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A PRIVATE INTEGRATED INSTITUTIONAL APPROACH TO  
RURAL COMMUNITY DEVELOPMENT PARTICULARLY RELATED  
TO EDUCATION, TECHNICAL SUPPORTS AND CREDIT

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A PRIVATE INTEGRATED INSTITUTIONAL APPROACH TO RURAL COMMUNITY DEVELOPMENT PARTICULARLY RELATED TO EDUCATION, TECHNICAL SUPPORTS AND CREDIT<sup>1</sup>

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Historical background

The mid-1930's saw the first organized, openly defiant gestures of smoldering Agrarian unrest, spawned by the human exploitations and economic inadequacies of the land tenure system of tenancy, coupled with the added blight of absentee landlordism. Governmental institutions geared to ameliorate such festering conditions were quite inadequate; private agencies committed to helping alter such situations were simply non-existent. True, there were a few individuals striving strenuously to alert a seemingly indifferent society. But there were no private, organized, soundly planned, really committed agrarian agencies.

The war blanketed these surface social upheavals for the duration. The established agrarian relations patterns slipped into abeyance in the face of a common enemy and the elemental effort at survival. Yet, from out of the war would emerge a more skilled leadership dedicated to subverting the political and social order, while preying on the inhumanities of the entrenched rural social structures. Strength this movement had, much of it stemming from the disaffected peoples of the densely tenanted areas grasping at any hope dangled before them.

The situation was "touch and go" for about six years. Its ultimate control would lay only in genuine, substantial, admittedly involved complex efforts not only in land distribution, but equally so in the less spectacular but critically urgent matters of a notably enhanced production and greater net return per land unit. This latter aspect became more imperatively so as by the mid-1950's our constant, high-level population growth had inevitably and sharply curtailed the land areas available to individual family farm units.

<sup>1</sup> This paper relates the thinking and action of individuals and evolving institutions in the private sector relative to Rural (Agricultural) Community Development.

<sup>2</sup> The author has been linked with the Philippines for thirty-three years, first as a professor and later President of the Ateneo de Manila University, and for the past sixteen years as a professor of Xavier University in Mindanao, during thirteen years of which he has served as the founder and director of that University's College of Agriculture and its complex of five adjuncts.

Crucial to such increased production was education, difficult under any condition, far more so considering the vast scale and urgency of the need. The difficulties were compounded when obvious financial and sociological factors precluded a reliance solely on a governmental Extension Service program backstopped by specialized Agricultural Bureaus.

Strongly committed to the proposition that a University must be responsive to (if not in advance of) the challenges of its immediate milieu, Xavier University (then the Ateneo de Cagayan) in 1953 launched its College of Agriculture as an earnest measure towards helping to fill this agricultural education void. Its pronounced aim was to train an Agricultural Community Leader "elite", i. e. individuals of high technical competence and of avowed social dedication, vitally concerned with community socio-economic enrichment, ultimately thereby building national strength, through increased, economically efficient and more rewarding production.

This "new breed" agriculturist was to lead, first and foremost by example. His own type of production and level of return was to be so obviously different and better that automatically community interest would be aroused. To achieve such production would not be easy. It would require skill, capital risk, hard labor, perseverance in the face of the scores of obstacles which can plague agricultural ventures. He could not be counted on to make such investments without a very real love of the land, a sense of vocation to the land, a recognition of his social obligation to share his talents with his countrymen less advantaged than himself.

To breed such a "strain", his curriculum was loaded with Field Work (in every technical subject, for every two hours of lectures there would be three hours in the field at one of the three University Experiment Stations) and Social Studies (theology, philosophy and sociology). Nor was this done at the neglect of the Natural Sciences and Technical subjects. Heretical as it may seem, educationally speaking, his degree course carries 199 units.

Naturally, this very curriculum load and content curtails the numbers in the XAVIER Aggie College. Understandably, the actual physical work involved and the long study hours entailed become automatic pre-registration screening devices. Regrettably, though, the very same load factor raises tuition costs considerably, especially in comparison with the dozen and a half government, tax-supported Colleges of Agriculture. To help alleviate this latter condition a special Aggie College

Scholarship Fund, continually growing, presently allows for the awarding of 40 scholarships, one fourth of the 1966-67 student body of 170. It should be noted that the programmed maximum enrollment is between 375-400. It is felt that larger numbers would hamper the effective transmission of the sense of mission so vital in commitment to agri-socio-economic development. Better an "elite" of firebrands than an army of indifferentists.

How valid has been this Xavier Aggie College approach, first in having its alumni go to the land, and then in becoming informal educational and change agents and community organizers? Maybe we are still too young to have a rigid assessment. We have had only nine graduating classes with about 120 alumni. We submit for what they are worth the following:

- a. 65% of our alumni are directly working in agricultural production....
- b. we have requests for 65 graduates whom we cannot supply, such favorable impressions have our alumni made....
- c. 10 of our alumni have won graduate study scholarships abroad.

An example will illustrate the type of impact we are aiming at. A graduate of April 1964 took a position as manager of three ranches which were in bad condition. In nine months he had so improved the operation that a delegation of 35 mature men, more than twice his age (22) came to him to ask him to lead them in better ranching and marketing. He and another alumnus just three years his senior schooled these men for five months in various managerial and cooperative techniques, leading to the formation of the first Cattle Producing and Marketing Cooperative in Mindanao, with a membership of 65 after one year.

#### The extension service

The emigration tempo from Luzon and the Visayas to Mindanao, under both private initiative and government resettlement programs, was stepped up considerably in the 1950's. The need for an additional avenue of a more direct educational approach became compelling. Government units already in the field were not numerically adequate; moreover, they were confronted with certain resistance factors, v.g. being a "government" man set up a chill, if not suspicious, reception,

or again just being "outsider" was a distinct barrier. Could a private Extension Service, with a locally recruited staff, skirt around such reluctance to welcome change agents?

Following a year's field study of the soundness of just such an Extension Service, the Xavier Aggie College Extension Service was established in 1961. Five years later we do not have large numbers in that Service, simply because of the finances involved. Presently there are 18, with plans to move up to 30 by the end of 1966. But, from continued field experience, as well as from the demands for our personnel, we are convinced that we have evolved a practical procedure. We are thus in a position to train Extension teams should any Agency so request. Besides the Extension work directly staffed, the Service acts as assessors of suggested Extension programs in all parts of the Philippines, and is currently advising on three operations in Northern Luzon, one in Central Luzon, three in the Visayas, in addition to work affecting seven provinces of Mindanao. In line with this, it is in a position to recommend programs for grant support from abroad.

Experience and scientific research studies have molded our concept of Extension work from that of an isolated individual parceling out bits of unordered agricultural knowledge to that of a rather sophisticated four member team approach. The education range is a wide one, including besides agriculture, health and hygiene, nutrition, housing, use of credit, cooperatives, sources of supplemental income. In this evolution we have been guided considerably by the Xavier University Research Institute in Mindanao Culture. Its studies in the specific factors of the barrio farmer's resistance to change and in the inhibiting nature of the various, local religio-magic practices in agriculture have recast much of our basic plan.

For instance, the study entitled, THE FARMER SAID NO, by Fr. Francis Madigan, S.J. of the above-mentioned Research Institute, records that the highest factor in the resistance to change scale in the barrio farm family is the woman. That has meant that we must give serious attention to the means of winning her over to either allow or encourage her husband at least to try some of the changes elemental to greater production and net return. In line with other acknowledged needs of barrio life, we seek to rally her support through a nutritionist and a nurse, both of whom are integral, permanent members of our Extension team. Their tasks are to awaken in the woman an active concern for better health for her family and for the gradual acquisition of the means for the same . . . all of which can be available for the barrio family only through greater income from their

sole source, the land, by capitalizing on its potential through proven improved techniques and improved planting or breeding materials.

Philippine Sociological considerations necessitate a team member accomplished in group organization. The individual barrio farmer who will singly, by himself, adopt change is an extremely rare find. Group compulsion is a very potent barrio force, either as a deterrent or stimulant. That force must be skillfully channeled into new modes of combined efforts. With this force, the structuring of the drive for increased production, cooperatively, finds more ready acceptance. This organizer, therefore, although also a degreed agriculturist, must be well schooled in agricultural cooperatives, producing, purchasing, marketing and credit unions.

The fourth team member, naturally, is the "ex professo" agriculturist. It is important that he will have been given some special background training in the particular agricultural problems of the region to which he is assigned. Generally, this man is the team leader.

The team members work partly as individuals, partly in group sessions. In any one month four barrios will be singled out for attention. Each member of the team will be assigned singly to one barrio for a week, then moving on through the other barrios in rotation so that all four barrios will have had each specialist with each one of them for a week. This will result in all four barrios having an Extension member with each one of them throughout the month. During the month three week-ends are given over to a Seminar in key barrios, at which all four team members lecture and lead discussions. The same procedure is followed in eight other barrios (within the same municipality) in the next two months. Three weeks of the fourth month are allotted to spot checking on the areas covered in the previous three months. The fourth week provides for some rest, along with opportunities for consultation with the Aggie faculty, our Rural Social Leadership Institute staff, or the Experiment Station personnel.

The team is confined to an area, generally of one municipality, at most two. Indications are that we must count on two years work in a given area before we can count on a response rooted well enough to guarantee carrying on and hopefully even growing outwards to the neighboring settlements once the Extension team will have been transferred.

It should be recorded that our Extension Service is ready and happy to cooperate with any other agencies, government and private, illustrative of that is the special agreement "Operation Handclasp" between

the PACD and our Extension Service. Especially fine working relations are had with the PHILCOA and the Bureau of Soils. Much of the Veterinary medicines used by the City and Provincial Bureau of Animal Industry personnel come from us.

Examples of our Extension Service work may prove of interest. A large program involving ₱70,000 is in process in Surigao. It represents an effort to rehabilitate one fourth of the coconut planted area of 6,000 hectares leveled by a typhoon a year and a half ago. . . . A province wide program for Antique has been formulated and is in process of implementation, with an initial support of ₱65,000. . . . Our approach is being tested in the Trust Territories of the Pacific where our Extension personnel have made project studies and are partially carrying them out in the Mariannas Islands this year, with plans for moving into the Carolines next year.

#### TECHNICAL SUPPORTS

All the talk in the world won't of itself change much of our rural picture. Grant that we have brought the barrio farmer to see how he can improve and want to move along such lines, too often very soon he can be frustrated. For various reasons he won't be able to secure the materials basic to such improvement, items like improved seed, better breeding animals, animal medication, soil analysis, fertilizer. We would be playing with dynamite, if we brought the barrio farmer to dare dream of a better life, then abandoned him. With barrio life so pinched for cash or credit, with aggie services distribution outlets so remote, a whole battery of interlocking supports must accompany any effective Extension Service.

Technically, our Experiment Stations, through several substantial grants, have been making available a series of supports. Principally these have been . . .

- a. two dozen kinds of improved vegetable and grain seeds
- b. a dozen kind of pasture grass and cover crop seeds
- c. a dozen kind of fruit tree seedlings
- d. a half dozen kind of pure and first cross breeding hogs
- e. a beef cattle artificial insemination program
- f. planting materials for a half dozen industrial crops, v. g. coconuts, rubber, sugar, coffee, cacao.

Such items are supplied, not freely, but at a subsidized price, roughly at forty per cent of the going commercial rate.

Other considerable assistance regularly rendered is in the line of Veterinary medicines. This has been to the amount of P100,000 annually for the past three years.

With the functioning of our new Science Center by the second semester of this school year, December 1966, we will be expanding our Soil Analysis service and will be newly offering help in insect control through the research of our Biological Control Laboratory.

### CREDIT

It is platitudinous to refer to credit as the blood stream, the life-carrying agricultural development resource. In the more remote regions of the Philippines, by and large the only credit source is the usurer, whose tactics spell another form of slavery and are a horrible drag on agricultural progress.

Yes, far away in the larger city there are the commercial banks. But, our barrio farmer has not, even after two decades in many cases, been able to get title to his land. What other collateral can he be expected to have? Also, there are the Rural Banks, bless them. But, they are nowhere near enough in number nor as affluent in resources as the need calls for.

To us, at Xavier University, it seemed that the Cooperative could be the financial lever. Initially it would be the Credit Union and that in turn would stimulate the whole chain of Agricultural Producing, Processing, Purchasing, Marketing, all in their turn feeding back in multiple to the Credit Union, eventually bringing even the vision of Cooperative Rural Housing and medical care closer to reality.

The cooperative in the Philippines, especially in recent history, has had something of an unsavory record. The reasons are easy to find. First, there was a forced draft attempt at large scale organization from above, by government. Cooperative history offers promise of permanence and efficient operation when the interest springs from the people themselves. It is not something they should be "bribed" into. Secondly, the pre-formation as well as the continuing education of the members was far from what it should have been.

From 1953 to 1960 we had satisfactorily demonstrated that the Credit Union could take hold among our people. Four of them formed under our direction were flourishing. To move into wider areas of organization and at an accelerated pace another adjunct of the Aggie College came



into existence, the Institute of Social Order. Its main function then and since has been to concentrate on the development of the Cooperative Movement wherever we may be called. Six of its staff have been trained abroad in the Cooperative philosophy and techniques as worked out in the famous Antigonish Movement of Nova Scotia. Greatest attention has been given in these early years to the Credit Union. After six years the record in the Misamis Oriental - Bukidnon provinces alone stands at 22 legally established Credit Unions with above 8,000 members and total assets of ₱2,000,000. Further, there are eight others in process of formation. This group of Credit Unions has been selected as the finest in the Philippines. For the record, this group contributed 38% of all the assessments collected for the budget for the Philippine Credit Union League for 1965.

A couple of points are important to note. First, this Credit Union organization is commanding the really devoted interest of a group of volunteers, lawyers, accountants, engineers who give almost their every week-end and some week-day evenings to this... Secondly, these Credit Unions do not operate merely as banks. There is an acute awareness of their social role in advancing community and area development. This was most evident in an action taken jointly by the 22 Credit Unions a year and a half ago. Recognizing that some of the Credit Unions did not have sufficient deposits to meet all the commendable loans requested, it was agreed that those with larger cash reserves would make available up to 15 percent of those reserves for assistance to the Credit Unions presently unable to serve all their members through their own funds.

Another benefit of the Credit Union movement has been to weld the different segments of the Rural Communities much closer together. It has helped us sell the farmer, the merchant, the professional a more conscious realization of their mutual inter-dependence when it comes to the over-all socio-economic climate of their community.

Further, it has been most promising to witness how the people grow in confidence to face economic situations once they have seen how they themselves could lick the credit problem. An example will best bear this out. Five years ago we helped the Market Vendors of Cagayan de Oro City set up their Credit Union. Before this was organized, credit was had from the usurer at 20% a day. After five years they have 510 members, with savings of over ₱135,000. And in these five years they loaned to themselves ₱920,000! All that got them thinking. Why shouldn't they try to lower the cost of food in the Cagayan market - a very desirable social goal? Well, they could do it, they figured, if they could organize their own wholesale cooperative as well as a service cooperative in the form of a cold storage unit. They have the funds to accomplish both. The really great thing is that they arrived at these new steps entirely by themselves, without prompting or prodding by outsiders.

Another credit Union with savings of ₱45,000 in less than three years has been able to advance loans sufficient to buy 26 of its members out of "hock" to the middleman, whose system of loans called for an annual interest rate of 50% of the normal production of the borrowers land, with none of that being credited to reducing the debt itself.

A final example must suffice. Two years ago among extremely poor fishermen, who were also occasional dock workers, a Credit Union was organized in the face of very discouraging prospects. There really are sound reasons to believe that next to nothing could be saved there. Actually, ₱21,000 has been accumulated. The members take pride in showing you the improvement of their houses, still short of what human dignity calls for, but definitely better than they were. Now, too, with financial means at hand, the fisherfolk do more of the salting of the fish themselves, bringing a higher return to the prime supplier.

So impressive has been the role of the Credit Union in production programs and possibilities that we have been offered from abroad long-term, non interest bearing loans to permit the Credit Unions to expand their loaning capacity.

### Cooperatives

In 1963 the first Agricultural Producing Cooperatives were started. These (three of them) are engaged in Corn producing as being more accepted as the basic in the local diet. They have been set up among peoples in real distress, peoples farming even without animals or implements, literally planting with a stick. They have been made possible through grants, each in the amount of ₱10,000, acting as seed capital.

After four months schooling in cooperative procedures and better agricultural practices, those who have persevered are offered a package loan of a carabao, steel plow, some improved seed and a little fertilizer, with a total value of ₱600., which they are to repay within four years, at no interest. There are two incentives to earlier repayment. First, a 15% reduction in the debt if it is repaid in three years or less. Second, the members know that their repayment will immediately be used to bring others, close to them like their uncle, brother or cousin, into the organization. And the results?

- a. All the members cleared up their debt to the middleman within a year.
- b. the majority of the members repaid their loan within two years.
- c. because they have been able to start their own small Credit Union, plus the repayments of the original loans, units which

started with 6 members two and a half years ago now have 24, with prospects of doubling that number within another year.

- d. neighboring communities which previously were apathetic are eager to share in this cooperative growth.
- e. the members at their own initiative started their own small Consumer Cooperative and are discussing Cooperative marketing possibilities.

Only limited, currently available seed capital prevents faster movement along these lines.

An initial gift of P60,000 for fertilizers, plus a likely additional amount in the first quarter of next year, has made possible the start of cooperative agricultural supply center. Selected farmers working under the umbrella operation of our Extension Service, therefore under a degree of supervision, will be invited to form the nucleus of this new cooperative set-up. The fertilizer will be advanced to them repayable following the harvest (within the agricultural year) at commercial rates. Twenty per cent of that payment will be credited to the farmer members as stock in the enterprise. In five years these selected farmers ought to become the full owners of the supply cooperative. Naturally, there are built-in protections to limit the degree of individual ownership. This is just starting with the second half of this year.

Besides the Cattle Producing and Marketing Cooperative mentioned earlier in another context, discussions are well advanced towards the organization of Poultry and Hog Producing and Marketing Cooperatives, which it is presumed will be in operation by the end of 1966.

For more remote actuation, two years or so from now, studies are under way towards the possibility of small scale cooperative agricultural processing units. Fruits and meat are the areas of immediate study. Cooperative "by-products" production, v.g. fiber for sacking from the banana stalk, is another wide area which is being explored.

#### Institute of Market analysis

Production, type and level, must be guided by the market. So very much of our efforts to move the Rural Community hinge on the market, what is in demand, and at what price. Our ordinary, small barrio farmer cannot be expected to know, much less understand the vagaries of the market, domestic even, let alone foreign. This matter of market is of further urgency and delicacy for us in the Philippines in view of our

questionable trade relations six to eight years from now with the United States which hitherto has absorbed the giant share of our major agricultural products.

Normally the Rural Community Development agent would be thought to be merely the channel of existing, handy, accurate, up-to-the-minute computerized market information, a service supplied by sensitive government agencies. It is lamentable that such alert, continually up-dated information is not generally available locally. Actually, the present writer is witness to our having "missed the boat" at least twice due to prior unavailability of market projection-studies conclusions and recommendations.

Some sort of permanent operation was called for which would help fill this gap. A year and a half ago funds were found to endow an Institute of Market Analysis. This will begin to function mid-way in 1966 on the return of two specially trained graduates researchers. The scope of their studies will embrace chiefly the two fields of raw market and secondly price relations. The results will be widely circulated.

Such information, will, naturally, lend great strength to our evolving Cooperative market structure.

#### Southeast Asia Rural Social Leadership Institute

In view of the coordinated program described in the previous pages, Xavier University College of Agriculture was requested in 1963 to form an Institute dedicated to the training of Rural Social Leaders for the nations of Southeast Asia.

The Institute programs its training on two levels. Its major effort centers in an eight-month course aimed at forming an "area" type leader... an individual capable himself of organizing local training sessions. It frankly aims at so equipping its graduates as to be able to effectively present an alternative approach to the many-angled Rural problems of the Southeast Asia region other than the Communist one so militantly at work. It hopes to achieve this through studies in Sociology, Political Science, Economics, Community Development, Cooperatives and Credit Unions, Leadership Skills, Agriculture and the philosophy and techniques of the Antigonish Movement.

Within the Philippines, following the full length training of "area" leaders, the Institute Staff in the summer goes to the areas and conducts

an intensive 15-day training session for as many as 50 local level leaders, on whom the area people then rely for understanding and zealous assistance. Four such Summer Institutes are conducted every year.

Again, finances alone curtail the larger growth of this Institute. We have had trainees from nine nations starting with 18 in 1964, 24 in 1965, and 45 for this year. By April 1967, graduates will be of sufficient numbers in some nations to begin to have a noteworthy impact. From the Philippines we will have trained 34; from the Turst Territories of the Pacific, 13; from Thailand, 8; from Korea, 7; from Taiwan, 5; from Vietnam, 5; from Ceylon, 4; from Malaysia, 4.

Planned for the immediate future (within 12 to 18 months)

Negotiations are in process for two grants which will enable us to,

- a. establish an Institute of Nutrition, for training degreed personnel in that field and for Research, both of which will compliment our Extension Service.
- b. organize short courses (4 weeks) for actual farmers to familiarize them with the latest scientific advances. There will be six of these each year.

SUMMARY

The Xavier University Rural Community Development Program involves the following entities:

From the Graduate School

The Research Institute in Mindanao Culture

From the College of Agriculture

The College itself

The Extension Service

The Manresa Experiment Station

The Sumilao Beef Cattle Research Station

The Institute of Social Order

The Institute of Market Analysis

The Southeast Asia Rural Social Leadership Institute

(and in the immediate future)

The Institute of Nutrition

The Short Courses