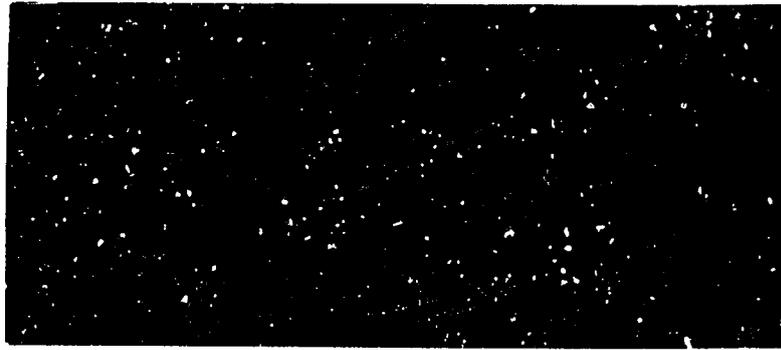


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PEOPLE CENTERED PLANNING: THE
USAID/PHILIPPINES EXPERIENCE

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ABSTRACT

Arguing that conventional planning methodologies tend to focus attention on expansion of modern sector economic activity and on welfare measures intended to redress deficiencies in basic needs of the poor, the authors describe efforts of USAID/Philippines to contribute to alternative approaches. Analyses of household survival strategies are used to highlight needs and opportunities to relieve constraints to more productive self-help action within the traditional sector. This approach was used to define the current USAID assistance strategy for the Philippines, and the Government of the Philippines is being assisted in experimental applications at regional and provincial levels.

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PEOPLE CENTERED PLANNING: THE USAID/PHILIPPINES EXPERIENCE

George Carner and David C. Korten*

Development is an imperfect process pursued with inadequate tools, mixed motives, second best solutions, and unforeseen outcomes. Notwithstanding this reality, development planners have sought for the past three decades to at least influence, if not direct the process. Recognition of the inequitable outcomes of most conventional development efforts led to general acceptance of the growth with equity objective during the 1970's and a realization that achievement of equity objectives would require modification of planning approaches. The modified approaches emphasized spatial and sectoral planning that directed development investments toward economically relatively more depressed areas and to sectors such as agriculture and social services in the hope of addressing more directly the needs of poor populations. Many of the programs which resulted were aimed at providing those things for the poor which it was assumed they could not provide for themselves--to make up for presumed deficiencies in their ability to meet their basic needs. Despite significant advances in agriculture, the development of selected areas, and increased availability of social services, there remains little evidence of any dramatic gain in the distribution of development benefits among the poor majority. Consequently, some planners have begun to experiment with more people centered planning approaches. These approaches draw on new concepts and methods which go beyond attempting to make up basic need deficiencies through centrally subsidized and managed services. Instead they focus attention and action on relieving constraints that limit the effectiveness of the self-help efforts to

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which the majority of the poor are already committing their physical and intellectual energies.¹ This paper documents the experience of the USAID Mission to the Philippines in pioneering one such approach in the interest of sharing insights and lessons of potential use to others in the fields of development planning and public policy.

I. GENESIS

Five years after the landmark U.S. foreign assistance legislation of 1973 which directed the Agency for International Development to target its assistance in ways which would directly improve the lives of the poor in the Third World, AID introduced a major programming innovation. Each USAID mission was to produce a comprehensive five-year rolling strategy document entitled the Country Development Strategy Statement (CDSS). It was a basic programming innovation intended to produce country specific assistance strategies based on in-depth understanding of the country in question.

The guidance provided by Washington in its preparation called for missions to address a variety of analytical questions. Most significant and unconventional were the two fundamental questions:

- Who are the poor?
- What are the causes of their poverty?²

In its first attempt to respond to the new guidance, misjudging how seriously the CDSS was regarded in Washington, USAID/Philippines adopted a largely bureaucratic tack and submitted a CDSS that was largely a rationalization of the on-going program. Significantly, AID/Washington rejected that CDSS and placed

¹See David C. Korten, "Social Development: Putting People First," in David C. Korten and Felipe B. Alfonso, Bureaucracy and the Poor: Closing the Gap (Singapore: McGraw-Hill International Book Company, 1981), pp. 201-221.

²For a complete description of the CDSS see Guidance for the Country Development Statement (CDSS) AIDTO CIRC A-384, 9/16/78.

the future funding of the Philippines program in escrow until the Mission could provide a more comprehensive analysis of poverty in the Philippines and derive a strategy expressly directed at addressing the problems of the poor, as highlighted in the analysis.

The Philippines Mission, like all other USAID missions, had been at a disadvantage in responding to the CDSS requirement since while the CDSS guidance posed a new set of questions, it provided no suggestions as to how they might be answered. There was no prototype for either the type of analysis or the type of strategy being requested. Consequently, most missions provided general socio-economic and macro analyses of the type with which they were most familiar and for which data were most readily available.

Rejection of the Philippines CDSS forced the mission to reexamine its CDSS process. The newly appointed mission director was particularly interested in the CDSS as a process for developing innovative approaches to reaching the poor and involving them effectively in their own development. He brought in an experienced planning officer and assigned him to work full-time on preparation of the CDSS as a top mission priority. The stage was set for a serious effort to deal with the targeting question in innovative ways--something in which smaller missions could ill afford to invest the requisite staff resources.

II. DIAGNOSING POVERTY

A. The Approach

The CDSS process started with the search for a methodology. But what emerged was less a methodology in the precise sense of that word than an analytical framework--an approach to organizing and looking at the available data. This framework evolved out of an AID programmer's need for useful planning information. It was thus developed from a user's perspective.

The first evident step in trying to determine who the poor are was to define a poverty threshold. This was comparatively simple, as considerable work in this direction had already been done by Philippines scholars. The basic task was

selecting one. Ma. Alcestis S. Abrera had developed a food threshold consisting of a minimum nutritionally adequate diet for a household of six costed at current prices.³ Despite the normal shortcomings, it offered a reasonable proxy for a total income threshold. Applying this poverty line to national income and expenditure data by occupation was useful in identifying in gross terms the magnitude of poverty; some 4 million families out of 7 million fell under the threshold in 1975. Establishing the threshold, however, did not get at the question of "Who are the poor?", since the substantial number of families who fell below that threshold were lumped together in official statistics in a single occupational category covering "farmers, farm laborers, fishermen, hunters, loggers, and related works." For the analysis to be meaningful it had to go beyond dealing with the poor as a faceless, placeless aggregate. A way was needed to disaggregate the data.

Since among the poor the household is generally the basic economic unit, it seemed the appropriate unit of analysis for purposes of disaggregation. For simplicity as well as for relevance in formulating an assistance strategy, households were categorized according to the main occupation of the household head. It became quickly apparent, however, that the significant distinguishing characteristic of rural households was the nature of the resource base and their access to that resource base which determines their livelihood strategies. Thus the framework distinguished between upland farmers, paddy rice farmers, landless agricultural workers, and artisan fishermen--the first being dependent on the uplands, the second two on the lowlands, and the fourth on coastal waters. While mainly concerned with the rural poor, the analysis also looked at the urban informal sector for a glimpse at the urban poor.

For each group a basic socio-economic profile was developed drawing on available secondary data. Working from an assumption that the achievement of basic human needs is largely determined by household income (cash and in-kind), the first cut at preparing profiles focused on pulling together data bearing on the

³Ma. Alcestis S. Abrera, "Philippine Poverty Thresholds" in Mahar Mangahas, ed., Measuring Philippine Development, Report of the Social Indicators Project, Development Academy of the Philippines, 1976.

determinants of household income, specifically: a) the productive assets the household controlled; b) the extent to which household members were gainfully employed; c) the amount of transfers the household received in the form of gifts, remittances, and free or subsidized social and other services; and, d) the number of persons in the household.

Fortunately, a large body of indigenous research on poverty in the Philippines was available. The profiles simply synthesized data from a wide variety of secondary sources: community surveys, socio-economic studies, agricultural research, official statistics, and other similar sources. The main task was ferreting out these studies from published and unpublished sources. A major problem was the uneven fit of data from many sources on the micro-macro levels, the mismatch of years, and varying quality of the data. While this may have suggested discounting the approach on methodological grounds, from the planner's perspective a tentative understanding seemed better than no understanding of these groups. Examination of location, seasonality, and changes in the condition of the natural resource base was also important in beginning to understand the constraints each group faced and its future prospects. Table provides a comparative summary of some of the characteristics eventually arrived at which were most significant in understanding the unique situation of each of the major categories of household studies.

Initially the profiles were approached mainly as an exercise in developing a fairly standard socio-economic profile disaggregated by household type. But soon it was evident that a serious effort to address the second question relating to the causes of poverty would require going beyond preparation of a static profile to a more dynamic analysis. The concept of the household survival strategy borrowed from Cornell studies of landless households proved a useful organizing focus for thinking about the data. What emerged was a more dynamic picture of the causes of the poverty of these households and of the creative efforts of the household unit to sustain its members in the midst of highly adverse circumstances. The analysis began to reveal real people, innovative and hardworking, a potentially potent development resource—if the major constraints they faced could somehow be relieved.

TABLE 2. SUMMARY OF GROUP PROFILES^{1/}

Group/Sub-Group	Rank in Terms of Disadvantage	Estimated Households & Incidence of Poverty				Estimated Av. Income As % of 1975 Poverty Threshold	Asset Control	Production Orientation	Employment	Debt	Yrs. of Education	Caloric Intake As % of Minimum Daily Requirement Per Capita	DYNAMICS		
		Total HH (000)	% Poor	No. Poor HH (000)	% of Total Poor HH (4m)								Resource Base	Group Likelihood of Being Displaced	Upward Mobility Prospects
<u>Upland Farmer:</u> Indigenous kainginero	<u>2</u>	1500 300	80 90	1200 270	30 7	40	1 ha. forest land	Slash/burn. Subsistence rice & roots	Highly seasonal, 10% off-farm	Low	1-3	--	Access to virgin forest increasingly limited. Soil eroding, fertility declining.	High	Low
Marginal kainginero		200	90	180	4	40	1-2 has. cleared land	Semi-permanent s/b, subs. rice/vegetables	Highly seasonal 25-50% off-farm	Low	3			High	Low
Rice/corn farmer		1000	75	750	19	65	3-5 has. marginal land	Permanent semi-subs. rice/corn/coconut/bananas	Highly seasonal 50-70 % off-farm	Moderate	4			High	Low
<u>Paddy Rice Farmer:</u> Irrigated	<u>4</u>	1500 600	56 50	840 300	21 8	95	1.9 has. good land	Cash, rice & others	Moderately seasonal, 1/4 off-farm	High	4-6	93	Fragmentation threatens viability of plots. Irrig. systems are silt-ing up at rapid rate. Maint. is becoming major problem	Low	High
Rainfed		900	60	540	13	75	2.5 has. good land	Semi-subs. rice	Highly seasonal, 1/4 off-farm	Moderate				Low	Moderate
<u>Landless Ag. Worker:</u> Farm Share-of-Crop Earner	<u>1</u>	600 300	85 80	510 240	13 6	60	Livestock	In kind payment for rice, sugar.	Highly seasonal	High	<u>4</u>	<u>84</u>	Farm labor becoming increasingly competitive	Already represent displaced	Low
Farm Wage Earner						--		Cash payment for rice, sugar	Moderately seasonal	High				Low	
Plantation Permanent Hire						--		In kind for coconut; cash for sugar	Moderately seasonal	High				Low	
Plantation Casual Laborer		300	90	270	7	40	None	Cash for sugar	Highly seasonal	High				Low	
Artisanal Fisherman	3	600	80	480	11	75	Most own gear and 40 % own Bancas	Cash for fish	Moderately seasonal	Moderate	4	81	Fish catch declining.	High	Low
Urban Informal Sector Worker	-	600	75	450	11	70	Small inventories	Cash for vending, hawking, hired help, family enterprise	Fairly Steady	Moderate	6-7	87	-	Already represent displaced	Moderate
TOTAL^{2/}		4700	(74)	3480	87										

^{1/} Data represent estimated orders of magnitude based on educated guesses, synthesizing several sources. See Annex B.

^{2/} The total number of households in the five groups exceed the 4 million estimated poor households in the Philippines. We estimate that only about 3/4 of these households are in fact poor in terms of our poverty threshold. Indeed this occupational categorization is capturing at best some 87% of all the poor households for the reasons indicated in the text.

The term "survival strategy" merits some explanation. It reflects a Maslovian assumption regarding the motivation of the poor household in satisfying a hierarchy of needs. The presumptions are that survival, specifically the achievement of food security, is the overriding goal for households with income below that required to sustain a nutritionally adequate diet and that these households' livelihood strategies are most accurately described as survival strategies at this level. Once the household reaches some minimum income threshold, it is anticipated it will gradually shift to an advancement strategy, characterized by relatively less concern for food security and relatively more concern for income maximization.

The poor's survival strategies revolve very much around their access to resources and jobs and generally call for substantial diversification of their income producing activities in order to meet minimum survival needs. A sample analysis of a household survival strategy is contained in the Appendix--Survival Strategies of Landless Agricultural Workers.

The comparison of poor groups' survival strategies provided only a partial view of the causes of poverty. To develop a more complete view, a set of macro level analyses were overlaid on the household analysis. These included examination of employment patterns in the economy at large, population dynamics, environmental use, urban-rural and regional disparities, and macro-economic trends and policies. These analyses provided the contextual background for understanding better the limited outcomes the poor groups achieved from their survival strategies.

B. Validation

As should be readily apparent from the preceding discussion, the analytical framework adopted for the CDSS poverty analysis, while functional, is less than a tightly constructed methodology. Moreover, the data used were disparate, unmatched, and of uneven quality. Perforce the analysis must be viewed as a preliminary set of hypotheses with recognized knowledge gaps that can be filled only over time.

While USAID was not concerned with a 95 percent confidence level, it was interested in verifying that its understanding of poverty as depicted in the analysis was generally on the mark. After extensive internal review the analysis was shared with a wide spectrum of Philippine academics and representatives of the National Economic and Development Authority (NEDA), and a one-day workshop was held to discuss their reaction. Significantly, the analysis was generally endorsed as reasonably accurate. No further validation was sought, although it was accepted in USAID that the analysis was only a first step in developing and refining a poverty data base over time that would be relevant to planners' needs and increasingly reliable.

C. Time and Resources

The fact that a sizable body of socio-economic research was available in the Philippines significantly simplified the analytical task and accounts for the speed and economy with which it was carried out. The poverty analysis was done entirely in-house by two senior USAID officers and an ad hoc team of five analysts during the period from mid-September through end of December 1979.⁴ This represents an estimated total of 12 person months valued at roughly \$31,000 in direct salary costs.

D. Critical Conclusions

The poverty analysis generated five general conclusions which have been basic to subsequent development of a mission strategy.⁵

1. There are important and distinctive differences between the survival strategies of different household groups. These differences are largely a function of differences in the nature of the resources to which they have access and differences in the micro-environments in which they live--including differing influences of seasonality.

⁴This is the appropriate point to acknowledge the very substantial role played by C. Stuart Callison, the Mission's Program Economist, in analyzing the macro-economic data and the significant research contributions made by Patrick Dugan, William Goldman, Steve Walworth, Karl Jensen and Arturo Villanueva on the USAID staff. Dr. Richard Blue from PPC/AID/Washington provided especially helpful insights on the analytical framework.

⁵Philippine Country Development Strategy, FY 83, January 1981, pp. 19-20.

2. There are important differences in the outcomes achieved by different households of the same general type. These are largely determined by the amount and quality of the productive resources to which the household has access and the returns its members are able to get from their individual livelihood activities.
3. There is increasing competition for limited land and water resources as a result of population growth and economic expansion. This competition is evident between poor households, as well as between the rich and the poor, and between the formal and informal sectors of the economy. The consequences of the growing pressure on the resource base are readily apparent, especially in the deterioration of open access resources such as coastal fishing grounds and upland forest and watershed areas.
4. There is a substantial interdependence between poor households, as well as between the poorer and relatively more wealthy households. Upland slash-and-burn farmers undermine the survival of poor lowland farmers and fisherman by contributing to the destruction of the forest cover which results in siltation and the increased incidence of flooding and drought. At the same time the uplanders depend on lowlanders for off-season employment and some goods and services.
5. In many respects the nature of the poverty problem is quite location-specific. This reflects differences in resource endowments, land holding patterns, incidence of typhoons, and many other factors. While there are underlying dynamics shared in common, these differences are critical to an effectively targeted assistance strategy.
6. Poor households exhibit a strong survival motivation and substantial entrepreneurial resourcefulness in exploiting available opportunities to generate a livelihood. Essentially their survival depends on such resourcefulness. They cannot wait around for a well-intentioned government extension agent to teach them about self-help.

The overall situation of the poor household is dominated by the reality that constantly growing numbers of poor households are competing for a declining share of limited and deteriorating land and water resources. Lacking effective organization they are unable to enforce claims to a rightful share of this resource base, with the result that their share is gradually declining relative to the share controlled by the formal economy. Inadequate mechanisms for allocating the use of open access resources, limited security of access, and outmoded technologies limit the poor household's ability to increase the productivity of the land and water resources to which it does have access and further contributes to deterioration in resource quality. Faced with a dwindling resource base, the individual household is forced to rely increasingly on the sale of labor for its economic survival. High rates of inflation, combined with the growing competition for the available jobs, especially on a seasonal basis, result in continuing declines in real incomes.

The growing pressures this situation places on the coping mechanisms which traditionally cushioned the impact of poverty within the village structure are leading to the gradual breakdown of those mechanisms and a growing displacement of individuals who are forced to migrate to other areas in search of a means of livelihood. This in turn overloads the traditional structures in those areas in which they settle. The ultimate coping mechanism is to reduce food intake, prejudicing the physical and intellectual development of children, possibly undermining their future income earning potentials, and increasing the likelihood of illness among adults with resultant lost days of work.⁶

This is not an encouraging picture. Significantly it is a picture that seldom comes to light in the analyses underlying conventional development planning.

III. FORMULATING A TARGETED ASSISTANCE STRATEGY

A strategy provides a guiding framework for a set of interdependent actions, phased in over time to achieve evolving but specifically identified objectives and goals. A development assistance strategy does not represent a comprehensive

⁶Philippine CDSS FY 82. January 1980, pp. 12-13.

development strategy. Rather it identifies only those interventions which are appropriate for a donor like AID to undertake, given its resources and comparative advantage within the context of the host country's overall development strategy and other donors' development assistance plans. There are no proven and generally accepted strategies for achieving AID's mandated Basic Human Needs goal. There are, however, several familiar possibilities. Selection of an assistance strategy ultimately rests on the common sense and good judgment of the USAID mission staff in balancing the many developmental, political, bureaucratic, and budgetary considerations.

As such, formulating a targeted strategy is a substantially more complex process than developing the underlying analysis. Furthermore, once the broad strategic framework is established, its substance must continue to evolve as poverty is better understood and programmatic approaches for addressing poverty are defined.

A. The Process

An important first step in arriving at a strategy is agreeing on the problem. Here the CDSS poverty analysis provided an explicit and common definition of the poverty problem. It clearly identified the major groups with a high incidence of poverty, specifically: landless agricultural workers, upland farmers, and artisan or sustenance fishermen. These not only represented the majority of the poor, they were also groups which had been largely neglected by government and donor development efforts during the 1970's, when the emphasis in rural development had been on raising rice production, primarily of small farmers with access to irrigated lands. The CDSS analysis revealed that the irrigated rice farmers represent less than 15 percent of the rural poor and are in general the least disadvantaged.

The poverty group analyses served as the basic input to a series of brainstorming sessions held within the Mission and open to all staff. It was during these sessions that a consensus on the nature of the problem was reached and that the initial round of strategic choices were made. A first concern was to select a target group for priority attention. The Mission decided to focus on all three

major poverty groups. Given the locality-specific nature of the problems they face, the sheer number they represent, and available assistance resources, the Mission also concluded that a regional focus would be appropriate. A regional comparison contained in the poverty analysis, which revealed rather striking disparities, was used as an input to subsequent consultations with NEDA, the Philippines national planning authority, on the selection of the specific regions on which AID attention would be concentrated.

The next step was to consider a number of assistance strategy options for addressing the needs of the priority target groups within the selected regions, consistent with the Government's five-year national and regional development plans. These follow a broad rural mobilization and employment strategy, based largely on the recommendations of an ILO Commission in 1974.⁷ Five options were identified in a brief discussion paper drawing upon the poverty analysis and keeping in mind AID's programming possibilities:

1. A Remunerative or Productive Employment Strategy which would emphasize rainfed diversification coupled with off-farm rural industry promotion supported by labor-intensive rural infrastructure development and a family planning program.
2. A Food and Nutrition Strategy aimed at increased food grain production in lowland and upland areas, improved food grain handling and distribution, increased employment generation, and supported by supplementary feeding, maternal/child health, and population programs.
3. A Natural Resource Management Strategy (Long-term Option) comprising support for comprehensive resource planning, improved upland watershed and coastal resources management and conservation, maximum use of renewable energy, diversification of production relying on the local eco-system's natural production cycle and on integrated farm production systems, and population programs.

⁷Gustav Ranis, et al. Sharing in Development, A Program of Employment, equity and growth for the Philippines, ILO, Geneva, 1974.

4. A Human Resources Development Strategy (Limited Employment Option) emphasizing manpower planning, improved skills of target groups, and administrative mechanisms to channel available labor to available jobs, supported by health programs to raise labor's productivity and population programs.

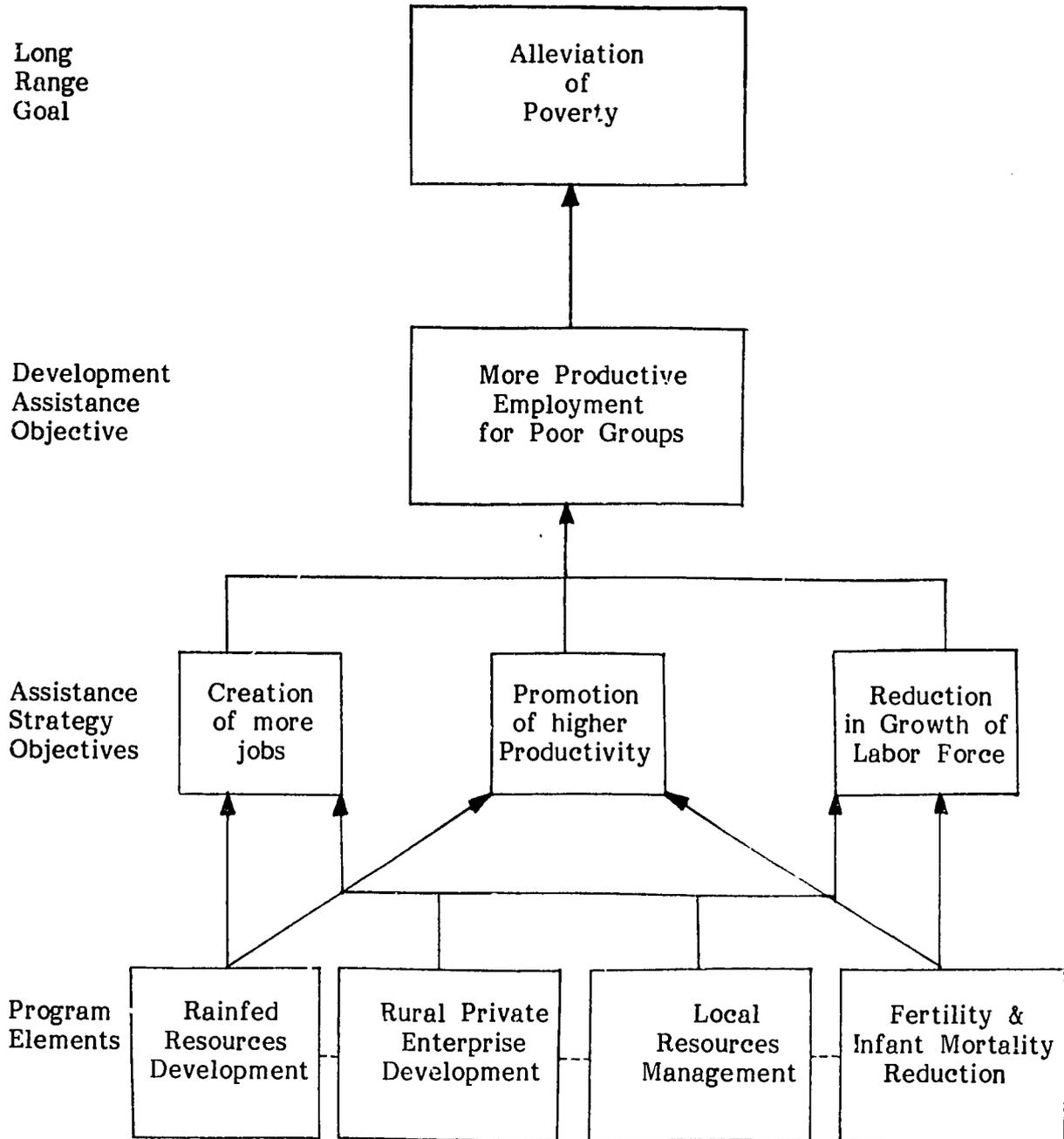
5. A Balanced Regional Development Strategy (Macro Option) focusing on improvements in resource mobilization at the local level through tax reform, in resource allocation through regional budget management, and in regional and local administrative capacity to identify, plan, and manage development activities especially labor-intensive infrastructure, and support of integrated cost-effective service delivery, population programs, and regional development plans in return for related policy changes and progress.

These options were purposely cast in general terms to stimulate a broad ranging dialogue on the nature of the poverty problem and possible approaches to it. None of the options were considered to be mutually exclusive. Each represented a range of relatively similar development interventions. The selection of an appropriate option was more a question of mix, emphasis, and sequencing.

B. The Outcome

The assistance strategy that emerged from these discussions is a hybrid of the productive employment option (No. 1) melded with elements of the natural resources management option (No. 3) and the balanced regional development option (No. 5). The outlines of this strategy, as refined, are presented schematically in Figure 1. The strategy encompasses four major program elements, which presume a long term commitment to a set of concerns through a series of interrelated and sequenced projects, to be identified and developed as an outgrowth of subsequent analyses in greater depth. The strategy elements were conceived as interdependent with progressively longer term impacts on employment generation. It was recognized that, beyond the temporary jobs created by public works type infrastructure development, fuller employment in the short term must be based on agriculture, since this is the major activity in

FIGURE 1
USAID ASSISTANCE STRATEGY



Source: FY 84 Philippine CDSS

the areas where the underemployed reside and since there is a need to generate rural demand before rural industry can develop adequate markets to employ significant numbers. The development of rural industry is a concern for the medium term because of the demand factors, as well as the need to develop skills and market links. Primary health care programs can attempt to relieve the immediate consequences of underemployment, while population programs look to long term reduction of the number of people needing new jobs and thus reduction of pressures on resources.

C. Second Round Analysis and Strategy Development

The analysis and strategy formulation, although presented above as though they were discrete, sequential activities, have in fact been continuous and iterative. USAID/Philippines has followed very much a rolling strategy development process, as the CDSS was intended to reflect. The national poverty analysis and the outlines of the strategy were first presented in the Mission's FY 1982 CDSS dated January 1980. Shortly after its completion three core regions were chosen for priority mission attention. Work began almost immediately on the preparation of more detailed poverty analyses for each of these regions, based on the concepts and frameworks developed in the initial analysis.

The Mission's FY 1983 CDSS, submitted in January 1981, documented the progress made in defining a productive employment strategy. It noted that the survival patterns and requirements of poor households argue for a different strategy from more conventional employment strategies that rely simply on accelerated employment creation in the modern sector of the economy to absorb surplus labor. Such strategies ignore the fact that the majority of the poor rely largely on the traditional sector of the economy for their current employment and income. The traditional sector is composed of household production units, farm and non-farm, which produce goods and services consumed mainly by the poor themselves. It stressed that indeed poor households display considerable resourcefulness in fashioning a self-help economy structured to provide the production, marketing, credit, transportation, insurance, health care, and other facilities essential to their survival and advancement. It went on to conclude

that the Mission's strategy should build on this resourcefulness and natural survival motivation by expanding the options and resources available to these households. Such an approach would start with efforts to improve farm production for consumption at home and within the local community before encouraging a market orientation. It recognized the need for innovative mechanisms of resource control which provide more equitable access and incentives to small producers for intensive and sustainable resource utilization. It also accepted that poor households diversify their employment activities and increasingly rely on off-farm income sources. Small-scale local manufacturing and services were noted as an important part of this traditional economy.

There were two important themes reflected in this second round strategy statement which are critical to a concept of people centered planning. The first is the emphasis on supporting and building from the self-reliant efforts of the poor to address their own needs. The second is the implicit recognition that while the modern sector is the primary source of conventional economic growth, it is the traditional sector which is the primary source of livelihood for the substantial majority of the poor--and that the two are in competition for resources. These themes have helped to distinguish between a simple employment strategy and a poverty-oriented employment strategy.

A third theme that has continued to grow in importance over time until it might now be considered a centerpiece of the strategy is the institutional development theme. It has become increasingly evident that the type of strategy which the Mission is committed to supporting requires the development of substantially new institutional capabilities, generally involving the reorientation of existing bureaucratic organizations. The result is that a number of the projects being developed in support of the CDSS strategy are focused on working with specific development bureaucracies to strengthen their abilities to work with poor beneficiaries in ways which build their capacity for productive, self-reliant management of their own resources.

IV. INSTITUTIONALIZING PEOPLE CENTERED PLANNING

The Mission has begun to turn its energies from the further development of poverty group analyses under its auspices to serve USAID planning requirements, to working with the government to institutionalize a people centered planning approach within its own planning systems. The seed for this opportunity was planted early on. During the initial review of the proposed USAID strategy with NEDA, the Philippine national planning agency, not only was the strategy endorsed, but there was also considerable interest shown in the basic approach. It soon became obvious that a project to further develop a people centered planning methodology and begin to institutionalize it at local government levels might well provide a means for mobilizing and channeling significant development resources to the identified poverty groups.

Current Philippine planning systems are based on a sectoral-spatial approach aimed at directing investments to defined areas for integrated development. The emphasis is on increasing sectoral output and on the general economic advancement of these areas, implicitly accepting the classical assumption that economic advancement will necessarily translate into benefits for the poor. But increasingly the Government is becoming concerned that this process is not effectively alleviating poverty.

In response to the Philippine government interest, the Mission is proposing that the Local Resources Management Project, which is now in the planning stage, include assistance to selected provinces interested in working with the people centered planning approach. The project will assist such provinces in: a) identifying their major resource groups⁸ and assessing the major constraints they face, b) developing a strategy to address initially the needs of one such group which the province selects for priority attention, and c) mobilizing local

⁸In designing the project the term resource group was coined to refer to groups that are identified on the basis of the natural resources they command and which represent a large constituency with a high incidence of poverty. The poverty group label led to considerable confusion. Some saw it in terms of identifying the poorest of the poor rather than the poor majority, while others were concerned that not all members of the reference group were poor. Finally others assumed the groups were simply occupational groups and were concerned that they could not be isolated, since most rural residents carry on several occupations.

resources (financial and non-financial) for provincial projects which support implementation of the strategy. The intent is to add a new dimension to the planning process, raising awareness of the potentials of people centered planning, further developing its methodologies, and forming a cadre of development professionals skilled in its application. Thus it is intended to complement rather than to displace the sectoral-spatial emphasis. Implementation of this project is expected to begin in August 1982.

V. IMPLICATIONS AND LESSONS

A. Data and the Process of Problem Definition

One important insight generated by this experience is the significance of the choice and presentation of data in shaping problem definition and the subsequent choice of corrective action. The implications of this are rather far reaching. Conventional economic planning tends to flow from the analysis of macro-economic indicators of the health and progress of the economy (e.g. economic growth rates, foreign exchange balances, sectoral production and employment, and development of capital infrastructure). Problems quite naturally are defined in performance terms measured against these indicators. Equally logically, corrective actions take the form predominantly of policies and investments designed to spur the growth of the lagging sectors. Where social indicators are introduced they are generally highly aggregated, spotlighting deficiencies in educational levels, health care, nutritional status, etc. Where these are taken seriously the natural response is to define the problem in terms of deficiencies relative to some desired standard and to undertake actions intended to make up these deficiencies. This kind of logic in the planning process has led all too often to investment allocations directed at correcting such deficiencies and not necessarily at addressing the needs of real people. The resulting programs tend to place unsustainable burdens on public budgets and central administrative systems.

Planning methods such as those described in this paper focus attention on people and their livelihood strategies. The poor become visible, not as potential welfare cases, but as hardworking creative individuals sustaining themselves under difficult circumstances. The related analysis goes beyond deficiencies in

the outcomes of their survival strategies to identify the barriers which constrain those outcomes. The logic of the analysis then dictates a search for measures which will relieve those constraints. This sort of problem definition is relatively unfamiliar in development circles. It will take time and a great deal of experimental effort to identify those actions which will indeed prove effective in relieving such barriers without creating debilitating dependence and to build the organizational capacities to apply them.

B. Mission-Based Learning in AID

It is often assumed in a large bureaucratic institution that innovation is generated centrally through the work of staff units and then communicated downward. Indeed central initiative and support was important to the developments described in this paper. On the other hand, a more limited bureaucratic response might have sufficed to meet Washington's minimal requirements if the Mission had chosen to respond in those terms. The fact is that the innovative work that has been done toward the development of a people centered planning methodology could not have been done in Washington. It could only be done in response to a field reality and to largely self-defined Mission needs.

There is a broader set of lessons here. Moving beyond conventional and ineffective approaches to development will require a great deal of innovation, and of necessity much of this learning must be field based. Large bureaucratic organizations, AID included, are not known for their effectiveness in such a process. The present case has little to say, as yet, regarding how Washington might learn from mission-level innovation. It does offer some lessons regarding the conditions necessary for successful mission-level innovation, at least as they relate to development of a mission strategy.

First, the commitment of Mission management to an open self-critical process is crucial. The Director must be personally interested in development strategy issues, receptive to an honest debate of those issues without imposing a predetermined set of positions, and prepared to allocate staff resources to the task. If it is a small mission, AID/Washington must be willing to consider approving the additional staffing that may be required.

Second, AID/Washington signals are very important. If the strategy exercise is viewed in the field as only another routine documentary requirement like so many that are introduced one year and forgotten the next, it is difficult to focus mission attention and resources on the process of internal debate that is required. Likewise, AID/Washington must be patient in allowing the process to run its course in a reasonable time span before insisting on projects, so that new perspectives have an opportunity to mature before firm judgments committing the mission to specific project actions are required.

The CDSS was an important programming innovation in AID and one with major potential to increase the effectiveness of U.S. development assistance. Although the CDSS is fully institutionalized in the program cycle and the required documents are routinely required, a great deal remains to be done to fully institutionalize the strategic approach to programming in the field. Further attention is needed to methodological issues and to capturing the experience of the more successful missions and sharing it with others.

Third, within a Mission certain bureaucratic ground rules are critical to ensure the integrity of the process (i.e. derivation of strategy from the analysis versus rationalization of choices already made). These rules are simple enough:

- a) The existing portfolio of approved projects should not be at issue; its rationale should be accepted. The strategy adopted should presume that the projects will run their course and that it will apply only to new projects. This is important to avoid staff perceiving the strategy exercise as threatening and seeking to use it to rationalize the current portfolio.
- b) By the same token no project or follow-on phase should have an automatic place in the strategy for the future.
- c) The strategy exercise should begin with no answers, no foreclosed options, and no identified projects.
- d) The strategy should evolve from an iterative process of refining the strategy outline and translating it into programs and projects based on a deepening understanding of poverty and a sustained dialogue within the Mission and with government counterparts.

Fourth, the strategy process is best coordinated by an officer removed from the day-to-day operations who is free from disciplinary or turf bounds and can be respected for his/her objectivity and absence of axes to grind.

Finally, the process must be participatory to the fullest extent, encouraging junior and mid-level officers to speak out, even in contradiction to senior staff, if the best thinking is to be applied and consensus around the strategy is to be forged.

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The rhetoric of development agencies suggests a strong commitment to more people centered approaches to development. But the requirements of such approaches run directly counter to the incentive structures of most large development bureaucracies. People centered approaches are staff intensive, require time and flexibility, the investment of substantial creative energy, and a willingness to accept the risks of innovation. A people centered approach requires special effort and a willingness to invest in the development of new methodologies. So long as the ultimate imperative of development bureaucracies is to generate project documents and move money, the impact of development programs on people will remain an assumed linkage—despite clear evidence that this modus operandi results in substantial leakage of benefits.

This paper is directed at those pioneers who are committed to experimenting with new approaches and who are making the extra effort required, in the hope that the Philippine experience may add something to their own insights.

A P P E N D I X

SURVIVAL STRATEGIES OF LANDLESS AGRICULTURAL WORKERS¹

The landless agricultural rural worker can be defined "as one who works in agriculture but possesses neither ownership nor recognized rights to farm the land and who earns fifty percent or more of his total income from wages or payment in kind."* Essentially this definition encompasses farm laborers on rice and corn lands and hired workers on sugar and coconut lands.

While statistics on this type of worker vary, it is estimated that at least 1,150,000 or 7.5 percent of the total labor force and 14.3 percent of the total number of persons employed in agriculture fall into this group.² It is hard to determine the number of households this entails, but a fair estimate would be between 500,000 and 700,000 considering that no more than one-third of all agricultural workers are women and that on average landless households have at most one child who is a laborer. At least half of these households engage in rice farming, while about one-third work in sugar fields and the remaining sixth grow coconuts and other crops.

Household income varies widely between farm laborers and plantation workers. Among farm laborers, those receiving a share of the crop tend to be better off than wage earners. Among plantation workers, coconut laborers do better than sugar laborers and permanent laborers receive more income than casual workers. This diversity complicates the task of estimating income. One estimate suggests annual income for agricultural laborers ranged in 1974 between 1400 and 2400 pesos depending on the payment arrangement followed and on the crops produced. Rice farming provides for one-sixth share of the harvest to the landless within the village. It also offers higher mean wages (6.98 pesos a day) than plantation farming for laborers, often migrants from outside the village

¹Reproduced from Philippine CDSS FY 82, Annex B.

²Staff of the Technical Board of Agricultural Credit (TBAC), "Socio-Economic Survey on Landless Rural Workers in Three Selected Barangays" (A Preliminary Report - 1978).

*Definition is borrowed from PCARR-sponsored workshop on landless rural workers (WLRW), Los Banos, December 8-9, 1978.

who undertake specific operations. Opportunities for women laborers to work in the paddy are ample (though at lower wage rates), but employment in paddy production is highly competitive and seasonal. Coconut growing offers somewhat lower wages (6.95 pesos a day) but with steadier employment throughout the year and easier work with opportunities for women laborers and intercropping.³ Sugar plantation work tends to be the least remunerative since the minimum wage of 7-8 pesos is not always paid, especially to the casual or temporary worker. Opportunities for women are limited. Employment is more seasonal than in coconut production and subject to wide fluctuations in demand in response to international price swings.⁴ Productivity and cropping intensity are also important variables in the landless laborer's earnings. Irrigated paddy production provides much more rice income to the worker receiving a fixed share of each crop. At the other extreme, as sugar lands are taken out of production in response to plummeting international prices, sugar workers are locked out of jobs. Most landless workers derive up to one-fourth of their total income from secondary sources. A survey of three barangays suggest earnings from secondary sources may amount to less than 500 pesos a year.⁵ Duck raising and piggery are the most prevalent supplementary income activities, followed by handicraft manufacturing, vending, fishing, and carpentry. Opportunities for supplementary income appear greater for farm laborers and secondly for coconut workers than for sugar plantation laborers. Thus total household income for landless agricultural workers may be estimated at between 2000 and 3000 pesos for the vast majority. This represents around half the minimum food threshold.

The landless are not completely without assets. Their possessions are mostly limited to a temporary house, usually on a rent-free plot. Few own their house

³Rafael S. Espiritu, "Access and Participation of Landless Rural Workers in Government Programs," (presented at WLRW at Los Banos, December 8-9, 1978).

⁴Antonio Ledesma, "Socio-Economic Aspects of Filipino Sugar Farm Workers: Three Views from the Cane Fields," (presented at WLRW, Los Banos, December 8-9, 1978).

⁵Socio-Economic Survey on Landless Rural Workers in Three Selected Barangays, A Preliminary Report, Staff of the Technical Board of Agricultural Credit (TBAC), 1978.

lots. They may have some livestock, a few farm implements and perhaps a radio.⁶ Ownership of a carabao is an important asset as it increases significantly a laborer's wage rate or crop share. Finally, given heavy competition for available employment, the worker's health becomes a tangible asset (or liability).

Survey after survey suggests a high rate of dissaving permitted by regular indebtedness to relatives, friends, employers and local moneylenders. The heterogeneity and powerlessness of landless subgroups precludes their organizing into effective economic groups. Only plantation workers show any inclination to join organizations such as unions, but these tend to be controlled by plantation owners.⁷

The social make-up of the landless further confirms their disadvantaged condition. The majority of household heads, though younger than farmers, still only have between 4-6 grades of schooling, and a significant number have no schooling. The chances for their four children going beyond the sixth grade are limited by the household's need for the child's earnings and its inability to shoulder the costs of further schooling. Nutrition levels are very low especially among sugar plantation workers where three meals a day are not always possible, where rice and fish are not eaten daily, and where meat is seen but once or twice a month.⁸ Access to basic health and family planning services is infrequent.

Landlessness in the Philippines is a function of population growth, land fragmentation, the spread of large commercial plantations, eviction of tenants by landowners opposed to land reform, and the fixing of land tenure in rice and corn areas.⁹

⁶See Espiritu, *op. cit.* and Yujiro Hayami, Anatomy of a Peasant Economy: A Rice Village in the Philippines, (IRRI, Los Banos 0 1978).

⁷See Espiritu, *op. cit.*

⁸See Tejada, ed., "Socio-Economic Study of Landless Rural Workers in a Sugarcane Plantation in Negros Occidental," (presented at WLRW, Los Banos, December 8-9, 1978).

⁹Eckholm cites similar trends around the world in "The Dispossessed of the Earth: Land Reform and Sustainable Development," (World Watch Paper No. 30, June 1979).

The growing number of landless are in effect precluded from acquiring land and largely dependent on family, communal or plantation ties for employment which is poorly paid and for a majority, seasonal. Two examples will serve to illustrate this dependence: the Sagod System of labor in lowland rice areas and the Pakiao System in the sugar cane plantations of Negros Oriental.

The Sagod system, also known as Gama, is a labor arrangement that has emerged since 1973 whereby landless workers (or other small farmers) contract to do the weeding for free in exchange for exclusive rights to harvest the weeded portion. This guarantees the laborer a rice income. The high yielding rice technology has nearly doubled the man days required in rice cultivation. Weeding has become a major operation for which small and larger farmers alike hire in. This system provides more stable employment and security for more laborers within the village to the exclusion of outside competitors. The major drawback is that the laborers must work harder than before without pay. This represents not only a decline in real wages but deprives the laborer from income at weeding time, often forcing him to go into debt to carry his family through to harvest. It also has the effect of freezing out landless laborers from outside the village.¹⁰ This is indicative of the trend of small farmers, often former tenants, becoming owner operators leaving most of the tilling to the landless who have become the "farmer's laborers."¹¹ While these patterns serve to absorb labor and cushion the plight of the landless in one sense, in another they impoverish them by depressing wages and spreading underemployment. At the same time the owner operators are beginning to adopt labor saving techniques that further reduce returns to labor. Now that weeding is not a cost to the farmer, he is able to plant by broadcasting rather than transplanting for which he formerly had to pay outside laborers. Likewise, the farmer is introducing mechanical threshing at harvest time and deducting the cost of the operator from the laborer's share. At the same time, laborers are threshing less but harvesting more plots. This tends to accentuate competition.

¹⁰See Ledesma, "Rice Farmers and Landless Rural Workers," op. cit.

¹¹see Gelia Castillo, Beyond Maila: Philippine Rural Problems in Perspective, (U.P., Los Banos, 1977).

The Pakiao system, which is found in many areas and crops, governs 80 percent of the work on sugarcane haciendas in Negros and consists in setting a flat rate per hectare for a given operation (e.g. plowing, weeding). The more difficult work is assigned a higher rate, but since it requires more laborers or longer time to complete, it may in fact provide no more pay and sometimes even less pay than a flat daily rate.

The system is a legal way of undercutting the minimum wage law to the detriment of the sugar worker.¹² The widespread practice of hiring laborers on a temporary basis is another way of paying lower wages and keeping workers in line. The workers' ignorance, lack of organization, and the absence of alternative employment opportunities leave them little recourse for opposing this system.

The major constraints impeding improvement in the conditions of landless are:

- their low level of education and skills
- declining real wages
- seasonal employment
- their rising numbers
- lack of alternative employment opportunities
- lack of organization.

The seasonality of most employment open to the landless helps explain the patterns of rural-to-rural migration as members of landless households move between rice, sugar, and fishing in search of supplemental work. Competition is heavy especially in the more productive areas where upland farmers, fishermen, and even lowland farmers make their labor available for a share of the rice harvest or supplemental cash.

¹²Ledesma, "Socio-Economic Aspects of Filipino Sugar Farm Workers: Three Views from the Cane Fields (presented at WLRW, Los Banos, December 8-9, 1978).