the Philippines for Filipino-American youths, who can then serve as resource persons on their return to the U.S. (see Attachment D--Lory Camba's June 26 letter)

Networking

Networking was achieved through various means. Personal contacts were initiated between April 30 to May 20 with representatives of the following organizations:

Church Coalition on Human Rights in the Philippines, Washington, D.C.
Experiment in International Living, Washington, D.C.
United Filipino Youth Council, New York
Youth for Philippine Action, New York

As a follow-up to a recommendation made by the participants at the May 30 workshop, IIRR, together with the Trickle Up Program and FACPA (Filipino-American Computer Professional Association), set up an information booth at the Philippine Independence Day Celebration (PIDC) street fair, which this year was held on June 7. Aside from providing greater community exposure to the "Roots of Development" project, participation in the street fair represented a further step towards building relations with the Filipino-American community; what better way to get accepted and become more visible in a community than by joining in traditional festivities?

The project director attended InterAction's April 27-29 Annual Forum in Arlington, Virginia. This provided a means not only of keeping abreast of the latest thinking in the field of development education, but also of networking with other

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organizations engaged in development education. Among the contacts made were with: Joelle Danant of the American Forum for Global Education; Joyce Gillilan-Goldberg of the YWCA; Elise Stork of PANOS; Julie Dargis of InterAction; Jack Knapp of Outreach International; and Cristina Liamzon of PHILDHRRA (Philippine Parnership for the Development of Human Resources in Rural Areas).

Project Adoption

Options for adopting projects which will provide educational linkages with Filipino-American groups were presented at the workshop on May 30 and have been discussed in focus groups. We will continue to present options in our contacts with Filipino-American groups and in future workshops. One local Filipino group, the Gising Foundation has already provided a grant of $2,000 to support two Filipino development specialists attending IIRR's international development management course in May 1992. These development workers will maintain direct links with the Gising Foundation.

Audio-visuals

In collaboration with World Neighbors, IIRR has produced a 20-minute sound-slide production on "Soil and Water Conservation." The production provides a good case study of how to successfully counter the problem of soil erosion (which leads to low farm incomes) with a farmer-centered technology transfer as illustrated by the Upland Farm Management Project in a village in the Bicol region, Philippines. The slides will be tested with Filipino-American audiences and an accompanying study guide will be produced.

Financial Report

The financial report for the quarter is presented in Attachment E.

Plans

In light of the assessment meeting with the Acting Development Education Coordinator of the Agency for International Development, the workplan for the project will be revised. Fewer cities will be targetted for workshops and more emphasis will be placed on materials development and on producing a culturally appropriate development education format for Filipino-Americans, which can serve as a model for adaptation by other Asian-Americans.

ATTACHMENT A

May 30 workshop: information packet

Sponsored by IIRR as part of the
"Roots of Development" program,
which is supported by a Biden-Pell grant
from United States Agency for International Development

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PROSPECTS FOR PHILIPPINE DEVELOPMENT IN THE 1990s

Saturday, May 30, 1992
10:00 am - 3:30 pm

Cleveland Dodge Room
500 Riverside Drive
New York City

PROGRAM

10:00 - 10:30 am Registration

Video: *"Filipino Dream"*

10:30 - 10:35 Welcome Address

Dr. Aaron Miller
Executive Director
U. S. Office
International Institute
of Rural Reconstruction (IIRR)

10:35 - 11:30 Panel Discussion

"Prospects for Philippine Development in the 1990s"

Speakers:

Horacio R. Morales, Jr.
President
Philippine Rural
Reconstruction Movement (PRRM)

Leopoldo M. Clemente, Jr.
President, Clemente Capital, Inc.

Moderator:

Aaron Miller

11:30 - 12:00 Presentations on "Philippine Projects" by:

Laura Lopez, Chief Program Officer, Trickle Up Program

Polly Parks, Program Associate-Phil. Unitarian Universalist Serv. Comm.

Christopher Sigur, Vice President, Asian Programs, Carnegie Council on Ethics and International Affairs

Eric Blitz, Deputy Executive Director, IIRR

Moderator: Dr. Josefina Samson-Atienza
Project Director, IIRR

12:00 - 1:00 Small Group Discussions
"Role of Filipino-Americans"

1:00 - 2:00 Lunch

Philippine melodies performed by:
Lani Misenas-Padua, coloratura soprano
Carlo Padua, guitarist

2:00 - 3:30 Reporting from Small Groups and Plans for Follow-up

Moderators: Josefina Samson-Atienza
Eric Blitz

"PROSPECTS FOR PHILIPPINE DEVELOPMENT IN THE 1990S"
and
"ROLE OF FILIPINO-AMERICANS"

GUESTS AND PARTICIPANTS

Name	Affiliation
Apiado, Orlando	Movement for a Free Philippines, STAC
Apiado, Pilar	
Arguelles, Fr. Guido	Ateneo de Manila
Arguelles, Rosanna	Phil. Human Rights Committee
Arizala, Rodolfo	Consulate General of the Philippines
Atienza, Jun	
Austria, Alice	Kayumanggi Chorale
Bautista, Rose	Int'l Inst. of Rural Reconstruction
Bejasa, Emil	
Blitz, Eric	Int'l Inst. of Rural Reconstruction
Capulong, Eduardo	Phil. Human Rights Committee
Castillo, Andy	
Castrence, Roberto	Washington Forum
Clemente, Leopoldo M.	Clemente Capital Inc.
Consul, Wilma	WBAI
Cue, Pablo	The Gising Foundation
Cue, Sumilang	The Gising Foundation
Cunnion, Paul	Phil. American Chamber of Commerce
Day, Inday	
Dinoso, Vicente	Hahnemann University
Driscoll, Arabella	Phil. American Women in Dev. (PAWID)
de Borja, Ana	
de Borja, Michael	
Fernan, Ramon	
Floresca, Cecil	Gising Bayan, Tulong Bayan
Frillmann, Louise	Int'l Inst. of Rural Reconstruction
Green, Jennie	Phil. Human Rights Committee
Howard, Henry	
Howard, Louisa	Iuli sa Negros, STAC
Ignacio, Gladys	Fil. Intercollegiate Networking Dialogue
Izar, Earl	Science & Technology Advisory Council & Fil-Am Computer Professionals Assoc.
Jacinto, Johnny	Radio Pinoy
Jaynal, Nilda	Phil. Communities Exec. Council
Killip, Lita Jane	Harvard Univ.
Leyco, Emmanuel	Alliance for Phil. Concerns (APC)
Li, Roz	Phil. Action Group-Advocates for Social Action (PAG-ASA)
Lloren, Margot	Phil. Environmental Network (PEN)
Lopez, Laura	Trickle Up Program, Inc.
Manuel, VG	FIND

Melendez, Claire	PCEC
Miller, Aaron	Int'l Inst. of Rural Reconstruction
Misenas-Padua, Lani	
Morales, Horacio	Phil. Rural Reconstruction Movement
Narvasa, Apo	Youth for Philippine Action (YPA)
Pacis, David	FIND
Padua, Carlo	Kayumanggi Chorale
Parial, Ernesto	Philippine News - East Coast Bureau
Parks, Polly	Unitarian Universalist Service Committee
Pickard, Mitzi	Phil. American Women in Development
Poblete, Rowena	Int'l Inst. of Rural Reconstruction
Prudente, Karen	PAG-ASA
Prudente, Rudy	PAG-ASA
Rodil, Cora	UNFPA
Rosario, Edwin del	PEN
Samson-Atienza, Josefina	Int'l Inst. of Rural Reconstruction
Santos, Dale	
Sigur, Christopher	Carnegie Council on Ethics
Soberano, Mercedes	
Teehankee, Manuel	Phil. Human Rights Committee
Tolentino, Connie	PAG-ASA
Victoria, Art	Washington Forum
Vista, Joel	
Volel, Else	Int'l Inst. of Rural Reconstruction
Zabala, Sonia	Youth for Phil. Action

HORACIO R. MORALES, JR.
President
Philippine Rural Reconstruction Movement (PRRM)

Horacio Morales, Jr. holds numerous key positions in development organizations and is a recognized leader in the popular movement for the full democratization and development of the Philippine society. Aside from heading the Philippine Rural Reconstruction Movement (PRRM), he is Executive Director of Cooperative Foundation Philippines, Inc. (CFPI); Chairman of the Cooperative Movement's Task Force on New Thrusts for the National Cooperative Development Program; member of the Board of Advisors and Head of the Advisory Team of the Task Force Detainees of the Philippines (TFDP); and member of the Board of Advisors of the Institute for Popular Democracy (IPD).

Mr. Morales was Executive Vice-President of the Development Academy of the Philippines and a recipient of the 1977 TOYM Awards when he ended his career in government and worked with people's organizations in the Philippine countryside. He was arrested in 1982 and was a political prisoner for four years. Released in February 1986, he continued his work as an advocate of people's empowerment--a theme which runs through his published articles and speeches.

Mr. Morales holds a BA degree in Economics from the University of the Philippines and an MA in economics from the University of Oklahoma, USA.

LEOPOLDO M. CLEMENTE, JR.
President and Chief Investment Officer
Clemente Capital, Inc.

Leopoldo M. Clemente, Jr. is a portfolio strategist specializing in global markets. As President and Chief Investment Officer at Clemente Capital, Mr. Clemente is ultimately responsible for portfolio management and security selection in all Clemente funds. In addition to these responsibilities, he serves as President of the Clemente Global Growth Fund, and Managing Director and Executive Vice-President of the First Philippine Fund.

Mr. Clemente's investment experience is not limited to his years with Clemente Capital. His career encompasses over two decades of active involvement in the world of finance.

From 1963-64, Mr. Clemente served as an economist in the Office of the President of the Philippines. He garnered seven years of investment experience working as the senior Security Analyst at Merrill Lynch, from 1969-75. In 1975, Mr. Clemente joined Marine Midland Bank, where he worked as an Investment Analyst, responsible for selection of the Bank's foreign stocks.

His experience at Eberstadt Asset Management, from 1978-85, confirmed Mr. Clemente's superior money-management capabilities. At Eberstadt, he served as Vice-President, and Portfolio Manager for pension accounts. He launched and managed the Eberstadt International Fund, which had returns exceeding 44% from 1985-86. From 1985-87, just before joining his wife at Clemente Capital, Mr. Clemente served as Vice-President and Portfolio Manager for Van-Eck Management in New York. There, he launched and managed the World Trends Fund, Inc., an open-ended global mutual fund.

Mr. Clemente earned a BS degree in Business Administration from the University of the Philippines. He went on to study Finance and Marketing at Northwestern University, where he received his MBA degree. Mr. Clemente also holds an ABD in Finance from the University of Chicago.

DEVELOPMENT PERSPECTIVES FOR THE 90s

Sometime during the last seventy years, at some point between the development of Fordist mass production and the proliferation of South Korean semi-conductor plants, a conception of development arose, and has remained largely unchallenged: the word "development" has increasingly come to largely stand for large high-technology factories, manufacturing products which increase a nation's gross national product.

A developed society in such a scenario invokes images of factories and smokestacks, of assembly lines producing shining products for the global market. Undoubtedly, development includes economies structured around such enterprises. What bears attention, however, is the extent to which the concept of development has uncritically become equated with such industrialization, to the exclusion of all other possible -- one might also say -- alternative models.

Hence, to examine the Philippine example, the debate on national development has, in the post-war period, come to settle into a dialogue between two camps, one advocating export-oriented industrialization, and another arguing for import substitution. Neither, however, seem particularly interested in linking their strategy to the nation's dominant agricultural base.

Moreover, both strategies, as they have alternately unfolded under the patronage of different governments, have explicitly favored undertakings which catapult the nation into industrialization by substituting foreign capital and raw materials for the more protracted, painstaking, but valuable effort to construct rational and articulated industries which grow out of and enhance the existing economy.

The result of both strategies, therefore, is predictable: rapidly expanding production, with virtually no spin-offs, creating limited domestic value distributed among an exclusive and excluding section of the elite. As industrial production imports such goods and capital, it necessarily excludes Philippine producers at all levels from the manufacturing process, substituting commercial linkages with international concernsfor forward and backward linkages in the Philippine economy.

Crony capitalism, a characteristic of both the Marcos -- and in more subtle fashion -- Aquino governments, is hence not a particular strategy adopted by the head of state. It is virtually a structural inevitability of this selected and preferred development program.

The criticism of such development stategies are by now familiar to many of us. Foremost among them is the recognition that such development initiatives take an extremely high toll on the environment--the drive to build larger and more efficient

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factories steamrolls over environmental concerns, and ignores emissions and pollution controls which may hamper peak production. Indeed, one might argue that among the different comparative advantages which the Philippines offers industrialists -- which number usually includes cheap labor and comparatively low taxes -- can be counted a state which traditionally has proven itself exceedingly willing to turn a blind eye to environmentally destructive practices banned elsewhere, in an effort to entice investment or production operations.

Further, as capital grows increasingly mobile, the destruction of one's environment necessitates, not rehabilitation or technology modification, but rather -- and merely -- the relocation of production from newly-depleted to still viable environmental settings. That is, for as long as development is tied to external and mobile interests, rather than existing and inherently Filipino factors, its agents will necessarily have little stake in environmental sustainability.

Another criticism increasingly voiced across the South, and customarily leveled at an entire range of dominant developmentstrategies, argues that fattening the gross national product represents a misplaced development goal, in and of itself. Rather development must be measured in human terms, as arises in standards of living, the expansions of human attainment, and the growth of popular empowerment. According to such perspectives, a national industrialization which creates poverty is, in no meaningful sense, development.

Agro-Industrialization

Perhaps the most notable aspect of the two Philippine industrialization strategies, however, is the peculiar and jaundiced eye which they cast on agriculture. In fact, as industrialization of one sort or another captured the imagination of reigning technocrats, the agricultural sector has increasingly been cast in the undeserving role of poor step-sister to the more dazzling and non-agricultural forms of industrialization.

While these two latter sally forth onto the dance-floor of the international market, the latter stays at home to mind the humble fires of limping national consumption markets. Nothing besides this complacent attitude towards the role of agriculture can account for the ready acceptance with which Philippine political leaders watched the nation slip, during the 1970s, from a net exporter to a net importer of rice, and many other foodstuffs.

Naturally, concern for the agricultural sector has persisted until the present, but seldom, ironically, as an element of any holistic development program. Agrarian reform, for example, is most persistently touted as a measure of social justice, geared at giving the dispossessed some material purchase on subsistence.

While clearly agrarian reform is intrinsically bound up in issues of social justice and equity, the tragedy of any characterization of it which adheres strictly to this line of argument is that it misses an opportunity to explore the manners in which agrarian reform can become an integral part of an agro-based industrialization. Hence, in the common conception, agrarian reform is necessary to purchase social peace, but generally puts the brakes on efficiency and erects an obstacle to productive rationality. Agrarian reform frequently remains exclusively a matter of conscience rather than of national interest.

Yet this image of agrarian reform as a social cost to be borne by soviety, rather than a net benefit leading to greater growth in both agricultural and industrial sectors, has been frequently disproved, especially and most recently in the Asian newly industrialized countries (NICs) of South Korea and Taiwan. In both these nations (and in some historically specific patterns which may admittedly be difficult to replicate) sweeping agrarian reform paved the way for more industrial forms of production.

Moreover, traditional conceptions of the relationship between backward agrarian and more advanced industrial production have grown increasingly difficult to maintain in recent years. The extent, for example, to which American exports are augmented by its robust and strategically essential wheat industry -- and the complimentary example of how severely Soviet agricultural crises crippled its economy -- suggest strongly how short-sighted it would be to relegate agriculture to a second class partner in development project, particularly in a society so deeply dependent on its agrarian base.

Food Security

Even were food sufficiency and human development not sufficient cause, in and of themselves, to prioritizt agricultural development, there are compelling reasons to believe that food dependence and poverty, quite apart from their human toll, wreak havoc on any rational development plan. Driven to the brink of subsistencefailure by an underdeveloped agrarian sector, and deprived of the means to secure their own food, many of the rural populations are driven, of necessity, to environmentally destructive practices such as the destruction of ocean resources, or wholesale foraging so harmful to the remaining woodland areas. In addition, any attempt to create a nation-wide vital market for domestic produce must necessarily incorporate marginalized populations into the market by eradicating their poverty.

Up to this point, I have largely confined myself to critical remarks, taking general aim at the most misplaced or damaging assumptions of development as industrialization. In so doing, my targets hae largely been set on the business community and

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govenment bureaucracy, among those who feel that national developmetn is a matter free market dynamics and comparative advantage, who regard state activism as unnecessary, and view development as a description of an economic dynamic rather than an activity in which society might engage.

Beside other significant differences between the four so-called "Asian Dragons" and the Philippines is that, while the former have prospered under states with active and activist conceptions of their role in the development process, the Philippines, for some reason, considered development a matter for the market and investors, and used development projects most frequently to alleviate agrarian poverty, or defuse political tension which results from such poverty. Too frequently, when one scans the development programs drafted by Provincial Development Offices, these programs consist almost exclusively of suggestions regarding where private capital should invest, rather than programs for state-led initiatives.

Yet, besides the essentially laissez-faire development officials in the government bureaucracy, another audience also demands attention, an audience neither reluctant to undertake interventionist development programs, nor unsympathetic to the proposition that agricultural development represents an integral part of national industrialization, rather than an ancillary effort to ease the transition to that industrialization.

Sustainable Development

To these perspective partners in the development enterprise, I would like to suggest the sustainable development paradigm currently pursued in the Philippines by agencies such as the Philippine Rural Reconstruction Movement (PRRM).

For some years now, PRRM has argued that a development paradigm's success must be judged mainly in terms of three different criteria: their environmental sustainability, equity, and the extent to which they contribute to popular empowerment. The strategy begins with agricultural production, most specifically by placing productive resources -- land, seeds and other technology -- into the hands of agrarian producers.

The strategy, constructed on those long term residents of the countryside, has an inherent bias towards environmental sustainability, which our development model draws out by explicitly searching for environment-friendly agrarian technology to replace destructive petro-chemically based green-revolution practices.

Further, by building agrarian reform into the development strategy, and undertaking development at a district, rather than national, level, the program has greater prospects for equity in its benefits. As agrarian reform increases access to productive resources, development -- building as it does on such resources

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-- becomes correspondingly equitable. With the rural poor gaining control over the land, seeds and water, development processes begin, for the first time in recent memory, to elevate their economic standing directly. Moreover, development projects pitched, at least initially, at the district level, lessens the chances that development benefit only a small circle of the elites. The more accesible development is to the grassroots, the greater the prospects that it will promote equity.

The above elements of the sustainable development paradigm, in the end, all nurture popular empowerment. At present, the rural poor are immobilized by a variety of factors -- by debt and dependence, low wages, a denuded and eroding natural resource base and political marginalization. The choices which rural populations make -- in a range of issues from production decisions to electoral votes -- are narrowly subscribed by their dependence on the good will of powerful patrons or the coercion of formidable opponents.

If the rural poor are ever to cast off the borrowed clothes of their dependence, or shield themselves from the intrusion of their vulnerability, then they must gain control of the web of decision and power which surrounds them. With technology which enhances production without mortgaging the future to an environmental holocaust; with control over both farming decisions and the disposition of its fruits; with an independence from external and self-interest claims, the rural poor may at last speak with their own voice, and it is with that voice that any genuine effort at national development must ultimately place its trust

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SUSTAINABLE RURAL DISTRICT DEVELOPMENT PROGRAM

Background

In 1988, the Philippine Rural Reconstruction Movement (PRRM) launched the Sustainable Rural District Development Program (SRDDP) as the core expression of its new empowerment orientation.

SRDDP is viewed as a **contribution** to the social transformation process being undertaken by various groups, organizations, communities and individuals in the rural areas. Social transformation, as a process, entails a series of progressive and interdependent actions aimed a realizing a **vision** - sustainable development and people's empowerment.

SRDDP finds its role in this social project by contributing to the **enhancement of capabilities of people's organizations to manage and direct their own development.** It proceeds from the assumption that the management of such process has been left to the hands of government and elite organizations, leaving the rural majority more and more powerless to transcend their increasing state of poverty and powerlessness. The measure of the program's success lies in the level of contribution to the capability-building process of its partners in the various districts.

KEY FEATURES OF THE PROGRAM

Since the start of program implementation in 1988, the choice of 5 to 7 municipalities as provincial area coverage already proceeded from the concept of the **economic** district. This means a manageable level of economic planning and operation may be made based on the various types of existing and possible economic activities in the area. The **sustainable rural district** was further refined to mean a **bio-economic** district defined through the following criteria:

The District as a Scale of Sustainability

Ecological
An ecological zone in a wedge centered on a natural water system. This provides for an adequate resource base made up of a mountain watershed, foothill areas, midlevel sloping lands, fertile plains and coastal areas. Being integrated ecosystems, any ecological imbalance in one level affects the whole, thus requiring an integrated area approach that would balance the exploitation and conservation of the resource base.

Economic
An adequate variety of existing and potential production, processing, financial and market factors necessary for a self-reliant and self- propelled local economy.

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Socio-demographic
Combination of the physical, demographic, organizational and cultural characteristics that affect resource control and distribution. This encompasses a population coverage large enough to produce the critical mass necessary.

These considerations indicate the ideal sustainable district scale to be a cluster of villages across several municipalities in a province, covering some 150,000 hectares cf land area and 50,000 households.

A Long-Term Intervention Scheme with clear Entry, Consolidation and Withdrawal Phases

The whole intervention scheme is divided into three broad stages: entry, consolidation and withdrawal. The program's emphasis on people's empowerment ensures the long-term viability of the people's development. This should negate the possibility of breeding dependence of target participants on the intervening NGO by ensuring a clear withdrawal strategy. SRDDP shall be implemented across a 10-year period.

People's Empowerment for Sustainable Area Management

People's empowerment entails, the eventual transfer of power by harnessing the people's own potentials to achieve self-reliance and self-management and eventually undertake the responsibility for their own development. In the countryside, this involves the **creation and consolidation of three key rural institutions** to promote direct democracy, as well as serve as area management organizations of target groups:

* Landless agricultural workers
* Small-owner cultivators
* Subsistence fisherfolk
* Women and youth

The following define the sets of characteristics of these key rural institutions that are decisive in responding to the different aspects or requirements of a self-sustaining district.

Sectoral Associations
are the main organizational expressions for the empowerment of the marginalized sectors in the countryside. They shall constitute the solid backbone or core of a nation-wide district-based movement for sustainable development and popular democracy.

Cooperatives
are the main vehicles of target groups for

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the fulfillment of economic self-sufficiency. They are characterized by a pooling of resources by the members, a system of operations that equitably distributes costs, risks and benefits on joint and several ownership and control. These formations will be established in the various economic areas of production, processing, marketing and finance.

Community Organizations
are multi-sectoral horizontal federations that will admit and unite a wide range of organizations of varying economic and political concerns, encompassing virtually all sectors and classes in the village, including organizations of middle and rich peasants. They will be built around issues of common interest, and will serve as centers of popular planning, decision-making, policy formulation and leadership at the community level.

At the apex of these is the people's council. It shall serve as the organ for self-governance that stands at the apex of the multisectoral, pluralist, federational structure of the district movement for sustainable development and popular democracy. The council shall function parallel to local government units: supportive and complementary when government policies and programs are consistent with the people's interests; formulating, advocating and implementing alternatives when government actions run counter to the people's aspirations.

District Development Policy Research, Planning and Advocacy

A measure of a people's organization's capability to manage its own development is the capacity to draw-up an alternative development plan consistent with its vision, implement it and advocate for its eventual adoption into official policy.

When the program was started in 1988, at the backdrop was a proliferation of sectoral people's organizations and multi-sectoral alliances which have outlined, in broad strokes, an alternative agenda for development. The need was to **validate** and **enhance** such agenda in the light of national and global imperatives, and **popularize** this among the larger rural population, and **enlist** them as active participants in its realization. The policies and plan shall provide a guide to the

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various development activities that will be undertaken by the POs. Conversely, concrete experiences shall serve as inputs to enrich and refine these plans. Moreover, these policies should be advocated for official adoption to help create a development environment supportive to the people's pursuit of its own development.

Sustainable Local Economic Development

This component seeks to develop livelihood systems toward sustainable agriculture, rural industrialization, and alternative trading and marketing. It also establishes an alternative rural finance system through savings mobilization, credit delivery and creation of people's banks. In addition, community-based environmental management systems are set up through environmental policy research and advocacy, and the formulation and implementation of community based resource management models.

This springs from the assumption that development would not be realistic if no meaningful economic development takes place.

At the crux of this is the need for asset and income redistribution. This could be attained through a thorough-going agrarian reform and an industrialization strategy that gives increasing attention to the local market and a more substantive role for national capital. Correspondingly, this should be undertaken with clear perspective in regenerating and protecting and degraded natural environment.

Food Security and Basic Social Services

The attainment of food security at the household level is explicitly stated as a long-term objective of the SRDDP. The perspective is the creation of integrated production, processing and marketing systems that would ensure basic needs self-sufficiency for the district. It also ensures the development of basic social services through community managed systems on health, popular education and disaster preparedness and response.

Paper presented by Horacio R. Morales, Jr. at the forum on "Prospects for Philippine Development in the 1990s" held at the International House, New York City on May 30, 1992 (sponsored by the International Institute of Rural Reconstruction).

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International Institute of Rural Reconstruction

"Roots of Development" Forum

PHILIPPINE ECONOMIC OVERVIEW

Leopoldo M. Clemente, Jr.
Clemente Capital, Inc.
May 30, 1992

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ECONOMIC OUTLOOK
April 1992

As President Aquino's administration draws to a close, the country's economic performance continues to be hampered by political uncertainties and unpredictable natural calamities. Nevertheless, indicators for the first three months of this year show signs of economic recovery and potential growth.

ECONOMIC PERFORMANCE: 1991

The economy remained flat in 1991. A combination of international developments, natural disasters and stringent domestic fiscal/monetary measures, imposed under an IMF austerity program, weakened the economy, causing domestic output (GDP) to decline for the first time since 1985. Business investments, especially in construction and equipment, fell sharply. Drastic reductions in government expenditures and a tight monetary policy were enforced throughout most of the year in an effort to control inflation and to close the twin fiscal and trade deficits.

Production and Expenditures

Official government figures are summarized in Tables 1, 2 and 3.

On the production side (see Table 1), annual output in both the agricultural and service sectors were practically flat, while industrial production declined over 3 percent. Construction was particularly hard hit, plunging 16%.

On the expenditure side (Table 2), gains in private consumption expenditures (+2.5%) and exports (+3.9%) were negated a severe contraction in investments and by declines in public consumption (-6%). On the investment side, construction closed out the year down over 17% and durable equipment spending fell 9%. In the area of public consumption, Government austerity measures and the absence of a Congressionally-approved budget caused government outlays to fall below programmed levels in the first half of the year. They did however, step up in the second half, particularly in the area of construction. By the end of the year, the government budget deficit stood at P26.3 billion --- almost spot on target relative to the P26.6 billion goal set under the Economic Stabilization Plan.

Inflation, Interest Rates, and the Exchange Rate

Higher fuel prices and the imposition of the 9% import levy caused inflation to remain in the high teens in the first half of 1991. By September, however, price pressures had begun to ease and by year-end, inflation hit a year low of 12.4% versus an average of 17.7% for the entire year.

Nominal interest rates followed a U-shaped pattern in 1991. Starting off the year at a peak of 28.6%, the 91-day treasury bill rate had dropped to 17.3% by July, before working its way back up to 21% by December. The average for the year was 21.4%.

The official exchange rate remained stable throughout the year, fluctuating within a narrow band around the year's average of P27.5/1US$. Reductions in imports and foreign exchange requirements contributed to this steady pattern. Improvements in the government's international reserves further strengthened the peso towards the end of the year.

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Trade Deficit and Balance of Payments

Dollar import expenditures slowed during the year and the volume of imports declined almost 5%, leading to an improvement in the nation's trade deficit ($3.2 billion vs $4.0 billion in 1990). The balance of payments, which showed a deficit of $185 million in December 1990, registered a surplus of $1.4 billion in December 1991.

DEVELOPMENTS IN THE FIRST QUARTER OF 1992

Real Growth

The quarterly figures in Tables 1 and 2 show that the economy bottomed out in the third quarter of 1991. All GNP components, with the exception of Mining and Manufacturing, posted improvements in the fourth quarter. A number of factors contributed to the on-going weakness in the mining and manufacturing sector:

- lower investments throughout the year
- power shortages, which started in Minadanao and have now spread to Luzon and
- the fact that most of the major mining companies are still suffering from the after-effects of the various natural disasters that have plagued the country.

The Power Situation

The power situation remains precarious, as evidenced by the acute power shortages suffered by Metro Manila in March and April. Thermal plants were forced to shut down for repair and maintenance, while hydroelectric plants are operating far below capacity because of lack of water. The voluntary shutdown program, organized by the business sector, helped alleviate the situation, but developing a long-term solution to this problem remains critical.

The power situation in Luzon is as follows: the island requires some 3,100 megawatts of electricity daily. Existing power plants theoretically have the capacity to supply this (see Table 4), but the thermal plants are aging and the hydroelectric plants are vulnerable to water shortages. Table 4 shows how plant shutdowns (caused by various factors) resulted in the delivery of less than 2000 megawatts, far below both rated capacity and power requirements.

Except for the Hopewell project, no new power plants have been completed since 1984 to replace the old generators. A settlement has been reached with Westinghouse to rehabilitate the Bataan Nuclear Power Plant (capacity 620 megawatts) but that will require 2 - 3 years. In the meantime, the return to a near normal power situation in Manila and Luzon rests on the restoration of plants currently under repair and maintenance and the arrival of seasonal rains to fill the hydroelectric dams.

Inflation, Interest Rates and the Currency

The strength of the peso and the decline in inflation, already evident in the fourth quarter of 1991, continued into the first quarter of this year. At the same time, declining world interest rates, abating domestic inflation and a favorable balance of payments position

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enabled the Philippine Central Bank to substantially cut interest rates. The 91-day treasury rate fell from 21% in December to 17% in March.

This decline in interest rates, coupled with a strong currency and a surplus in the Oil Price Stabilization Fund reinforce the downward trend in inflation. Since December, the government has already rolled back fuel prices twice. Since the beginning of the year, inflation has continued to decelerate from 12.4% in December to 10% in January to 8.9% in February and 8.8% in March.

By the end of January 1992, gross international reserves exceeded four months worth of the nations' merchandise imports. Dollar remittances from abroad through official channels have been encouraged by the liberalization of foreign exchange regulations and the favorable differential between domestic and international interest rates. Additional remittances also may have taken place to fund the upcoming elections. The government has come to terms with the IMF for the restructuring of loans and an extension of its stand-by facilities. Under these favorable conditions, the peso appreciated further to an official rate of P25.55/ $US 1 in March 1992.

The Economic Stabilization Plan

Under the economic stabilization plan worked out with the IMF, the 1992 national government budget deficit has been programmed at 9 billion pesos and the consolidated public sector deficit at 37.7 billion pesos (2.7% of GNP). This programmed level for the national government deficit is the lowest since 1985 and is only 1/3 the 1991 deficit. The program also calls for guarantees that expenditure requirements for the rehabilitation of the Mt. Pinatubo area will be met by the government. Likewise, higher cash disbursements for foreign assistance projects are mandated. In terms of government revenues and expenditures, programmed levels for 1992 represent increases of 19.5% and 10.0% respectively. Historical performance on revenue and disbursements is summarized in Table 5.

To meet these fiscal targets, the Philippine government is counting on additional revenues from various tax measures and the privatization of Philippine Air Lines (PAL), Philippine National Bank (PNB) and National Steel Corporation. The government has already sold 2/3 of PAL and an additional 13% of its shares in PNB. Tax bills establishing a simplified net income tax system and a large taxpayers unit within the Bureau of Internal Revenue (BIR) have already been passed by Congress and await the signature of the President. Refinements of the value added tax system and the creation of confidential positions at the BIR for increased tax collections are under deliberation in Congress, with final action expected by July, 1992, after the new administration takes over. Additional measures are also being contemplated for increased penalties on tax evasion and the restructuring of the estate and donor's tax.

Delays in implementation of these revenue-raising measures will necessitate cutbacks in national government spending if the government is to meet its deficit target for the year. The government has apparently built up a cushion - posting a budget surplus in the first quarter of 1992, as a result of the sale of PAL and PNB.

Some quarters were also hoping that part of the proceeds from the government privatization program can be used to fund the conversion of Clark and Subic bases into viable economic entities. A central bases conversion autonomous body has been created to coordinate the transformation of the bases. Another plan, involves the relocation of

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Philippine military camps from Metro Manila to Central Luzon. The vacated lots would then be sold and the funds used for the bases conversion program.

Complementing the reforms in tariff structure and foreign investment policies, the government has also implemented foreign exchange market reforms and plans to liberalize trade further. Exporters are now allowed to retain 40% of their foreign exchange receipts versus the previous 2% limit. Most entities, including overseas contract workers, are now allowed to freely buy and sell foreign currency and to invest or deposit foreign currency abroad. The central bank has also recently launched off-floor trading in foreign currency. It is also considering a more flexible basis for determining foreign exchange holdings of banks.

PROJECTIONS FOR 1992

The government has undertaken various measures and economic structural reforms to pave the way for recovery in 1992:

- Foreign Investment Act
- Tariff Restructuring Program
- Foreign Exchange Market Liberalization
- Off-Floor Foreign Exchange Trading
- Reduction of the Import Levy, which should be phased out completely by mid-1992

Other positive signs in the first quarter of 1992, include lower inflation, lower interest rates, a solvent Oil Price Stabilization Fund, a stronger peso, favorable trade balance and international reserves position. During this period, letters of credit for imports also registered a 36% increase year-on-year. Furthermore, the potential is there for a pick up in investment spending following a peaceful transition of power after May.

On the negative side, the vexing power shortage, which has already caused production cutbacks in Mindanao, will continue to be a problem throughout the year. There may also be shortfalls in tax revenues, which could result in cut backs in government expenditures.

The government's economic program has targeted a growth range of 2.5 - 3.0% in GDP for 1992 --- as indicated in the National Economic and Development Authority (NEDA) projections in Table 3. The consensus projections of most forecasters in the Philippines range between 2 - 3% GDP growth. Our projection is slightly lower than this --- see Table 3 --- taking into account a more serious impact of the power outages and the possibility of lower public investments and operating expenditures. (The latter may be necessary to meet budget deficit targets.)

LONG TERM ISSUES

The critical elements for the long term economic progress of the Philippines are:

- Political stability
- Domestic and foreign investments
- Land reform program and a strengthened agricultural sector
- Regional development

Long-term infrastructure development program, especially in energy, rural transportation and road systems.

The various measures we mentioned earlier, especially the new foreign investment act, the liberalization of foreign exchange transactions and the reformed tariff structure will improve the investment climate in the country.

The present administration has set a course towards economic recovery. Whoever wins the Presidential elections next month will very likely maintain this course.

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Table 1
Growth Rates for GNP Production Sectors
(First Quarter 1989 to Fourth Quarter 1991)

	1989 - 1990				1990 - 1991				Full Year	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	89-90	90-91
AGRICULTURE FISHERY, FORESTRY	0.6	-0.1	0.9	3.4	3.1	1.1	-3.0	-0.1	1.1	0.2
INDUSTRY	10.1	3.5	2.7	-6.9	-5.0	-6.0	-1.9	-0.4	1.8	-3.3
MINING & QUARYING	2.5	-4.9	-9.6	1.1	-12.3	1.7	-4.6	-5.3	-2.6	5.0
MANUFACTURING	4.9	1.9	3.2	-1.5	-0.2	-1.3	-0.7	-0.8	2.0	-0.7
CONSTRUCTION	50.4	15.8	6.4	-25.6	-26.7	-31.5	-9.2	1.1	3.0	-16.0
UTILITIES	2.8	0.3	-0.8	-1.9	1.9	1.1	1.0	2.8	0.1	1.7
SERVICES	5.1	3.7	4.5	3.0	0.9	0.5	0.5	0.6	4.0	0.4

Source: NSCB, Philippines
Date: April, 1992
filename: FPFTAB1.wq1

Table 2

Growth Rates for Expenditure Components of GNP

(First Quarter 1989 to Fourth Quarter 1991)

	1989 - 1990				1990 - 1991				Full Year	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	89-90	90-91
Real GNP	8.2	4.4	5.9	-0.8	-0.7	-0.8	-2.0	3.3	4.1	0.0
Real GDP	5.8	2.8	3.1	-0.6	-0.7	-1.7	-1.1	0.1	2.6	-0.1
Expenditures										
Private Consumption	5.3	5.4	5.5	5.5	4.0	3.0	2.2	1.1	5.4	2.5
Govt Consumption	15.7	17.0	9.4	-2.7	-5.7	-6.5	-6.8	-5.3	9.3	-6.1
Investment	28.2	9.8	4.9	-11.7	-15.2	-31.2	-9.7	0.4	5.6	-13.9
Fixed Capital	32.5	6.5	10.5	-10.9	-16.7	-23.2	-8.5	0.6	7.3	-11.9
Construction	35.6	9.7	5.0	-23.9	-32.6	-31.2	-12.6	4.0	0.6	-17.3
Durable Equip.	35.5	4.3	16.8	7.1	-6.9	-19.9	-6.1	-3.4	15.3	-9.1
Exports	4.0	2.0	2.3	-3.0	0.4	7.1	-2.1	6.1	1.3	3.9
Imports	21.1	12.4	12.9	-0.7	-0.1	-13.8	-5.1	-1.2	10.0	-4.8

Source: NSCB, Philippines

Date: April, 1992

filename: FPFTAB1.wql

Table 3
The Philippine Economy
Summary of Principal Indicators
and Projections for 1992

	ACTUAL					PROJECTIONS	
						NEDA	CCI
	1987	1988	1989	1990	1991	1992	1992
Real GNP (% Chg)	5.8	6.8	[illegible]	3.1	0.0	2.5-3.0	1.0-2.0
Real GDP (% Chg)	4.6	6.4	5.6	2.5	-0.1	2.5-3.0	1.0-2.0
EXPENDITURES (% Chg)							
Pvt Consumption	5.7	6.0	5.7	6.2	2.5	3.7	
Govt Consumption	7.2	7.2	6.3	3.7	-6.1	3.6-6.2	2.0-4.0
Investments	34.2	17.5	14.8	-0.5	-13.9	5.7-8.8	3.0-4.0
Exports	-1.3	15.9	8.3	2.0	3.9	5.5	2.0-4.0
Imports	26.5	33.4	27.3	11.0	-4.8	6.3	3.0
PRODUCTION (% Chg)							
Agriculture	-1.0	3.6	4.3	2.2	0.2	2.0-2.5	1.0-2.0
Industry	7.8	9.0	6.9	1.9	-3.3	3.0-3.7	1.0-2.0
Services	6.6	6.3	5.4	3.3	0.4	2.3-2.6	1.0-2.0
Inflation (%)	3.8	8.9	10.6	12.7	17.7	8.7 (1)	9-11
Peso/US$ (Avg)	20.6	21.1	21.7	24.3	27.5	27-30	27.0
T-Bill Rates (90-Day)	11.4	14.4	19.3	23.7	21.4	18.0	17-19
Trade Deficit ($mil)	922	1,085	2,598	4,020	3,213	3,700	3,800
Govt Budget Deficit (Bil,P)	16.7	23.2	19.5	37.2	26.3	9.0 (1)	9.0
BOP Surplus ($mil)	-	650	451	-185	1,405	NA	1,400

Source: For actual values: NEDA and NSCB. Figures for 1991 utilize the revised national income accounts with 1985 as the base year.
(1) Targets set under the economic stabilization plan of the Philippine government.
Date: April, 1992
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Table 4: State of Power Generation in Luzon			
Year Installed	Plant Name	Capacity (Megawatts)	Delivery (April, '92)
HYDROELECTRIC			
1947-50	Caliraya	32	0
1956-57	Ambuclao	75	0
1960	Binga	100	100
1967-68	Angat	228	0
1977	Pantabangan	100	0
1982	Kalayaan	300	75
1983-84	Magat	360	0
Subtotal:		1,195	175
COAL			
1984	Calaca	300	0
GEOTHERMAL			
1979-82	Tiwi	330	213
1979-84	Makban	330	267
Subtotal:		660	480
THERMAL (OIL)			
1965-66	Manila 1 & 2	200	200
1968-70	Sucat 1 & 2	350	300
1971	Sucat 3	150	150
1972	Sucat 4	350	30
1972-77	Bataan 1 & 2	225	133
1975-79	Malaya 1 & 2	650	300
1989	Hopewell	200	200
Subtotal:		2,125	1,313
TOTAL		4,280	1,968

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Table 5
National Government Revenues and Disbursements
(Billions of Pesos, 1985 - 1992)

	Revenues			Disbursements		
	Tax	Non-Tax	Total	Operating Expenditures	Capital Outlays	Total
1985	61.3	7.7	69.0	55.3	23.1	80.1
1986	65.5	13.7	79.2	66.9	28.5	110.5
1987	85.9	17.3	103.2	94.0	18.9	120.0
1988	90.4	22.5	112.9	112.2	18.5	136.1
1989	122.5	29.9	152.4	142.8	25.5	172.0
1990	151.7	29.1	180.8	178.0	34.8	218.0
1991	182.0	38.8	220.8	196.2	43.0	247.1
1992	217.5	46.3	263.8	224.3	41.3	272.8

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Basic indicators: The Philippines compared with other selected countries.
(Figures are for the year 1989, unless otherwise noted.)

Country	Population (millions)	Area (thousands of square kilometers)	GNP per capita (dollars)	Life expectancy birth (years)	Adult illiteracy (percent) 1985
Philippines	60	300	710	64	14
India	832.5	3,288	340	59	57
Haiti	6.4	28	360	55	62
Ghana	14.4	239	390	55	40
Sri Lanka	16.8	66	430	71	13
Indonesia	178.2	1,905	500	61	26
Colombia	32.3	1,139	1,200	69	12
Thailand	55.4	513	1,220	66	9
Mexico	84.6	1,958	2,010	69	10
Korea, Rep.	42.4	99	4,400	70	..
United States	248.8	9,373	20,910	76	**
Japan	123.1	378	23,810	79	**

**less than 5%

Source: World Bank, World Development Report, 1991.

Income distribution: The Philippines compared with other selected countries.
(Percentage share of household income, by percentile group of households)

Country	Year	Lowest 20 percent	Second quintile	Third quintile	Fourth quintile	Highest 20 percent
Philippines	1985	6	10	15	22	48
India	1983	8	12	16	22	41
Ghana	1987-88	7	11	16	22	45
Sri Lanka	1985-86	5	9	12	18	56
Indonesia	1987	9	12	16	22	41
Colombia	1988	4	9	14	21	53
United States	1985	5	11	17	25	42
Japan	1979	9	13	18	23	38

Source: World Bank, World Development Report, 1991.

STATE OF THE PHILIPPINE ENVIRONMENT

THE FORESTS

The forest is the heart of the environment. Ecologically, it is vital in maintaining the delicately balanced ecosystem. Forests provide habitat for a million of species and help regulate climate. They protect the soil from erosion and, through watershed effects, act like a sponge, absorbing the rainfall and releasing it slowly and steadily into the lowlands for irrigation and industrial purposes.

Status

Year	Total Forest Cover	% of total area
1950	22,500,000	75%
1968	16,080,000	54%
1983	11,759,501	40%
1986	9,180,470	31%
1987	6,789,639	23%
1988	6,460,600	22%
1989	6,300,000	21%

THE FRESHWATER ECOSYSTEMS

The Philippine freshwaters are composed of 385 major river systems and 59 lakes.

Status: A total of 40 rivers, including all the rivers of Metro Manila, are now considered biologically dead because of pollution. Of the remaining sources of freshwater, majority are contaminated. A total of 480,802 hectares of freshwater reservoir areas are also affected by salt water intrusion, especially in Cebu City, Negros and Metro Manila. It is projected that Metro Manila will run short of water supply in the year 2010, that is, 20 years from now.

THE CROPLANDS

The country's agricultural areas, comprising 9.93 million hectares or 34% of the country's total land area, make up the croplands.

Status: About 4.8 million hectares of croplands in at least 13 provinces of the country today are already eroded. Of the total 9.93 million hectares of land now under cultivation, only 5.8 million hectares are considered suitable for crop production, while only 2.8 million hectares in the lowlands are capable of producing more than one crop a year. One million hectares of considered stable agricultural land are flooded every year.

THE URBAN AREAS

Status: The built-up areas in the urban centers add up to 130,000 hectares. There are 20 million people living in these areas, most of whom are in so-called squatter areas. This number could reach 30 million by the year 2000. About 69% of all industrial firms are located in Metro Manila.

Water pollution

No city in the Philippines has a complete sewerage system. In Manila, only 10% of the city has access to sewerage.

Air pollution

There are no reliable data on air pollution in Metro-Manila because this has not been monitored since 1983. While the extent and gravity of this problem is not well-known, it has in some areas exceeded acceptable standards. It is estimated that 60% of air pollution come from the more than 1 million vehicles in the city, the other 40% come from industrial sources. Air pollution is worsened by toxic and hazardous substances emitted by the various industrial firms.

Source: "An Information Resource on Ecology" published by NASSA, Catholic Bishops' Conference of the Philippines

IIRR

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ROOTS OF DEVELOPMENT

A Development Education Program for Filipino-Americans

The "Roots of Development" Project of the International Institute of Rural Reconstruction (IIRR) is a three-year program to build commitment and capability among Filipino-American organizations to carry out sustained development education programs.

Purpose

The program is designed to build a sustained development education program among Filipinos, who are the second largest group of Asian-Americans, with a population of over 1.4 million.

IIRR's growing relationship with Filipino-American groups around the country indicates that there is strong interest and concern among Filipino-Americans about conditions in their homeland, and a desire to play a role in enabling the Philippines to realize its full national potential.

Theme

The long-range goal of the "Roots of Development" program is to test and demonstrate strategies which might be used for other ethnic groups with roots in the third world. IIRR believes that Filipinos and other ethnic groups are a new and potentially valuable target audience for U.S. development education, which could build on the cultural and socioeconomic ties with their countries of origin.

Content

Under the general subject of "Crisis and Opportunities in Philippine Development," the project will focus on critical issues which are addressed by IIRR and its partner agencies in grassroots development programs. Major topics would include: (a) environment; (b) food security and hunger issues; (c) appropriate technology; (d) problems and roles of women in development; (e) people's participation and leadership in rural development; (f) agro-industrialization; and (g) the Multilateral Assistance Initiative.

Specific topics will be chosen in "Focus Groups" with leaders of Filipino-American organizations.

Activities

Phase 1 & 2 (two years): Workshops and follow-up activities will be carried out with Filipino organizations in six cities, with high concentrations of Filipino-Americans, reaching a cadre of more than 200 community leaders who will be trained and supported in ongoing development education programs. Each workshop will focus on the issues identified by community leaders as having the most interest and relevance. Participants in each workshop would be presented with options for follow-up activities for continuing development education and advocacy in their communities.

Each participating organization will also be presented with options for activities which would build direct links with development programs carried out by government, non-government and multilateral organizations in the Philippines. The objective of these people-to-people links is to enhance understanding and awareness among Filipino-Americans. For example, these options could include: adoption of a Filipino village; adoption of a micro-enterprise; sponsorship of a school bio-intensive gardening program; and support for a primary health care activity in a Philippine village.

Participating organizations would be encouraged to select projects in a way that would maximize the promotion of mutual understanding and respect between the Filipino-Americans and their counterparts in the Philippines. For example, a group of doctors might provide medical advice and support for lay development workers carrying out primary health care programs. A group of business people could provide guidance on effective management of micro-enterprises.

Phase 3 of the project, carried out in the third year, would be devoted to consolidation, evaluation and analysis of the lessons learned. During this time IIRR would also begin forging a national development education coalition of the Filipino-American organizations participating in the program and will begin adapting and testing the model with another Asian-American ethnic group.

Outcomes

Major anticipated results of this project are:

(1) Development of appropriate development education materials and strategies for use with Filipino-Americans.

(2) Active involvement of strategically-located Filipino-American organizations in sustained development education programs.

(3) Development of an effective model for adaptation with other Asian-American and Hispanic-American groups.

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Transforming Rural Life at the Grass Roots

Practising bio-intensive gardening in El Castillo, Mexico, at a workshop organized by IIRR and its Guatemalan affiliate with the help of a local NGO.

The International Institute of Rural Reconstruction (IIRR), a non-governmental organization (NGO) based in the Philippines, is helping to enhance the quality of rural life and encourage sustainable development through a holistic approach that links education, livelihood, health and self-government. It was founded in 1960 by the Chinese educator Y.C. James Yen (1893-1990). Now its highly successful methods are being transferred to many other developing countries through training and extension services and through affiliated organizations. The IIRR's current President, Dr. Juan M. Flavier, interviewed here for *Cooperation South* by Christopher McIntosh, describes the work of the organization.

Cooperation South: How did you first come to be involved in the work of the IIRR?

Flavier: I came from a very poor family and was born in the slums of Manila. Later we moved to the mountains where my father worked as a labourer. I was fortunate enough to be able to study medicine, and in the early 1960s, at the time of my graduation, I met the founder of IIRR, James Yen, who was then in his 60s. I told him that I planned to go into the mountain villages to practise medicine and do community development. He told me that I would fail. "You'll do great medical work," he said, "but very few people know how to do community development. You are bound to commit mistakes at the expense of the people." Instead he suggested that I first work with him for two years, and I accepted. In fact I have now been in the movement for 31 years!

CS: What are the basic features of the method developed by James Yen?

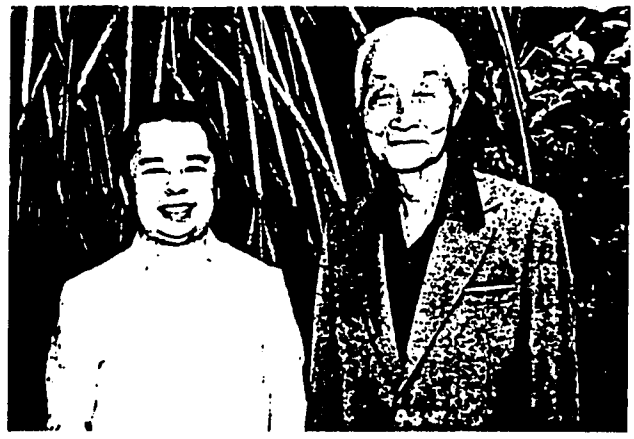
Flavier: It is based on a fourfold approach, corresponding to four basic elements of community welfare. The first is livelihood. Under this heading, we promote improved agricultural methods, help to establish village industries and train people in management and accounting. The second element is health, which includes the prevention and treatment of illnesses, family planning, sanitation and nutrition. The third is education and culture, including literacy programmes and musical and cultural activities. The fourth is self-government—overcoming civic apathy and encouraging communities to organize themselves more effectively. The beauty of it is that you can begin with any of these, depending on the situation.

James Yen and his colleagues developed this approach by working at the grass roots in China between the 1920s and 1940s, and later they applied what they had learned to combat poverty in other developing countries.

CS: Can you describe some of the ways in which the IIRR participates in South-South cooperation?

Flavier: In addition to our world headquarters in the Philippines, we work in partnership with independent rural reconstruction movements in six countries. One is for the Philippines itself. The others are in Colombia, Ghana, Guatemala, India and Thailand. These affiliates share knowledge with each other and pass it on to other countries in their regions. Then twice a year in the Philippines we hold a one-month

FROM: COOPERATION SOUTH, April 1992, magazine of United Nations Development Program



Dr. Juan M. Flavier (*left*) with the IIRR's founder Y.C. James Yen (1893-1990).

international training workshop. About half the participants come from NGOs around the developing world. The remainder are civil servants and public sector personnel. In most cases air fares, tuition fees and living expenses are paid by the respective governments or NGOs, but some participants are sponsored by United Nations agencies or private foundations.

We also organize training workshops outside the Philippines, which avoids expensive air travel for the participants, since we bring the training to them in their own countries. We have already held such workshops in Bangladesh, Ghana, Guatemala, India, Indonesia and Kenya.

There is a big demand for our courses, but we have to limit them to about 25 people at a time. Unfortunately we can only accept one in every three applicants.

In addition to our regular training programmes, we also provide technical support and expert advice directly to other organizations working for the welfare of rural communities in the developing world.

CS: Can you give some examples of the kinds of technology that you are disseminating?

Flavier: One of our most important activities is what we call regenerative agriculture, meaning environmentally sound approaches to food production. For example, we are promoting bio-intensive gardening, which is in fact an adaptation of a very old method in which different crops are interspersed with one another. For optimum nutrition, these should always include a fruit, a legume, a root crop and a leaf crop. Animals can also play an important role, generating additional income and providing manure. It is also important to maintain soil fertility by recycling as much as possible. Organic material is returned to the soil as compost, and when a plant is harvested, part of the root is left in the ground to decompose and add humus to the soil. Also, we dig the ground only once, at the beginning. After that, we allow the soil to absorb the nutrients without digging, as happens naturally in the forest. Our tests in the Philippines have shown that a bio-intensive garden of less than 50 square metres can supply a family of six with year-round vegetables that supply 100 per cent of their vitamin C and iron needs, 60 per cent of their vitamin A needs and 30 per cent of their protein needs.

Through our affiliates and extension activities, these methods are being widely disseminated. We have also developed training kits on regenerative agriculture, which are available in several languages. These have proved very popular among rural development workers in different parts of the world.

In addition, to safeguard traditional plant varieties, we maintain a "seed bank" of over 1,000 types of plant from all over the world. By distributing these seeds to farmers, we help to conserve biological diversity.

In the field of appropriate technology, we are constantly trying out different ways of improving the quality of life for rural communities. For example, we revived an old type of water pump called the hydraulic ram, which works purely by water pressure and has only two moving parts. We introduced it ten years ago in the Philippines to the village of Batas in Cavite province. The result was the villagers for the first time had a constant supply of fresh water to their homes, and communicable diseases went down by 22 per cent. The original ram is still working.

I could mention many other areas in which we are active. In family planning, for example, we have developed what we call the "agricultural approach." This involves using analogies from farming to teach different birth control methods. We have developed over 600 analogies, and the method has been very successfully applied in Kenya, Thailand and other countries.

CS: In your view, what are the special features of the IIRR's approach that have made its work so widely acclaimed in the developing world?

Flavier: One very important point is that everything we teach in our classes has already been proven in what we call our "social laboratories", that is clusters of villages where we develop and test our technologies with the help of local people. This is something that the participants greatly value. They know that we never pass on untried methods.

Another significant factor is that we ourselves are a developing country. When people come to the courses, their reaction is: "If you can do this, we can do it too!" ■

For further information, the IIRR can be contacted at either of the following addresses:

Silang, Cavite 4118
Philippines
Tel. (639) 699431

475 Riverside Drive
Room 1270
New York, NY 10015, USA
Tel. (212) 870-2992
Fax. (212) 870-2981

IIRR INTERNATIONAL INSTITUTE OF RURAL RECONSTRUCTION

Who we are

The International Institute of Rural Reconstruction — IIRR — is a private, educational organization helping third world villagers overcome poverty, hunger and disease so they can have enough to live on and something worthwhile to live for.

IIRR is incorporated in the United States, with international headquarters in the Philippines and affiliated national Rural Reconstruction Movements in Africa, Asia and Latin America.

Dr. Y.C. James Yen

"This is an age of unprecedented promise and threat. Modern science has brought wealth, comfort and power. It has also brought death, destruction and the threat of nuclear annihilation.... Suppose somehow the manufacture of nuclear weapons were discontinued and the superpowers were able to settle their differences. Would this guarantee a secure and lasting peace?

"No! There can never be global peace and security while two-thirds of the human race are left to suffer in mass poverty, mass inequality and mass discontent....

"For over sixty years, our sacred mission and challenge has been, and still is, to level up the two-thirds of our down-trodden fellow men and women—to play the vital role of equal and full partners with the other one-third of their privileged brothers and sisters—to labor together, shoulder to shoulder and heart to heart, to lay a foundation for world peace and prosperity which is firm, strong and enduring."

—Dr. Y.C. James Yen
Founder of IIRR

What we do

IIRR attacks four major social ills — illiteracy, poverty, disease and civic inertia — through a fourfold program which increases the power of rural people to improve their education, livelihood, health and self-government on a lasting basis. We emphasize an integrated rather than an isolated approach to these problems, because improvement of one depends on improvement of the others.

LIVELIHOOD

We aid *economic development* by
- testing and teaching improved methods of plant and animal production,
- helping to establish village industries,
- making credit, purchasing and marketing cooperatives available, and
- training people in simplified management and accounting techniques.

These activities enable farmers to increase both the quality and quantity of their production and their income.

EDUCATION AND CULTURE

We stimulate *intellectual development* by
- teaching people to read and write,
- publishing literature and reference materials for them,
- encouraging village theater, music and other cultural activities.

We are concerned with both the process and content of rural education.

HEALTH

We aid rural people's *physical development* by training them
- to diagnose and treat common ailments,
- to immunize children against contagious diseases,
- to operate low-cost pharmacies, and
- to prevent many illnesses through health education, family planning, sanitation and nutrition.

SELF-GOVERNMENT

We strengthen rural *organizational development*, helping to overcome civic apathy and stimulating good citizenship, by encouraging people to
- identify their needs,
- resolve their own problems with their own resources, and
- work together for better educational opportunities, health care facilities, clean water supplies, improved housing and economic security.

Why we do what we do

A combination of IIRR training and a Colombian villager's determination produced this happy result.

The guiding principles and practices of IIRR evolved from the historic pioneering work of young Jimmy Yen in 1918 when he was serving as a volunteer interpreter in France for the many Chinese laborers who had been brought there to dig trenches. To help these homesick "coolies" stay in touch with their distant families, he reduced the 40,000 elaborate characters used in traditional Chinese writing to a simplified basic vocabulary of 1,000 and taught them to read and write.

The quickness with which they learned, studying eagerly each evening even after a 12-hour day of heavy manual labor, amazed him. And the way in which literacy proved to be a key, opening the door to additional learning and opportunity, caused him to make what he calls "the greatest discovery of my life" — that the ignorance of these people who had been scorned and mentally "buried alive" for 3,000 years was due to neglect, not to lack of intelligence. This discovery inspired him to embark on an unprecedented adventure, a more-than-60-years' career helping to release the power and raise the lives of the neglected and despised.

The word "coolie" literally means "bitter power" in Chinese. Dr. Yen learned, and proceeded to prove, that education and opportunity can release this power and end the bitterness.

Who knows how many doctors, teachers, artists and scientists could help to improve our world if this bitter power is released worldwide and transformed into better power? The world's poor are a vast potential source of creativity that is currently being tragically wasted.

Where we do what we do

IIRR's classrooms are the villages and farms of the developing nations of Asia, Africa and Latin America.

The headquarters of the International Institute of Rural Reconstruction is located on a 125-acre campus in Silang in the province of Cavite, the Philippines, 25 miles south of Manila. The administrative offices, classrooms, library, assembly and dining halls, student dormitories and staff residences are used in connection with lectures, seminars and conferences. These facilities provide a home base for a staff of over 90 rural development professionals who conduct research in the Institute's social laboratory of 80 villages in the province.

INTERNATIONAL OUTREACH

International extension of its program has always been a major function of the Institute. As the Institute's President Juan Flavier explains, "The mission of IIRR is two-fold: (1) a vertical effort to generate knowledge and self-development in villages, and (2) a horizontal effort to share these experiences with others."

The Institute's staff shares its expertise with development leaders from governments and private agencies who have come here from many countries for intensive training courses and guidance. They learn techniques developed at IIRR which they in turn share with others to create a worldwide, long-term impact.

Today, IIRR has over 700 alumni from 44 countries who have attended these international training sessions. These alumni keep in close touch with each other and IIRR through special publications and periodic meetings of regional IIRR alumni associations.

RURAL RECONSTRUCTION MOVEMENTS

National affiliates are strategically located on each of the three continents of the third world — Africa, Asia and Latin America — and collaborate with IIRR.

Each national Rural Reconstruction Movement is autonomous, with its own board of trustees consisting of national leaders, who determine their own programs and budgets. All share the same basic principles, but their tactics and priorities vary in accordance with the special needs of their areas. The goal of each is to establish a "center of excellence," where model projects can be developed for observation and adaptation elsewhere.

How we do what we do

Since the beginning, IIRR has substituted collaboration for philanthropy. We believe people need and benefit from self-government, self-development and self-help, not from hand-outs that keep them dependent on others.

Working *with*, rather than *for*, people prevents waste and misunderstandings that occur when well-meaning outsiders offer unasked-for advice and are viewed as patronizing or interfering, or when they supply complicated equipment which the people are unable to operate or maintain.

As Dr. Yen says, "One of our major tasks is to transform the know-how of the experts into the do-how of the peasants." This goal is achieved by insuring the villagers' full participation in all activities; the essential ingredient for promoting change.

We employ specialists in agriculture, health care, nutrition and other fields who commit themselves to going to and living in deprived rural areas where they undertake realistic and creative research in a social laboratory, instead of theorizing about people's problems in a library inside an isolated "ivory tower." They communicate with and train villagers, who in turn train their neighbors. Thus education becomes an active, cooperative, cumulative, lasting process based on mutual caring and sharing.

What we learn by observation, trial and analysis we share with other professionals as dynamic research in the form of development models. The distinguishing mark of these models is their creative and skillful use of people's talents and resources. For example, Dr. Yen and his associates designed the system that became the world renowned "barefoot doctors" program in China. They provided training in preventive and curative medicine to village volunteers so they were successfully able to treat 75 percent of the illnesses throughout the countryside.

Another example is the People's School System. In this model, simplified technology is made available to a large number of rural poor. Communities choose one of their own members for training in such techniques as rice farming, first aid and other subjects. Transportation to the "school" demonstration site is paid by the village with the understanding that, after returning, the participant will teach others the methods that have been learned.

Through formal training sessions, research seminars and publications, IIRR's methods and models reach throughout the world to the leaders of governments and private agencies and the rural people they serve.

IIRR's world headquarters and training center in the Philippines.

Education and access to medical care make a big difference in the health of rural mothers and children.

"Go to the people!"

Our motto "Go to the people!" implies much more than just a visit. It means getting to know and relate to the people in depth, developing rapport with them, creating a genuine two-way dialogue, helping them identify their problems and establish their priorities, sharing their joys and sorrows, encouraging their abilities, raising their self-esteem, self-confidence and hopes, serving them and above all loving them.

Our set of basic principles, which our workers memorize is:

Go to the people.
Live among the people.
Learn from the people.
Plan with the people.
Work with the people.
Start with what the people know.
Build on what the people have.
Teach by showing; learn by doing.
Not to conform, but to transform.
Not relief, but release.

Economic and social progress depend on good citizenship and self-government.

IIRR

International Institute of Rural Reconstruction

U.S. Headquarters
475 Riverside Drive
Room 1270
New York, N.Y. 10115
Telephone: 212-870-2992

World Headquarters
Silang, Cavite
Philippines

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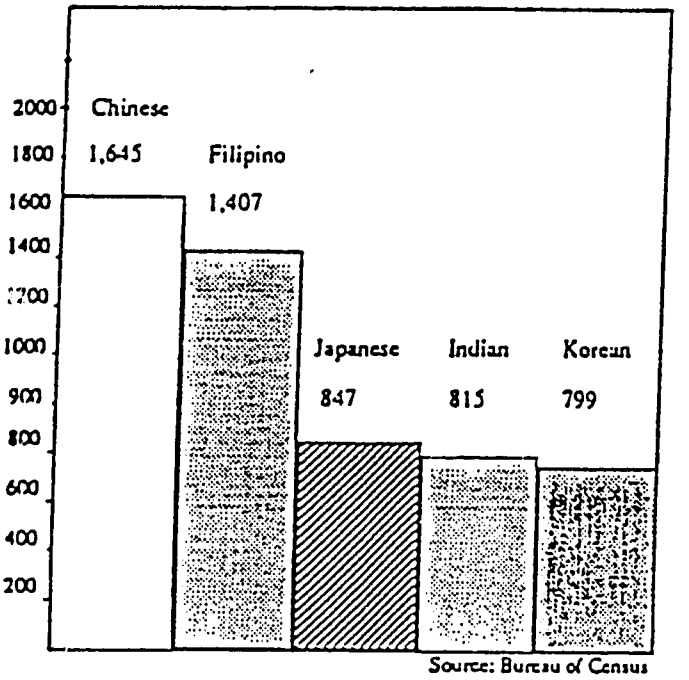
Five Largest Asian American Populations in the U.S. (000)



States with the Largest Concentration of Filipinos (Based on 1990 Census Population Figures)		
State	Number of Filipinos	Percent Distribution
Total U.S.	1,406,770	100.0%
California	731,685	52.0
Hawaii	168,682	12.0
New York State	62,259	4.4
New York City	43,229	3.1
New Jersey	53,146	3.8
Illinois	64,224	4.6
Washington State	43,799	3.1
Virginia	35,067	2.5
Texas	34,350	2.4
Florida	31,945	2.3

Source: U.S. Bureau of the Census

Figure 1. **Median Age: 1980**

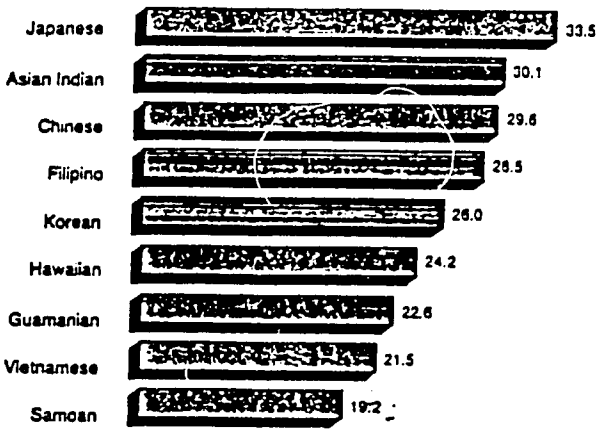


Figure 2. **Persons Per Family: 1980**

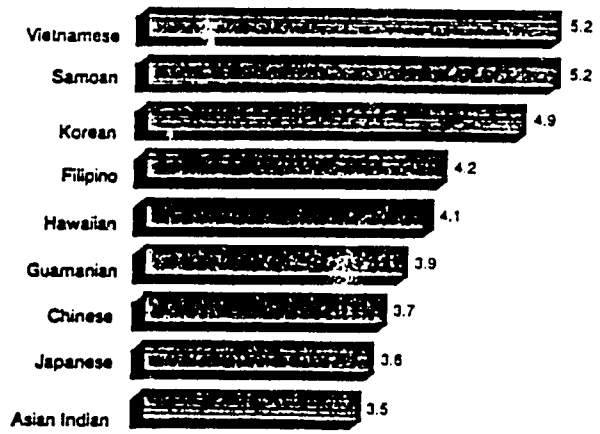


Figure 3. **Percent High School Graduates for Persons 25 Years and Over: 1980**

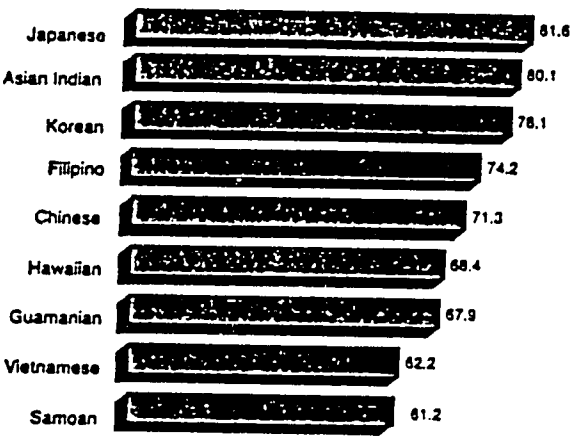


Figure 4. **Percent in Labor Force: 1980**

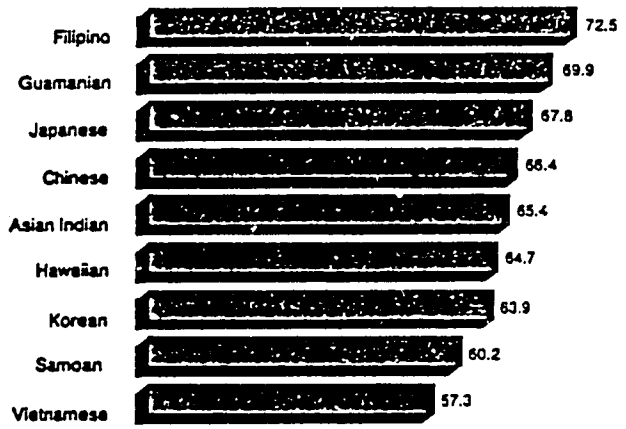


Figure 5. **Percent of Families with 3 or More Workers: 1980**

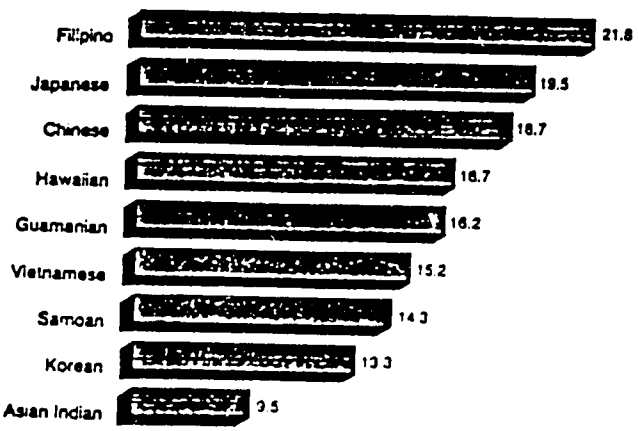
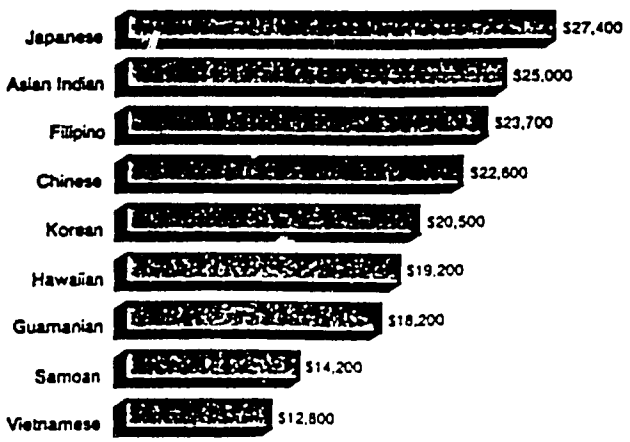


Figure 6. **Median Family Money Income in 1979**



Occupation of Employed Filipinos in the U.S., 1980		
Occupational categories	Number	Percent Distribution
Total employed (16 years & older)	361,469	100.0%
Managerial, professional	90,581	25.1
Executive, admin., mgr.	27,937	7.7
Professional	62,644	17.3
Health diagnostic	11,233	3.1
Health treatment	28,211	7.8
Teachers, librarians	12,325	3.4
Technical, sales	120,399	33.3
Health technologists	10,665	3.0
Sales	20,876	5.8
Administrative support	77,797	21.5
Computer equipment operators	3,004	0.8
Secretaries	12,840	3.6
Financial records	12,640	3.5
Service occupations	59,715	16.5
Excl. household & protective	54,259	15.0
Farming, forestry, fishing	10,125	2.8
Precision production, draft, repair	29,882	8.3
Operators, fabricators, laborers	50,931	14.1

Source: U.S. Bureau of the Census (cited in A. Pido, "Pilipinos in America," 1986).

QUESTION 1: What potential roles are there for Filipinos in the United States to promote national development in the Philippines?

1. Directly supporting development projects in the Philippines

2. Volunteering services to grassroots development organizations, universities, rural clinics, and other institutions in the Philippines

3. Influencing public policy in the Philippine and the U.S.

4. Investing in the Philippines

Other suggestions:

_____

_____

_____

_____

_____

_____

_____

Project options:

_____ adoption of a Philippine village

_____ adoption of a micro-enterprise

_____ sponsorship of a school bio-intensive gardening program

_____ support a primary health care activity in a Philippine village

_____ support disaster rehabilitation projects

_____ send Filipino-American interns for practical volunteer service with grassroots program in the Philippines

Others (specify):

_____

_____

_____

_____

_____

QUESTION 2: What factors discourage Filipinos in the United States from playing a more active role in support of national development in the Philippines?

QUESTION 3: How can these problems be addressed? Recommendations?

PROSPECTS FOR PHILIPPINE DEVELOPMENT IN THE 1990S

EVALUATION FORM

Please share with us your reactions to the workshop:

(1) What did you like about it?

(2) What didn't you like?

(3) How can future workshops be improved?

Please return to: Josefina Samson-Atienza
International Institute of Rural Reconstruction
475 Riverside Drive, Rm. 1270
New York, NY 10115

ATTACHMENT B

Sample evaluations for May 30 workshop

PROSPECTS FOR PHILIPPINE DEVELOPMENT IN THE 1990S

EVALUATION FORM

Please share with us your reactions to the workshop:

(1) What did you like about it? The networking & exposure to a broad range of ideas on the Fil-Am community here & in the Philippines.

(2) What didn't you like? There could have been a "tighter" chair

(3) How can future workshops be improved? Include participation by sector. For example, a subgroup on media, one on developing educational materials, etc.

Please return to: Josefina Samson-Atienza
International Institute of Rural Reconstruction
475 Riverside Drive, Rm. 1270
New York, NY 10115

PROSPECTS FOR PHILIPPINE DEVELOPMENT IN THE 1990S

EVALUATION FORM

Please share with us your reactions to the workshop:

(1) What did you like about it?

Representation from the youth.

(2) What didn't you like?

We got to know only the people in our group. It would have been better if we got to know the other people/attendees. The workshop started about an hour late.

(3) How can future workshops be improved?

A better networking so that the changes/strategies will have greater impact.

Please return to: Josefina Samson-Atienza
International Institute of Rural Reconstruction
475 Riverside Drive, Rm. 1270
New York, NY 10115

PROSPECTS FOR PHILIPPINE DEVELOPMENT IN THE 1990S

EVALUATION FORM

Please share with us your reactions to the workshop:

(1) What did you like about it?

Very well organized. Participants are well-selected. Laying groundwork well before the workshop resulted in smooth, productive endeavor.

(2) What didn't you like?

None

(3) How can future workshops be improved?

Please return to: Josefina Samson-Atienza
International Institute of Rural Reconstruction
475 Riverside Drive, Rm. 1270
New York, NY 10115

PROSPECTS FOR PHILIPPINE DEVELOPMENT IN THE 1990S

EVALUATION FORM

Please share with us your reactions to the workshop:

(1) What did you like about it?

It was open, productive and a good start to the program.
It produced a "hardcore" group who are really interested in Philippine progress

(2) What didn't you like?

—

(3) How can future workshops be improved?

Define a definite marketing program for the program.

Please return to: Josefina Samson-Atienza
International Institute of Rural Reconstruction
475 Riverside Drive, Rm. 1270
New York, NY 10115

ATTACHMENT C

Philippine News clipping

Philippine News

Alternative rural rehab plans

By ERNESTO C. PARIAL

NEW YORK CITY — Responding to the growing interests of Filipino Americans to participate in the socio-economic development in the Philippines, the International Institute of Rural Reconstruction (IIRR) recently held a seminar on "Roots of Development" at the International House, in the Columbus-Barnard Campuses in Manhattan.

Invited resource speakers included: Horacio R. Morales, Jr., president of the Philippine Rural Reconstruction Movement (PRRM); Leopoldo Clemente, president and chief investment officer of Clemente Capital, Inc. and a member of IIRR's board of directors; Eric Blitz, deputy executive director, IIRR; Laura Lopez, chief program officer, Trickle Up Program; Polly Parks, program associate, Philippine Unitarian Universalist Service Commission and Christopher Sigur, vice president, Asian Programs, Carnegie Council on Ethics and International Affairs.

Dr. Aaron Miller, executive director of IIRR's US office welcomed the guests and introduced Consul General Rodolfo A. Arizala of the Philippine Consulate in New York, who reminisced about his youth in the Philippines.

Carrying on the theme established by Dr. Miller and the Philippine Consul General, Horacio Morales, Jr., who is currently heading the Philippine Rural Reconstruction Movement (PRRM) and who, for almost six years was denied a visa to visit the United States (during the Aquino Administration), spoke on Philippine development perspectives for the '90s.

"The Philippine national development has, in the post-war period, come to settle into a dialogue between two camps, one advocating export-oriented industrialization, and another arguing for import substitution," stated Morales. "Neither, however, seem particularly interested in linking their strategy to the nation's dominant agricultural base."

Both strategies, he argued "explicity favored -undertakings which catapult the nation into industrialization by substituting foreign capital and raw materials for the more protracted, painstaking, but valuable effort to construct rational and articulated industries which grow out of and enhance the existing economy."

What Morales instead proposes is a "sustainable development" similar to the paradigm currently being pursued by PRRM.

Under the scheme, Morales pointed out, developmental strategy is constructed on the long term residents of the countryside with an inherent bias towards environmental sustainability. By building agrarian reform into the developmental scheme and undertaking development at a district, rather than national level, the program has greater prospects for equity in its benefits.

The alternative model aims for a start, to give the rural poor control over the land, seeds and water, and in the end, nurture people empowerment among the rural residents of the country.

According to Morales, "fattening the gross national product represents a misplaced developmental goal." Rather, he proposes that development must be measured in human terms, as in rising standards of living, the expansions of human attainment, and growth of popular empowerment.

On the other hand, while not opposing the regional development included in the sustainable development as proposed by Morales, Leopoldo Clemente of Clemente Capital pointed out that the Philippine Economy could prosper, under the coming years if the following elements are successfully addressed by the incoming administration: political stability, domestic and foreign investments, land reform program and strengthened agricultural sector, regional development and long-term infrastructure development program, especially in energy, rural transportation and road systems.

Participants in the seminar included: Fr. Guido Arguelles of Ateneo de Manila; Roberto and Elise Castrence of the Washington Forum; Pablo and Sumilang Cue with Mercedes Soberano of Gising Foundation; Vicente Dinoso of Hahnemann University; Arabella Harmond Driscoll (Philippine American Women in Development); Apo Narvasa (Youth for Philippine Action); Paul Cunnion (Philippine American Chamber of Commerce); Lita Jane Killip (Harvard University); Edwin Del Rosario (Philippine Environmental Network) and Nilda Jaynal (Philippine Communities Executive Council), Alice Austria (Kayumanggi Chorale) and other representatives of Non-Governmental Organizations.

New York-based opera singer, soprano Lani Misenas-Padua assisted by guitarist Carlo Padua, provided entertainment at the lunch hosted by IIRR. The seminar was coordinated by Dr. Josefina Samson-Atienza, project director of the IIRR.

Farewell to RP envoy

The Philippine American Foundation, a Washington-based non-governmental organization (NGO), recently organized a farewell dinner for Philippine ambassador to the United States Emmanuel Pelaez at the New York Hilton in Manhattan. Over 250 of the Ambassador's New York friends and associates including former US Ambassador to the Philippines Stephen Bosworth, honored Pelaez. Broadway star Lea Salonga sang songs for a fond adieu. Shown above are: Mrs. Edith Pelaez, Amb. Emmanuel Pelaez and Lilia Clemente, chair of the Philippine American Foundation.

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ATTACHMENT D

Lory Camba's June 26 letter

Economic Policy Institute

1730 RHODE ISLAND AVENUE, NW • SUITE 200 • WASHINGTON, DC 20036 • 202/775-8810 • FAX 202/775-0819

June 26, 1992

International Institute of Rural Reconstruction
475 Riverside Drive
Room 1270
New York, NY 10115

Dear Josie,

Thanks for getting in touch with me yesterday. It helped me to refine my focus for my trip this summer. It sounds that the possible "exposure trips" will be able to fit within the time frame of my stay in the Philippines. Your offer for me to do research in the Philippines also has greatly encouraged me.

I have enclosed a copy of my resume, which will give you an idea of my general background. You can see that I have a strong commitment to the Philippines in many respects, be it at home, within the community, in school, or on the job. My interest in international economic development emerged as a result of my visit to the Philippines in the summer of 1987, thirteen years since my family took us to the U.S. My active involvement with Filipino organizations in Cherry Hill (not to mention being a Filipina) has helped to foster my sensitivity to the poverty that plague many of those – including friends and relatives– in the Philippines.

I am inspired by IIRR's vision to build upon such a vast network of Filipino-American organizations in the country, given that Filipinos represent the second largest Asian population in the U.S. I am sure that you are aware that there is still so much to be fully recognized and acted upon for the Philippine poor. By the same token, I have much to learn. I can't really say what "the greatest need" is in the Philippines, and thus specifically define what my interests are. However, I hope that with the potential exposure visits, I can at least begin to see what is being done in actuality, observe how it affects the poor, and eventually decide for myself my role in being involved with organizations' (such as IIRR's) programs for the poor.

There are a lot of Filipino youths in the U.S. hoping to identify with their parents' traditions, culture, and values. Likewise, there are a lot of parents that would like to understand the "American way" in which their children are growing up in. Why not channel the energy of the youth, along with the parents' support for their kids who are motivated to carry out "sustained development education programs" both here and in the Philippines?

If there is anything else that I can do, please let me know. I am more than willing to do what I can...

Sincerely,

Lory Camba

Lory Camba

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ATTACHMENT E

Financial Report

FINANCIAL STATUS REPORT

(Short Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted AID-PFM/FM/MPD/DCB RM 700 SA-2 Washingtom, D.C. 20523-0209	2. Federal Grant or Other Identifying Number Assigned By Federal Agency PDC-0230-G-00-1060-00	OMB Approval No. 0348-0039	Page 1	of 1 pages

3. Recipient Organization (Name and complete address, including ZIP code)
International Institute of Rural Recosntruction
475 Riverside Drive Room 1270 New YOrk, NY 10115

4. Employer Identification Number 13-6175722	5. Recipient Account Number or Identifying Number Project No. 938-0230	6. Final Report ☐ Yes ☒ No	7. Basis ☐ Cash ☒ Accrual

8. Funding/Grant Period (*See Instructions*) From: (Month, Day, Year) 09/15/91	To: (Month, Day, Year) 09/14/92	9. Period Covered by this Report From: (Month, Day, Year) 09/15/91	To: (Month, Day, Year) 06/14/92

10. Transactions:	I Previously Reported	II This Period	III Cumulative
a. Total outlays	38,755	29,887	68,642
b. Recipient share of outlays	22,514	11,807	34,321
c. Federal share of outlays	16,241	18,080	34,321
d. Total unliquidated obligations			96,358
e. Recipient share of unliquidated obligations			61,438
f. Federal share of unliquidated obligations			34,920
g. Total Federal share (*Sum of lines c and f*)			69,241
h. Total Federal funds authorized for this funding period			217,216
i. Unobligated balance of Federal funds (*Line h minus line g*)			147,975

11. Indirect Expense				
a. Type of Rate (*Place "X" in appropriate box*) ☒ Provisional ☐ Predetermined ☐ Final ☐ Fixed				
b. Rate 19.83%	c. Base 57,284	d. Total Amount 11,358	e. Federal Share 5,679	

12. *Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.*

13. Certification: **I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.**

Typed or Printed Name and Title Rowena C. Poblete, Finance Officer	Telephone (Area code, number and extension) (212) 870-2992
Signature of Authorized Certifying Official Rowena C. Poblete	Date Report Submitted July 13, 1992

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