

# **NGOs and NGO-GO Relations in the Philippines**

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### *A word on words*

In the Philippines, as elsewhere, NGO used to be the buzzword, now it's 'civil society'. The use of NGO itself is fairly recent, a post 1986 phenomenon. The Securities and Exchange Commission (SEC) still retains the name private voluntary organization (PVO), an American coinage, used for such pioneering NGOs like the Philippine Rural Reconstruction Movement (PRRM), founded a year before the UN adopted the name NGO in 1953.

Before the 1986 democratic transition from martial law, other labels could have passed for NGO, such as, for examples, people's organization, people's movement, trade union, cooperative, community organization, coalition, network, federation, alliance, united front. These names are still current but are now captured by a new catch-all category 'civil society organizations' (CSOs) which became fashionable during the UN summits of the 1990s. CSOs refer to different types of non-corporate private voluntary institutions promoting a variety of public causes. NGO is only one form of CSO, though often the two are taken to mean the same thing.

The term 'civil society' entered the Philippine development discourse in the early 1990s, following changes in Eastern Europe in the 1980s. The meanings associated with 'civil society' focus or emphasize more on either values and beliefs or on institutions. In the Philippines, use of 'civil society' includes both.

The notion of civil society, as that section of society that is non-state and non-corporate, derives from Marc Nerfin's model of three political actors, namely, prince, merchant and citizen [Korten 1989: 96]. Prince is metaphor for state and represents public for public good; merchant for the corporate sector and private for private good; and, citizen for 'civil society' and private for public good.

### *Who they are*

It is difficult to make a precise count of NGOs or CSOs in the Philippines but the number is presumed to be large and growing. In December 1996, for example, the SEC listed over 58,000 nonprofit organizations, a dramatic increase from an estimated 18,000 in 1989. The list ranges from primary organizations of just a few members to supra-tertiary NGO coalitions.

Some CSOs see the need to register with the SEC, many others don't even bother. A SEC registration is necessary to qualify as recipient of donations. But it is not a precondition to the exercise of one's right to self-organization. It may be safely assumed that many CSOs do not appear in the SEC list at all. At some point such registration was considered a security liability by

many organizations born before and during martial rule and had links to the opposition or the underground movement.

This so-called non-profit sector of the Philippines includes self-help groups and cooperatives; neighborhood associations and community organizations; religious and spiritual societies; professional associations; business foundations; local philanthropies; PVOs and NGOs; and a wide variety of organizations of workers, farmers, fishers, indigenous people, urban poor, elderly citizens, disabled people, media workers, religious and church people, men, women, young people, children, and students. The list covers more sectors than the major groups identified in the Agenda 21 [UNCED 1992]. Primary organizations at the community level, in the workplace, in schools often band together to form into federations, networks, and coalitions. This way they are able to leverage their voice and influence.

CSOs and civic movements have a long tradition in the Philippines. The traditional practice of *bayanihan* (mutual exchange) still persists in rural villages and some migrant communities in cities despite modernization. Free associations and societies existed before there was even a Philippine state that could impose taxes and command allegiance from citizens. They had existed years before the 1896 revolution that established the first ever democratic republic in Asia. These cooperative societies and other forms of citizen associations engaged in a variety of activities promoting group welfare or the larger common good.

### ***What they do, generally***

The scope of civic initiative covers a broad range of activities concerning human welfare---development, environment, politics and governance, citizen participation. Some CSOs confine their activities to helping their members in their common professional or spiritual advancement, others to enhancing the sense of community and extending gifts and services to others.

CSOs are at the cutting edge of social change processes in the Philippines. Their work in educating, organizing, and mobilizing people around the issues of human rights, equality, social and economic justice, and environmental protection have made possible some of the most dramatic events in Philippine history. Their actions do not always seem "civil," but they are certainly high in civic spirit, motivation, and initiative. What they do impact directly on the larger society, on public policy and government practice.

*More specifically...*

### **Raising 'money' for development**

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

CSOs are not required to register with government but SEC registration is necessary for them to be able to accept donations or to participate in government projects. The SEC demands audited annual financial reports from registered parties. Nonprofit, non-stock organizations are exempted from taxation. CSOs can engage in income-generating activities. They need not pay income tax as long as they do not issue dividends to their members and their revenues are used solely for nonprofit activities.

They get a slice of official development assistance (ODA) by way of co-financing arrangements between donor governments and donor-country CSOs. Private donations are transferred directly from donor CSOs in developed countries to recipient CSOs in the Philippines without passing through government. Nearly all assistance come in the form of program or project funding. Strategic funding is hard to come by. Endowment funds for development CSOs are rare.

Development CSOs are highly dependent on public and private foreign assistance. Competition for this scarce and dwindling resource has sharpened over the years, thereby causing relational problems among CSOs. Activist CSOs associated with the extreme left are normally shut out by official donor agencies but manage to devise creative ways of financing their activities.

The quality of ODA has also been the subject of much debate. Earlier studies had already warned that "If the appropriate institutions cannot be funded or if they cannot operate freely the poor will generally be served best by no aid at all. Only when the fixation on the quantity of aid disappears can the quality of aid begin to improve." [Hellinger, Hellinger & O'Regan 1988:6]. NOVIB (Oxfam Netherlands) and other NGOS in donor countries have been closely monitoring ODA flows with a view to improving their quality. They have been coming out with regular publication on the reality of aid.

Funding trends have been shifting since the 1990s. Despite the overall decline in ODA flows, there is noticeable increase in the percentage of ODA

monies that find their way into the CSO kitty. Explorations in direct funding of CSOs from ODA sources have resulted in some pilot programs. Endowment funds created out of debts swaps fall within this modality.

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

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

Another example is a debt-for-development swap to set up an NGO-managed trust fund. This involved the retirement of the entire debt stock of the Philippines owed to Switzerland, amounting to US\$35 million. Since its creation in September 1995, the fund has been directly managed by the Foundation for a Sustainable Society (FSSD) set up by a consortium of Philippine NGOs for the purpose. Much in line with other similar processes and set-ups, this fund was also a product of negotiations between governments and NGOs in the two countries involved.

A number of CSOs are beginning to plunge into more aggressive business ventures due in part to the decline or withdrawal of external funding support. The expected economic upturn (before the 1997 Asian crisis) had put the country low in priority for official development assistance, especially the 'soft' kind. Some CSOs have started borrowing from former donor partners, and others have themselves gone into banking. Two examples of this are the New Rural Bank of San Leonardo initiated by the Management and Organization for Development (MODE) and the Lagawe Highland Rural Bank organized by PRRM.

Floating bonds, already practiced by some local government units (LGUs), is a new thing for CSOs. The CODE-NGO, a supra tertiary coalition of NGOs, has just ventured into this form of funding using their connection with the Macapagal-Arroyo government. This particular initiative has been criticized

by other NGO coalitions, like the Freedom from Debt Coalition (FDC), as another form of increasing public indebtedness for an already debt-burdened country like the Philippines. Other NGOs have criticized such initiative as an immoral and impermissible case of 'rent-seeking', 'influence-peddling', or even outright 'plunder'. Whatever, it's a 'smart' way of raising money in the name of poverty, but with a lot of moral hazards.

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

Yet another fairly recent trend, some big corporations have been setting up their own foundations and have involved themselves in development and environment issues. Some of the more notable examples are Ayala Foundation and Shell Philippines Foundation, both PBSP members. Some critics pejoratively call this 'greenwashing', meaning, a trendy sort of corporate initiative to acquire a green image and avoid full accounting of the environmental and social costs of corporate practice.

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

There's also a view questioning why CSOs should dip in the public funds, to begin with, when what they should be doing is to add more of their own resources.

### **Engaging government on governance**

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

Years of struggle have caused the enshrining of various social causes into the law of the land. The 1935 Philippine Constitution guarantees the freedoms of speech, association, and assembly. The 1987 Constitution mandates government to ensure people's participation at all levels of policy-making.

Exercise of these rights, however, had been suppressed at times, as happened in the case of the writ suspension in 1971 and subsequent imposition of martial law in 1972. Of late there have been some disturbing signs indicating stricter state regulation of CSO activities. Some such indications include the proposed national ID system, CSO inventory and accreditation, and funding restrictions targeted at outspoken and critical CSOs.

How do CSOs matter? What has been their impact?

CSOs in the Philippines matter in many ways, but especially in influencing the course of development in general, mostly just by being an alternative voice or proxy for 'conscience' of the people. They do matter in politics and governance, in critiquing the way government runs the economy and society. They are a significant influence in policy formation and implementation. And more, they have become partners in implementing government programs and projects.

But different CSOs make differentiated impact which varies according to their differing strategic orientation. On this, reference is due to David Korten [1989] who devised a schema of four generations of NGOs. The first generation is relief and rehabilitation; the second, local self-reliance; the third, sustainable systems development; and the fourth, mass/social movements for system change. This may imply that the first generation CSOs would have mainly local impact while the fourth generation CSOs would impact on the whole society.

This model may be criticized for being so neat and linear. The reality of CSOs in the Philippines is more like a mosaic. Some CSOs might easily fit in one or other 'generational' category, others might be hard to pigeonhole as such. Too, the model suggests a kind of progression in consciousness and level of activity. Indeed some CSOs might start off with relief and rehabilitation and then graduate into other orientation through time. Yet some CSOs can have more than one strategic orientation all at once, sometimes all four strategic orientations rolled into one cohesive strategy. Revolutionary organizations in the Philippines do all these, and more.

Gerard Clarke [1998] argues that the impact of Philippine NGOs is not in the micro but in the shaping of macro politics. Which means, for example, that their direct contribution to poverty alleviation, as in organizing the poor and

extending credit, is not what matters most. It is what they do in advocacy for reforms in the way government does its business of governance for national development.

Clarke cited as evidence the cases of two of the largest primary NGOs in the country. One is the Task Force Detainees of the Philippines (TFDP), a human rights organization set up by socially-oriented church people in 1974 during martial law. The other is the Philippine Rural Reconstruction Movement (PRRM), considered one of the first rural development NGOs organized 1952 by a group of prominent Filipino leaders in education, industry, business and finance.

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

Take PRRM for an illustration. Its roots trace back to what Korten [1990] described as a legendary development movement organized by Dr. Y. C. James Yen first in the context of the European war in 1916-1918 and then later in China. PRRM is a civic movement that envisions a society of equity and sustainability. The long future is one where ignorance, poverty, disease, and powerlessness shall have been eradicated and development takes place within the carrying capacity of the environment. PRRM's basic strategy addresses the interlocking problems of poverty, environmental degradation, and social conflicts rooted in what it considers a flawed development model.

Like many other CSOs, PRRM is rooted in local action around very specific issues concerning social and environmental justice. Its core field program, called Sustainable Rural District Development Program (SRDDP), seeks to affect through a coalition of efforts some structural change at a certain scale of sustainability at the sub-national level. The central element of this program is community empowerment, a long and complex process designed to bring about the eventual shift of power to the people and their communities. Progress in this process is indicated by the increasing capacity of community organizations and local governments in self-governance and community-based management of natural resources. The long view is to set in place a mode of local governance that is accountable to the citizens, one that can bring about eradication of poverty on site and sustainable development for all.



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

The collective impact of CSOs in the Philippines is also indicated by a bundle of policies and legislation (see Attachment listing some of the significant social and environmental policies and legislations where the influence of CSOs may be reflected). Discourses and debates on sustainable development in the Philippines, though seemingly endless and paralyzing at times, almost always resolve in some policy or a piece of legislation. This is true from the national level down to the *barangay* or village.

But getting your input into the language of policy is just one battle won, that is, on the level of words. The point now, however, is not so much saying the right thing (policy) as doing it and doing it right (institution, implementation). And here, you will at once see a whale of difference. In the Philippines, words come easy and cheap.

### ***Conclusion***

No doubt CSOs in the Philippines have been doing their share in nation building and national development even as the impact of their direct poverty reduction work is relatively limited. They have been more successful in engaging government, through cooperation and opposition, to build a more fair and sustainable society.

CSOs cannot answer or substitute for government failure to deliver on its development commitment, of which there's a quite a bundle made locally and in UN summits. Neither should they be content in simply having pressured government to make such commitments. That they have been able to influence policy is commendable but they must find ways to help government close the pestering word-action gap.

Social watching or report cards are now commonplace. CSOs should carry on with what they had already started and even intensify it so as to keep government on its toes, so to speak. Watching is particularly needed in the areas of budgeting, procurement and expenditure, and project implementation. This is a difficult terrain where strivings to close gaps may be put to a real test.

More basic, perhaps, is education of the 'educated'. That is to say, educating the "highly educated" or 'miseducated and miseducating' officials and big decisionmakers about how to do development differently. This might sound a bit condescending, as likewise CSOs themselves need their own education. Nonetheless, it is necessary to stress that much about the problem of unsustainability traces back to mindsets. One way to change mindsets is showing stories of how poverty, environment, and governance issues have been addressed successfully, even only in a small way.

CSOs can only do so much. Once government buys in to what otherwise would simply remain as an alternative idea or practice then small action can be leveraged to produce better outcomes on larger scales. After all, government is a huge resource base and will continue to be the biggest single institution that can make or break sustainable development. Government needs to be 'convinced' that 'development as usual' is not working, that poverty and social inequality are forms of everyday terrorism that cannot be allowed to continue for much longer.

As always, CSOs in the Philippines must and can continue to contribute in strengthening the civic infrastructure of society. Among themselves, though, one big challenge is how the otherwise disparate voices they represent can be as one in advancing the national interest. And combined with a more enlightened government, a voice of national consensus might just help to finally deliver a workable sustainability agenda and outcomes for our country's common future.

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### ***About the author***

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## ATTACHMENT

### A partial listing of social and environmental policies/legislations/programs where CSOs/NGOs might have been a positive influence

#### *Marcos Era*

- (1969) Republic Act 4850 - Creation of the Laguna Lake Development Authority
- (1975) Presidential Decree 705 - Forestry Code
- (1975) Presidential Decree 704 - Fisheries Code  
Revised and consolidated all laws and decrees affecting fishing and fisheries in the country
- (1976) Presidential Decree 1067 - Water Code
- (1976) Presidential Decree 984 - Pollution Control Law– Provides guidelines for the prevention, abatement and control of pollution of water, air and land
- (1977) Presidential Decree 1219 - Coral Reefs Conservation
- (1977) Presidential Decree 1181 - Vehicular Emissions Control Law– Prevention, control and abatement of air pollution from motor vehicles
- (1977) Presidential Decree 1151 - Philippine Environmental Policy– First mention of concept of environmental impact system
- (1977) Presidential Decree 825 - Philippine Environmental Code - Provides guidelines on land use, air quality, water quality, waste management, and natural resources management
- (1977) Presidential Decree 856 - Sanitation Code
- (1978) Presidential Decree 1586 - Philippine Environmental Impact Statement System – Mandates EIS for government and private sector projects affecting the quality of the environment
- (1979) Presidential Proclamation 2146 - Environmentally critical projects and environmentally critical areas
- (1980) Presidential Decree 600 - Marine Pollution (1976-as amended by PD 1698)

#### *Post-Marcos Era*

- (1987) Philippine Constitution – This contains the State’s obligation to protect and advance the right of the people to a balanced and healthful ecology. (Article 2, section 15 and 16)
- (1987) Executive Order 192 – Creation of the Department of Environment and Natural Resources

- (1987) Republic Act 6657 – Comprehensive Agrarian Reform – Exempts lands devoted to reforestation, wildlife, etc. from land conversion
- (1991) Republic Act 7076 – People’s Small Scale Mining Program
- (1991) Republic Act 7160 – Local Government Code – Strengthens the role of LGUs in the country
- (1991) Ratification of the Montreal Protocol
- (1991) Inter Agency Committee on Climate Change
- (1992) Republic Act 7279- Urban Development and Housing Act
- (1992) Executive Order 15 - Philippine Council for Sustainable Development (PCSD)
- (1992) Republic Act 6969 - Toxic Substances, Hazardous and Nuclear Waste
- (1992) Republic Act 7586 – National Integrated Protected Areas System (NIPAS)
- (1993) Philippine Population Management Program (PPMP)
- (1993) Power Crisis Executive Order
- (1994) Ratification of Framework Convention on Climate Change (FCCC)
- (1994) Philippine Strategy for Biodiversity Conservation
- (1995) Water Crisis Act
- (1995) Republic Act 7942 – Mineral Exploration, Development and Conservation
- (1995) Republic Act 8172 – Act for Salt Iodization Nationwide or ASIN
- (1995) Social Reform Agenda
- (1995) Gathering for Human and Ecological Security (GHES)
- (1995) Executive Order 247 – Bioprospecting
- (1995) Executive Order 263 – Community-Based Forestry Management Strategy
- (1995) Philippine Action Plan for HABITAT II
- (1996) Philippine Agenda 21
- (1996) Executive Order 291 – Improving the EIS System established in 1978
- (1997) Republic Act 8371 - Indigenous People’s Rights Act
- (1997) Republic Act 8435 – Agriculture and Fisheries Modernization
- (1998) Republic Act 8550 – Fisheries Code
- (1999) Republic Act 8749 – Comprehensive Air Pollution Control Policy (otherwise known as the Clean Air Act)
- (2001) Solid Waste Management Act