

Rural Development : The Case of the Philippines

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Abstract

This paper discussed in general the nature and status of rural development in the Philippines. It looked into some aspects of rural development like agriculture, agrarian reform and cooperatives development. Moreover, it presented the programs and strategies employed by the Philippine government to alleviate the incidence of rural poverty. Furthermore, it discussed the role played by non-government organizations and academic institutions to bring about change in the countryside.

The main thesis of this paper is that for rural development to succeed in the Philippines, it needs the involvement of many sectors, the national government, the local government units, non-government organizations, state academic institutions, farmers/peoples' organizations and cooperatives. If poverty is to be reduced and eliminated in the countryside, these sectors should hand-in-hand tackle the problems of the countryside through deliberate action-oriented programs and policies at the Macro and Micro level. The successful implementation of rural development programs also requires political will. The ability of the national government to provide the resources and the direction to the difficult task of nation building.

I. The Rural Sector and Its Importance

Beyond Manila is rural, it was said so in 1979 (Castillo). Today perhaps that observation which was made almost two decades ago is still valid and had some ring of truth to it.

The Philippine rural sector and its importance could be gleaned from the fact that approximately 60 percent of the population still reside in the countryside. As of 1990 roughly thirty six million of the 60.5 million Filipinos lived in the rural areas. Of the rural population 65 percent live in the lowlands and coastal areas, while 35 percent are in the uplands (NSO, 1990).

By sheer number alone, the rural population deserves attention. Moreover, it cannot be

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discounted that the contribution of the rural sector (agriculture, forestry, fishing) to the national economy is very much substantial. For the period 1980-1991 it contributed about 23.3 percent to the Gross Domestic Product. It absorbed about 48.7 percent of the total number employed, while services accounted only for 36.4 percent, and industry, 14.8 percent (Adriano, 1992).

Rural Poverty

The conditions in the Philippine rural areas, however, had not been very encouraging the past four decades. The rural sector is always at the disadvantage compared to the urban sector. Poverty incidence, defined as the percentage of households below the poverty threshold has been consistently higher in the rural areas. Analysis show that in the first half of the 1980's almost half of the families living in the rural areas were below the poverty threshold compared to only one-fifth of the urban families (Quisumbing and Cruz, 1984 ; Collanta, 1988 ; Sison and Valera, 1991). Balisacan (1992) had estimated that the contribution of the rural area to total poverty (national scene) is about 59 percent.

In more concrete terms, the annual per capita poverty threshold level in 1991 was estimated by the National Statistics Coordination Board to be P7350 (approximately US\$294), and for a family of six, the poverty threshold level was P3,675 (US\$147). Disaggregated to rural and urban, in the rural area the poverty threshold level was estimated to be P6,258 (US\$250) and approximately 2,965,965 families were below this threshold level, which translate to rural poverty incidence of 49.1 percent. Compared with the urban area, poverty threshold was P8,439 (US\$332) with 1,913,654 families below this threshold or a poverty incidence of 40.7 percent.

The problem of general poverty in the countryside is further compounded by the inequality of income between the urban and rural areas. Urban families which comprise only about 37.8 percent of the total families had a share of 56.5 percent of total income, whereas rural families which is 62.2 percent of total families had only a share of 43.5 percent (NCSO, Statistical Yearbook 1992). The absolute level of rural income averages less than half the urban income. This disparity has remained virtually unchanged over the past 25 years (Tolentino, 1993).

How is the government faring in its fight against poverty ? To say the least, it is not very encouraging. The Presidential Commission to Fight Poverty (PCFP), a government agency mandated to plan and design programs to alleviate poverty just recently had announced that the government has been largely unsuccessful in alleviating the plight of millions of poor Filipinos, both in the urban area and in the countryside, despite the positive growth rate over

the years posting 5 to 6 percent on the average. The verdict is that there is no perceptible improvement in the number of poor families in the Philippines (*Philippines Daily Inquirer*, July 25,1995).

Why is this persistent incidence of poverty in the countryside ? Researchers many times over had identified and expressed the major causes of poverty in the Philippines. These are structural in nature, namely : unequal distribution of resources (assets) especially with regard to land ownership, low agricultural productivity particularly in areas planted to rice and corn and rapid population growth (Balisacan, 1993). The other major causes of rural poverty is that government policies are biased against the rural area, for example policies on price, tariff, taxation, rural infrastructures, among others (Sison, 1991 ; Adriano and Adriano, 1993 ; Tolentino 1993).

II. Definition of Terms :

It is necessary at this stage to define some terms which were used in this paper in an attempt to achieve a common understanding and interpretation of the concepts which an individual normally meets in the course of his developmental work. These definitions and interpretations were culled from the writings, and reports of people who have been involved one way or the other in development concerns either as a student, a practitioner/employee, rural administrator, development manager, academician or consultant.

(1) rural area-refers to areas of low population density, small absolute size, and relative economic base is agriculture, and where the way of life of the people are reasonably homogeneous. The term rural as an ecological construct refers to the distribution of people in space. Designated as "rural" are regions of small population size or low density, isolated settlements, communication is instantaneous and transportation does involve cost. Rural as an occupational construct refers to the people engaged in agricultural production directly confronting nature's physical elements and primary economic conversion function. Rural as a socio-cultural construct-refers to any and all aspects of society's structure and functioning (Lascuna, 1994).

In the same vein (Amat, 1993) said that the rural areas have mostly cultivators and only a few are engaged in non-agricultural pursuits. They have direct human relationship with nature. Agrarianism and size of community are negatively correlated. The density is lower and is negatively correlated with rurality, The population is more homogeneous in social and psychosocial traits. There is less social differentiation and stratification. Social mobility are less intensive and normally migration is more from country to city.

- (2) Urban area-in urban areas, people are usually engaged in manufacturing, mechanical pursuits, trade, commerce, professions and other non-agricultural occupations. There is greater isolation from nature and predominance of man-made environment over natural. The size of the community is much larger than that of the rural community. Urbanization and size of community are positively correlated, Density is greater and is positively correlated with urbanization. It is more heterogeneous than rural community. Social differentiation and stratification are positively correlated. There is more intensive mobility. Man is interacted as "number and address" (Amat, 1993).
- (3) Development. The term development has been defined in many ways. A few of them, are presented below :
- (a) development is a process of transformation of society characterized by the growth of its capacity and production, an increase in productivity per worker and income per person, changes in the structure of class and groups in social/organization, transformations in culture and value and changes in the political and power structure (Oswaldo Sunkel) ;
 - (b) development is the improvement of the quality of life (Onate) ;
 - (c) development is an attack to the chief evils of the world today, malnutrition, disease, illiteracy, slums, unemployment and inequality. It should be perceived as a multidisciplinary process involving the reorganization and reorientation of entire economic and social systems, In addition to improvements in income and output it should involve radical changes in institutional, social and administrative structures as well as in popular attitudes, and in many cases, even customs and beliefs (Todaro) ;
- (4) Community Development (CD)

Literatures on community development including practitioners say that CD is a program designed to develop and strengthen communities and institutions through a process which shall encourage local initiative and active participation in undertaking developmental activities for national socio-economic programs. It proposes certain guidelines or principles like the following : (a) all aspects of community life are considered in their totality since CD seeks to bring about balanced and integrated growth, (b) it encourages the revitalization and strengthening of existing forms of local government not only to make them more effective but also to maximize their contribution to peoples' needs, and (c) the program of community development requires maximum coordination of the activities of technical agencies, local government and private civic organizations, including the utilization of the resources of voluntary and non-government organizations (DAERS, Readings on CD).

(5) Rural Development

Rural development had been defined also by many authors in several ways. Most of the

definitions vary in context but have common denominators. Some of the definitions of rural development as cited by Valera (1991) are :

1. a planned process using any form of action or communications designed to change the environment, techniques, institutions and attitudes of rural people in such a way as to eliminate poverty and improve their way of life (Aziz, 1964) ;
2. a planned process through which rural poverty is alleviated by sustained increases in productivity and incomes of low income rural workers and households (World Bank, 1975)
3. a process which leads to continuous rise in the capacity of rural people to control their environment, accompanied by a wider distribution of benefits resulting from such control (ACDA, 1976) ;
4. a process of change among hundreds of thousands of rural people. Development refers only to those changes which are seen as desirable among rural people who are changing (Axinn, 1978) ; and
5. most relevant for Asia is to identify rural development with the objective of raising incomes of smaller farmers and landless workers (Oshima, 1980).

In summary, we may say that rural development is a program or movement directed at helping low income families living in the rural area. It includes agricultural development, rural welfare, and development of countrywide institutions and facilities.

(6) Integrated Rural Development (IRD)

IRD is considered as an aggregative approach to rural problems both in method and content and covers the widest scope of development. It sought to integrate various sectoral programs, projects and services. It is multidisciplinary in approach and multisectoral in operation, focused on the rural poor, adopts a system approach, and is to be implemented in a defined geographical area. As conceived, it has multiple objectives such as increased production, more employment opportunities, more equitable distribution of income and the ultimate improvement of the quality of life of the rural people (Leviste, 1978 ; Nuñez and Manalili, 1980 ; Samonte, 1979 ; Iglesias, 1981).

There were attempts to differentiate IRD from CD but according to Castillo (1981) any attempt to distinguish IRD from CD is rather academic and of marginal utility because in the Philippines it is impossible to erase the influence of CD in present-day rural development programs.

The new IRD was upheld also by others as a revival of the old CD.

(7) Regional Development.

In the Philippines, regional development is locational (spatial, area) development. It involves the grouping of several provinces which are contiguous, with common traits, customs, values and common resources. Regional development emerged to correct the

existing imbalances between the regions which prevented the attainment of a more equitable development throughout the country. In the regions, there are both urban and rural areas. The urban area is usually the provincial capital or city where the provincial/city government and important government offices are located. Commerce and industry are also active in these areas. Beyond the city/provincial capital, life is very much rural in nature.

III. Philippines Approaches to Rural Development

How is the Philippine government responding to the problems of the countryside? Several programs/approaches have been undertaken and the following section presents and describes three approaches used by the government including the weakness and outcomes of these approaches. Moreover, the involvement of academic institutions and non-government organizations are also presented to give the reader the extent of efforts being done to bring about change in the Philippine rural areas.

A. National Government Initiated Rural Development Programs

1. Philippine Community Development Program

A systematic way to bring about development in the Philippine countryside started with the Philippine Community Development Program in 1952. Castillo (1983) described it as the first significant, systematic and national effort to reach and deliver social services to the village while at the same time trying to enlist the village folks participation. It was the first attempt to mobilize the village, to link it with the rest of the nation as a development strategy rather than as purely vote-getting gimmick. The heart of the CD program was the organization and development of barrio (village) councils which was an institutionalized channel for vertical and horizontal communication. It became a sound vehicle for political awareness.

The CD program became the first exposure of the national leadership and other sectors to the problems of the rural areas.

At that time also there was little or no productive agricultural technology around which rural development programs could be organized. Presumably this lack of agricultural technology and the beginning of the green revolution initiated the development of national and international centers in the Philippines, institutions like the International Rice Research Institute (IRRI), among others.

What happened then after almost 20 years with the CD program of government? The initial evaluation was that not much change was felt and there were criticisms that the CD program was rich only in institutional prescriptions and poor in productive ones because it

did not really increase the incomes of the village people. Despite this criticism though, it could not be ignored that this program was responsible in bringing to the consciousness of the national leadership and other sectors of the importance of the village and the rural people as a beneficiary and participant in national development.

The CD program was implemented by the Presidential Arm on Community Development (PACD) and in the late sixties had its Grants-in-Aid Program which is a form of financial assistance for undertaking community projects for increased production and income such as communal irrigation systems, multi-purpose pavement, livestock and poultry and related projects, cottage industry, and others. For public improvement, barrio centers, barrio roads and markets were also established. For better health and sanitation, communal waterworks and drainage. Training for lay leaders on leadership and on barangay administration were also conducted. At about this time also is the start of the Green Revolution which somehow has affected the programs of government particularly in agricultural concerns.

Undoubtedly, the onset of the Green Revolution in 1966 particularly with the advances in technology in the production of rice with the high yielding varieties (HYVs) has improved farm yields and income. The PACD somehow had rode with the Green Revolution bandwagon to be able to pursue its mandate of empowering the rural people, PACD, however, through the years had undergone a series of reorganization during the administration of President Marcos first as a bureau under the Department of Local Government and Community Development (DLGCD), and ultimately the CD program was placed under the Ministry of Human Settlements in 1980 when the DLGCD became the Department of Interior and Local Government (DILG).

2. Human Settlements Approach/Program

The projects which were implemented under this approach were initiated during the martial law years wherein the Philippine society was also dubbed as the New Society (circa 1972-1986). These projects were very comprehensive in scope and covered the whole country, both rural and urban. Eleven basic needs/services were put together like power, food, shelter, clothing, and cottage industry, education, culture and technology, sports and recreation, medical services, mobility (transportation), economic base, and ecological balance. The implementation of these projects was overseen by the Ministry of Human Settlements headed by the wife of the President. This ministry was a super ministry which required the inputs of other government ministries, and the commitment of tremendous amounts of funds from the national government.

The most popular project was the BLISS (Bagong Lipunan Improvement of Sites and Services ; Bagong Lipunan means New Society), a designated area which was developed to

include all the eleven basic services mentioned above, including the development of local industries within the sites. These sites became model communities in the country. The first phase of the program involved site development and the construction of new shelter units and the development of local industries within the sites. The program also included the propagation of homelot gardening for home consumption, the setting up of production centers where communal production is engaged in and excess production processed. Also, alternative ventures were set up in addition to crop farming, vegetable, fish and livestock production.

The 1986 EDSA revolution in the Philippines put an end to the martial law years and also to the human settlements program. Did this program contribute to the development of the countryside ? The contribution of the program was summed up by Castillo (1983) in "That the BLISS prospect, in many ways short-circuited both the integration and development process by creating model communities which took care of basic needs including vertical and horizontal integration of the processing and production process. The approach demonstrated how integration leads to quick action when vested in central authority."

3. Integrated Area Development (IAD)

To correct the growing disparity in development among and within the different regions of the country in the 70's, the Philippine government launched integrated development projects in several areas with the objectives of accelerating economic growth in depressed areas, and also inviting local participation and the equitable distribution of economic benefits. The IAD is a subregional integrated area development approach which included decentralized planning and implementation of multi-sectoral projects in an area assumed to have a high growth potential.

While the human settlements approach and the IAD approach were utilized vigorously during the regime of President Marcos, the programs pursued and the authority to implement them were vested on different entities. The human settlements program was implemented by the Ministry of Human Settlements, whereas the IAD was implemented by the Cabinet Coordinating Committee on Integrated Rural Development, which later was replaced by the National Council on Integrated Area Development (NACIAD) through a 1978 presidential directive.

The NACIAD was vested with the following powers and functions :

- a. institutionalize the implementing mechanism for integrated rural development planning, and budgetary controls,
- b. formulate integrated framework plan to guide development of depressed areas,
- c. rationalize the participation of local people through their local governments on development planning and implementation,

- d. initiate small scale high impact integrated projects utilizing indigenous resources, and
- e. mobilize efficiently multi-sectoral resources and properly channel these into IAD projects.

Integrated Area Development (IAD) as an approach is area-based, multidisciplinary and multisectoral in orientation. These characteristics separate IAD from earlier efforts in rural development where individual sectors are usually planned and implemented independently of each other. The IAD strategy could be demonstrated by the Bicol River Basin Development Program (BRBDP). The BRBDP was launched in 1973 to increase per capita income in the Bicol river basin area. It has several program components, namely : infrastructure development, land reform, agricultural development, health and nutrition, and promotion of private sector investment. The project area covered 42 municipalities and 3 cities in Camarines and Albay comprising about 312,000 hectares of prime agricultural lands.

In the BRBDP it also called for the integration of projects of 16 line agencies/bureaus and 3 provincial governments. Coordination is done through the BRB Coordinating Council. For the projects there was massive investment in infrastructure like roads, irrigation, drainage, including the project management office.

The BRBDP became a model in establishing area development projects in the country. One of the questions to be asked though considering the big financial outlays given to the projects, and in particular, did the BRBDP helped the people of Bicol? Nobody seems to know and as one researcher pointed out, "The impact of BRBDP on the socio-economic conditions and quality of life of the poor majority in Bicol had been largely undetermined so far." Perhaps this could be said of the other IAD projects located in the other parts of the country. As far as integration in project implementation and post operations where commitments of human and material resource inputs by the agencies are required to get a job done, it was observed that integrated implementation was very difficult to operationalize, useful as a planning device but not as an implementing procedure.

Looking back at the IAD as a concept and method in trying to alleviate rural poverty, it seemed to be a good and appropriate strategy. Nevertheless, it has been observed that despite some improvements in the quality of life of the beneficiaries in the areas where IAD projects have been implemented, these cannot be traced directly to the IAD strategy. Moreover, it is difficult to determine the contribution of any one of the components (Tolentino, 1993).

The implementation of the IAD projects in the Philippines generally was not impressive, hence the NACIAD was dissolved, and its functions dispersed to the other line agencies involved in various rural development related concerns like the Departments of Agriculture, Agrarian Reform, Public Works and Highways, Industry, Transportation and Communication. The Cabinet cluster on Rural Development was created to coordinate the various IAD

projects.

Operationally, the IAD projects were assigned to “lead agencies” which take responsibility for localized projects, e. g. agricultural concerns, Department of Agriculture ; agrarian concerns, Department of Agrarian Reform, and so on. Moreover, financial and managerial control over IAD projects have been devolved to local government units as part of the decentralization process which was started in 1991. Reflecting on the causes of failure or near failure of many of the development programs initiated by the government, I can only surmised of some of the reasons which are very much evident :

- (1) The decision making process is too highly centralized. Immediate actions on the problems besetting the projects are negated by the slow response of the major decision makers at higher levels of government.
- (2) The planning of development programs have always been done by a separate group (planners) apart from the implementors, hence translating the objectives into concrete projects is sometimes difficult.
- (3) At implementation level, there is poor coordination or integration of agencies who are expected to share their resources.
- (4) Poor managerial capability of the projects leaders, oftentimes chosen on the basis of political considerations and filial relationships.
- (5) The objectives set forth are sometimes very ambitious or unrealistic overlooking the fact that there is inadequacy of resources to support the programs.

B. Academic Institutions Involvement in Rural Development

A number of state academic institutions have been involved also in rural development in the Philippines. Foremost of these state academic institutions is the University of the Philippines at Los Baños (UPLB) whose rural development activities and projects became the pattern and model for almost all similar rural development projects undertaken by the other state colleges and universities. Some of the rural development projects which were started by the UPLB are discussed below.

The first, among several rural development projects started by the UPLB was the farm and home development project. It was launched in 1963 where four basic extension approaches (generalist approach, team approach mass media, and interagency) were tested over a five-year period. The project was conducted in forty selected villages of Laguna province involving farmers and homemakers. The project villages were spread over the whole province of Laguna and they covered the major land use areas : production of lowland rice, sugar cane, diversified upland crops and coconuts.

This initial attempt by an educational institution to do developmental work, proved to be

very fruitful to the farmers. It was observed after the five-year developmental work that general conditions had improved in the pilot areas. Physical production levels in terms of cavans per hectare, piculs per hectare etc. had increased. Increased production was due to the introduction of improved varieties of rice and corn, use of fertilizer, and the introduction of improved stocks and improved feeding systems for poultry and livestock.

There was also an increase in leasehold tenancy which allowed decision-making on the part of the farmer-operators. Family goals during the benchmark survey were economically or financially oriented. A desire for new types of goals such as social status and better health conditions were more exhibited in the terminal survey.

The Social Laboratory Project (1970) came immediately after the end of the farm and home development project. This is a demonstration, research and training program on agricultural and rural development with the long-range objective of mobilizing human resources to fully develop the land and water resources and to transform the present traditional farming into modernized commercial agriculture in order to raise the standard of living and accelerate rural progress.

In 1975, the Integrated Rural and Agricultural Development (IRAD) project was started in Quezon province, a coconut producing area which was followed later by the Countryside Action Project (CAP) in 1978, the Barangay Integrated Development in Agriculture And Nutrition Improvement (BIDANI) in 1980, and the Laguna Integrated Agricultural Development (LIAD) project in 1985, with basically the same objectives of increasing productivity and income through the adoption of suitable farming technologies, establishing socio-economic projects which can provide employment opportunities, mobilizing and involving the rural folks in deciding on matters related to their family and community life, and improving the managerial capability of their leaders through their community organizations. These projects differed only on the entry points, whether it should be nutrition, or production, etc.

No doubt there were positive changes in the rural areas which could be attributed to the projects and the efforts of the UPLB staff in bringing the new technologies to the rural poor but as a whole this could be considered as minuscule. The projects undertaken by the academic institutions were always on a pilot basis, limited in scope, on the scale of the barangay and mostly implemented in the immediate vicinity of the academic institutions. This is because doing development work is only one of the functions of the university, in addition to instruction and research, Doing development work has always been on a pilot basis also because of financial limitations. To be able to do development work on a full time basis needs the infusion of funds from the outside to the university, which when available is not really very much.

Recently also, the Central Luzon State University has its University Extension Program

-Management Institute for Rural Development (UEP-MIRD) which is into training, research, technical assistance, networking and information service. The goal of UEP-MIRD is to help improve organizational capabilities of local government units, NGOs/POs for people empowerment and increase the income of the target communities.

C. Non-government Organizations (NGOs) and Rural Development

Non-governmental organizations refer to organizations initiated by the private sector, private, non-profit, voluntary organizations which are committed to the task of socio-economic development and established primarily for service.

In the Philippines, the number of NGOs is estimated to be from 20,000 to 40,000 classified as BINGO's (business initiated NGOs), PINGOs (politician initiated NGOs), GRINGO (government initiated NGOs), cooperatives, development NGOs, peasant movements and peoples' organizations (POs). NGOs in the Philippines have various target groups but the main target groups are still the poor in the rural and urban areas. They deal with public health promotion, non-formal education, human right and legitimate right of people promotion, funding agencies work, community cultural promotion, occupation and appropriate technology promotion.

Despite the big number of NGOs and their varied concerns, it is difficult at present, however, to ascertain the magnitude of their contribution to Philippine rural development. Kimura (1995) had the impression that Philippine NGOs are strong only in the function of advocacy and as a watchdog but weak in the development of peoples' organizations.

An NGO worth mentioning is the Center for Agriculture and Rural Development (CARD) one of the Grameen (Rural) Bank type organizations in the Philippines, because of its focus on the landless rural women. This NGO was established in 1986 as a non-profit, non-stock, non-political development foundation. Just like the other NGOs, it envisions to uplift the quality of life of the rural poor. It has set 2 goals : to develop viable rural savings and credit associations into effective rural organizations capable of undertaking and sustaining socio-economic and basic needs projects. It aimed also to develop and disseminate appropriate farm enterprise technologies, farming systems and community development methodologies suited to the rural poor. As a strategy of implementation, it is actively involved in community organizing and income raising activities. At present it is providing credit assistance to the landless rural poor women without collateral, and is also maintaining a 2 hectare farm which demonstrates organic farming in the cultivation of rice, vegetables and other crops.

This NGO is now operating in 5 provinces and 1 city in the Philippines (Masbate, Mindoro, Marinduque, Quezon, Laguna, San Pablo City). It is laudable that in just ten years it has expanded its operations and had increased also the number of its beneficiaries.

While there are some success stories on the operations of some NGOs, I think, however, that their actual contributions to rural transformation should be ascertained objectively. Considering their number and their apparent commitment to genuine rural development, they should be encouraged to be involved more actively by the local government units in matters which affect rural welfare. Perhaps more in-depth studies should be made to determine their contribution and impact on local resource utilization and poverty alleviation.

IV. Some Aspects of Rural Development

A. Agriculture

It is inevitable to talk of agriculture when speaking of rural development because agriculture is the main source of income of the rural people. The Asian Development Bank Outlook for 1995 and 1996 (An ADB publication) observes that in the Philippines, the highest incidence of poverty is in the rural areas, particularly in agriculture and allied activities. Rural people's income from farming is getting smaller and smaller due to decreasing farm hectarage. It has shrunk from 3.61 hectares in 1971 to 2.84 in 1980. Moreover, low agricultural production and productivity in rice and corn are low which Balisacan (1993) contends as one of the causes of low income and poverty in the countryside. There is truth to this particularly of those farmers whose farms are in the uplands, marginalized areas where productivity is really very low. However, in lowland irrigated rice areas productivity or yield per hectare appears to be increasing, still below potential levels but it is going up, and in these areas farmers have higher incomes. The Philippines average yield per hectare in 1994 in the irrigated areas was reported to be 3.03 Metric tons, still lower than the Asian average of 3.6 MT per hectare, but higher than some of its Asian counterpart like Thailand (2.15 MT), India (2.83 MT). The reason why these countries have higher production is because they have more irrigated areas than the Philippines. Thailand has an irrigated area of 4.23 million hectares, India, 41 million hectares, and even Indonesia has an irrigated area of 7.55 million hectare compared to the Philippines 1.5 million hectares (Business World, August 4, 1995).

The availability of irrigation water, among others, is a big factor in increasing the yield of rice. Philippine statistics show that not adequate water could be provided to the farm lands by the agency responsible in bringing water to the farms. The National Irrigation Administration Office which supervises some 634,573 hectares out of the 1.5 million hectares of irrigated land reported that it can only provide water through its irrigation facilities to 422,457 hectares during the wet season and 392,660 hectares during the dry season.

The potential irrigable lands in the country is about 3.1 million hectares. But to increase the hectarage to be provided with irrigation water needs big financial outlays from the

government. The National Irrigation Administration has estimated that the government will need approximately P15 billion to widen the reach of irrigation and rehabilitate existing facilities if it wants to water an additional 1.5 million hectares within the next decade (*Business World*, August 4,1995).

Annual investment in irrigation is erratic, inconsistent. In 1991, investment in irrigation was US\$102 million, then in 1992 went down to US\$60 million. For 1993 and 1994, the programmed expenditures were US\$73 million and US\$82 million respectively. (Appendix1 -Basic Facts About the Philippines)

There are many other problems affecting the rural sector like weak infrastructure support (warehousing, drying facilities, etc.) and credit. Credit is difficult to come to the small rural rice farmer. In a study by the Asian Development Bank, it was pointed out that in 1989-1990 loans for agricultural production was 30 million pesos but only 8 to 12 percent were used to finance paddy production. The National Economic Development Authority concedes that credit extended to farmers is only 0.03 percent of actual demand but it is not actually lacking. There are enough available funds in the banking system for agricultural credit. The problem appears to be accessibility. Farmers are discouraged by the tedious process and requirements set by private rural banks like collaterals, guarantees and numerous documents needed during processing time (Philippine Star, September 8,1995).

In spite of the many problems, Philippine agriculture officials claimed that there will be enough rice to feed the Filipinos, but many find this statement irreconcilable with the intermittent importation of rice from Thailand, Indonesia, Vietnam, Japan and the US especially during the lean seasons. Nevertheless, the Philippine government is banking on its 5 year Medium Term Agricultural Development Plan (MTADP 1993-1998) as the answer to the problems besetting Philippine agriculture. The MTADP is employing a strategy referred to as Key Production Area Approach (KPA). The KPA encourages farmers and fisherfolks to produce specific commodities only in those areas of the country where the land, water resources, and climate are suitable for those products and where ready markets are available. It is in these areas that government will concentrate its infrastructure investments, post-harvest facilities, and marketing assistance, credit support, and research and extension services.

Thus, the KPA approach would enable only to produce the crops and livestock where they have comparative advantage. This would increase the efficiency and cost effectiveness of agricultural and fishery enterprises giving the farmers the best returns to their investments. The KPA approach will also rationalize the use of agricultural land by putting it into its best use. For example, some 2.5 million hectares are currently planted to rice and corn. The Department of Agriculture envisions that rice and corn production could eventually be

concentrated in about 1.9 million hectares identified as best suited to these crops. This would free some 3.1 million hectares for diversification to livestock and commercial crops which could be more profitable.

The MTADP has four components (Grains Production Enhancement Program, Medium Term Livestock Development Plan, Key Commercial Crops Plans, and Fishery Management and Development Program) with a financial requirement of about 181 billion pesos spread over five years (1993-1998), and the funds are expected to come from allocations of the national government (P71.78 billion), contributions from the private sector (P15.12 billion), government financial institutions (P53.63 billion), and official development assistance (P40.89 billion).

Reports of how much of these were already received and utilized by the Department of Agriculture still has to be made to the public.

The discussion in this section has been mainly on agriculture in the lowlands, that despite some increases in productivity the rice farmers are still considered poor. Equally important, however, are the upland areas, still very much rural and impoverished. Studies show that the upland dwellers are the "poorest of the poor." This could be attributed to the fact that the actual size of farms cultivated by upland farmers is only 1.0 hectare, they use traditional agricultural implements (bolo, hoe, axe, sickle) and have an annual income of P3,000 or approximately US\$120 in 1980 (Sevilla). In 1988, the upland population has been estimated to be 17.5 million and 6 to 8 million of this are forest land dwellers composed of immigrants and indigenous communities mostly mired in poverty (Rebugio, 1994).

The upland areas are "hilly to mountainous landscapes of slopes greater than 18 percent including the table lands and plateaus lying at higher elevations which are not normally suited to wet rice unless some form of terracing and groundwater exist."

B. Agrarian Reform

Agrarian reform has been viewed in the Philippines as a necessary catalyst to bring about rural development and to speed up the alleviation of rural poverty. Several laws had been passed since the 1930s, the latest of which is the Comprehensive Agrarian Law (RA 6657) approved on June 10, 1988. The Comprehensive Agrarian Reform Program (CARP) has three integrated main components, namely : (a) land tenure improvement involving land acquisition, distribution and leasehold operation for retained areas and other non-transfer operations such as production and profit sharing, and corporate stock distribution for agricultural corporations (b) beneficiaries development involving educational and institutional development activities, and (c) delivery of support services to include production, financial and infrastructure support and investment assistance package for landowners.

The CARP which is being implemented by the Department of Agrarian Reform (DAR) covers all public and private agricultural lands regardless of tenurial arrangements. It has an estimated scope of 10.3 million hectares involving approximately 3.9 million beneficiaries. The DAR implements the distribution of some 3.8 million hectares of private and government-owned land and resettlements. The Department of Environment and Natural Resources (DENR), another government agency involved in the CARP issues free patents, homestead areas and integrated social forestry areas, respectively covering an aggregate of 6.5 million hectares. (Appendix 2)

Looking at DAR's accomplishment alone, from July 1987 to December 1992, only 1.07 million hectares or barely 28 percent of the 3.8 million hectares were distributed with a balance of 2.8 million hectares to be accomplished by the year 1998 (Medina, 1993). This shows the very slow implementation of the CARP (Appendix2).

Recent announcements by DAR in 1995 further confirms the slow pace by which CARP is being implemented. Of the 609,570 hectares targeted for distribution in 1995, only 50,540 hectares or barely 8 percent of the target was accomplished as of April, 1995. Total national backlog is 58,000 hectares or 92 percent.

The slow pace of implementing the CARP is further complicated by land use conversions to alarming proportions now meriting the attention of the implementors (Appendix3). Land use conversions had been viewed as a threat to the CARP due to attempts made by the landowners to dispossess agrarian reform beneficiaries of the lands they till by converting the lands into non-agricultural uses. The Bureau of Soils and Water Management in a 5-year study (1987-1991) showed that out of a total area of 1,512,810 hectares of irrigated ricelands, 118,095 hectares had already been converted within the 5-year period. The rate of conversion stands at 23,619 hectares per year. The data prepared by the LUCC secretariat of the Department of Agrarian Reform as of December 31,1994 indicate also that about 12,932,73 hectares were approved for land use conversion as of that date.

Another study made by FAO-DAR in 1994 which looked into the effects of land use conversions on comprehensive agrarian beneficiaries in the Calabarzon area (an area conceived to be an industrial center) indicated that of the total 63,567 hectares of irrigated riceland in the area, about 6,941 hectares had already been converted or lost due to other uses in a span of 5 years. The ST/ALTERNATIVE AGENDA (Southern Tagalog Alliance for Genuine Development) documented the conversion of some 15,557 hectares of farmlands in the region. There is resistance by farmers to land conversion because of low land valuation, as well as there were no visible organized attempts to minimize the ill-effects of dislocation.

Considering the slow pace by which the agrarian reform is being implemented, DAR is asking for an extension of the deadline set by law to finish land distribution by 1998. Whether

this is granted already by the authorities, no report has come out yet in the papers.

C. Institutional Support and Delivery System

Indispensable also to rural development in the Philippines is the development of farmers' institutions like the cooperatives. Cooperatives are institutions primarily of small producers and/or consumers who band themselves to achieve common social and economic ends. Like any other corporation, cooperatives possess juridical personality, can enter into contracts, sue and be sued, and have the right to perpetual succession. Their strength lies in self-help, self-initiative and self-government.

The cooperative movement in the Philippines is now spearheaded by the Cooperatives Development Authority (CDA) which was created in 1990. It was designated as the lead government agency on cooperative promotion, organization, development and supervision, these functions being exercised earlier by four other government agencies.

It was reported that the growth of cooperatives, except for the year 1991 is on a downward trend (CDA, 1993). As of December 1993 there were 27,379 registered cooperatives classified as follows :

multipurpose cooperative, agricultural.....	18,881
multipurpose cooperative, non-agricultural	4,582
service cooperative	467
consumer cooperative.....	501
credit cooperative.....	1,795
producer cooperative	362
agricultural marketing cooperative	16
cooperative bank	38
Federation	288
marketing cooperative	393
cooperative union	54
laboratory cooperative	2

The bulk of the registered cooperatives are the multipurpose agricultural cooperatives. However, many of these are not really functional, with no economic activities that are being pursued. If functional cooperatives are to be gauged on the basis of their financial statements which show some indication of economic pursuits, there are only 6,177 cooperatives nationwide or only 22% of the total number of cooperatives registered with CDA which had submitted their financial statements (CDA, 1993).

It was observed by Rola in 1991 that the cooperative movement in the Philippines is far from being stable or successful. At present it is still suffering from a wide range of

developmental problems like weak institutional structure for providing sustained cooperatives education and training, absence of a formal system to meet the financial growth needs of cooperatives, lack of qualified cooperative managers and a system to help recruit and train such individuals, and the absence of a long-term capital build-up program, among others.

The latest data from the cooperatives Development Authority show that the number of cooperatives have increased by 15 percent to 35,200 as of July 1995 nationwide (Business World, September 20,1995). How many of these cooperatives are functional and viable, however, still have to be determined.

D. The Decentralization Act of 1991 and Rural Development

Research studies in the Philippines confirm the inability of a highly centralized system to provide equitable distribution of economic benefits thus resulting in widespread disparities among regions and income groups. Brillantes (1995) observed that Philippine local governments have been stunted by overcentralization stultifying creativeness, and flexibility at the local level. For so long, well entrenched and accepted traditional, national and local bureaucratic administrative processes served as obstacles to growth. The Philippine government realizing this earlier had passed the Local Government Code (RA 7160) which provided for a meaningful local government autonomy by giving the local government units (provincial, city, municipality) more powers, authority, responsibilities and resources.

The Local Government Code instituted decentralization by (LGC, 1991) :

1. transferring to the local government units (LGUs) primary responsibility for delivering basic services and facilities ;
2. transferring to the LGUs certain regulatory powers over certain activities in the locality ;
3. enhancing the governmental and corporate powers of the LGUs ;
4. improving national government-LGU relations in accordance with the requirements of a decentralized set-up ;
5. institutionalizing LGU-NGO/Private sector relations to broaden support for local autonomy, and
6. by deconcentrating central autonomy to regional or field offices of national agencies.

The basic services and facilities devolved to the LGUs were :

1. agricultural extension and on-site research services ;
2. community-based forestry projects and management of communal forest ;
3. field health and hospital services and other tertiary health services ;
4. public works and infrastructure projects funded out of local funds ;
5. school building ;

6. Tourism facilities and domestic tourism promotion and development ;
7. telecommunication services for province and cities, and
8. other investment support services, industrial R | D services, etc.

The basic services and facilities were devolved to the LGUs because these are front-line services, and in so doing, it would be easier to quantify performance targets, and to clearly delineate the responsibility of each local government unit.

Whether the objectives of decentralization are being attained, that is enabling the local government units to attain their fullest development and make them more effective in improving the countryside, it is difficult to establish it at present because in the past three years since decentralization was implemented, there have been problems with respect to inadequate finances provided by the central government for the LGUs to be able to maintain the devolved facilities and inability of the local government executives to understand their new functions and responsibilities, among others. These problems are being addressed now by providing the LGUs a greater share of the internal revenue allotments, and training for the local government executives on local development administration.

E. Current Activities of the Philippine Government on RURAL DEVELOPMENT

To accelerate rural development several modified approaches have been adopted by the national government. These are the (1) Countryside Agro-Industrial Development Strategy (CAIDS), (2) Regional/Provincial Industrial Centers Program, (3) Presidential Council for Countryside Development Special Program for Selected Provinces, (4) Commodity/Industry Focused Development and the (5) Key Production Areas Approach (MAZO, 1993).

National Government Programs :

(1) Countryside Agro-Industrial Development Strategy (CAIDS)

The CAIDS is one of the specific approaches which answer the problem of pervading poverty situation in the countryside. It aimed to provide higher net incomes for rural families and improving their quality of life. The approach involves the improvement of the agricultural production system by adopting appropriate technologies and raise production above sufficiency levels, and then effect a shift to agro-industrial processing of the production surpluses.

The strong involvement of the private sector both for community organizing and provision of capital is necessary. Operationally it entails the grouping of several communities into a cluster taking into account traditional economic ties, possibility of resource sharing, and political acceptance by community leaders. The core economic/livelihood activities are then

identified from existing resources. These became the basis for the studies which will lead to the establishment of the people's industrial enterprises in the countryside. The rural people would participate in these enterprises either as entrepreneurs and/or workers.

(2) Regional/Provincial Centers

There is a continuing program to establish regional industrial centers in different regions of the country. This program is private sector led and area-based with government providing the site and the necessary physical infrastructures and utilities together with appropriate incentives for industries locating in the centers.

The regional industrial centers will be complemented by provincial industrial centers to be put up by provincial governments so that there could be complementation in the industrialization efforts and the economic benefits could go into the countryside.

Presently, the regional industrial centers operating are the : (i) Mactan Export Processing Zone in Region VII, (ii) Cavite EPZ, Cavite City, Region IV, (iii) PHIVIDEC Industrial Estate, Cagayan de Oro City, Region X, (iv) Bataan EPZ, Mariveles, Bataan, Region III, and (v) Baguio City EPZ, Cordillera Administrative Region.

(3) Development of Growth Corridors/Networks

The development of identified corridors or network complements the regional industrial centers. Corridors or networks are provincial or regional agglomerations seeking to join each other in complementary efforts to attain industrialization, generate employment, and raise productivity and net income levels of urban and rural families.

The identified network/corridors in various stages of development are the :

- (a) Cavite-Laguna-Batangas-Rizal-Quezon (CALABARZON) in Region IV
- (b) Cagayan de Oro-Iligan in Region X and XII
- (c) Northwestern Luzon Growth Quadrangle (Laoag-San Fernando-Dagupan-Baguio) in Regions I and CAR
- (d) South Cotabato-Davao-Zamboanga in Regions IX, XI and XII
- (e) West Central Luzon Network (Bulacan-Pampanga, Bataan-Zambales) in Region III, and
- (f) Cebu-Iloilo-Tacloban networks in Regions VI, VII, VIII

(4) PCCD Special Program for Selected Provinces

The Philippine Council for Countryside Development (PCCD) selected 19 provinces based on the criteria of (a) poverty ; (b) potential resources for development ; (c) development orientation of the present provincial leadership ; and (d) political acceptability of the

program in its attempt to establish models for rural development. These provinces have been initially provided with funds to conduct the socio-economic profile studies and prepare the provincial master plans for development through the establishment of viable enterprises with the government providing the necessary infrastructure support.

(5) Commodity/Industry Focused Development

Focus had been made also on commodities and industries with strong potentials to speed up the development process. These were selected on the basis of their comparative advantage, domestic/foreign market potential, potential for employment generation, and availability of appropriate technology. Thirty commodities/industries were selected and to mention just a few, these include livestock and poultry, fruits and vegetables, cutflowers, carageenan, tool and die-making, machineries and equipment (components/parts) and electronic components.

(6) Key Production Areas (KPAs)

The adoption of the KPA approach aims to accelerate the development of the agricultural production system by concentrating the production of selected crops in the areas with the utmost comparative advantage. Farmers and fisherfolks would be encouraged to produce specific crops, livestock and fishery products which would give them the best returns on their investments. The government will provide the necessary support in terms of organizing the farmers, acquisition of post-harvest facilities and access to credit (discussed also in the section on agricultural development).

In addition to these national programs are individual agency programs which were designed to help the rural poor. A few of these individual agency programs are discussed below.

Individual Agency Program :

1. Department of Agrarian Reform (DAR)

In addition to its primary role of distributing lands to the landless, DAR is actively involved in the organization of Agrarian Reform Communities (ARCs), model areas which show agro-industrial potential and where farmer cooperatives are most active. Livelihood projects like duck raising, cooperative stores, sale of farm inputs will be put up in these areas.

2. Department of Agriculture (DA)

The Department of Agriculture also has its special projects which include the Highland Agriculture Development Project (HADP) with the objective of uplifting the socio-economic

conomic conditions of the upland farming communities in Benquet and Mountain provinces. This is an Asian Development Bank-Government of the Philippines funded project. In addition, it is also implementing the Central Cordillera Agriculture Program (CECAP), which is funded by a grant from the European Union. It was also designed to raise rural incomes, support ecologically stable and diversified farming systems, and strengthen local capabilities in planning, implementing, monitoring and evaluating development efforts.

3. Department of Environment and Natural Resources (DENR)

The DENR has its Integrated Social Forestry Project (ISF) designed to help the upland dwellers through extension services, agro-forestry development, infrastructure and credit assistance. This program has been devolved already to the local government units.

4. Bureau of Rural Workers (DENR)

This agency is working with the rural poor, mostly the landless agricultural workers through credit assistance and project development.

F. Funds And Funds Sourcing For RURAL DEVELOPMENT

The pattern of government spending in 1991 shows that of the P254,354 million budget for the year about 25% went to economic services ; social services, 24.57% ; debt service, 29.39%, general public administration, 10.21% ; defense 10.22% and net lending, 0.31% (Philippine Yearbook, 1992). Of the allocation for the economic services, about P21 million went to Agriculture, Agrarian Reform, and Natural Resources. There was a perceptible increase from the 1990 budget but it is very small.

For a cash-starved government where will it get other funds to support its programs aside from domestic savings ? In the case of the Philippines, it has to rely also on grants/loans from foreign governments, mostly from America and Japan.

A short list of some programs being funded by grants/loans are the following :

- (1) Natural Resources Management Program for Regions 2,4,9,11 from 1992-1997. USAID grant in the amount of US\$1,651,290 (Department of Environment and Natural Resources).
- (2) Small Water Impounding Project. Funds from the Japanese Overseas Economic Cooperation Fund. (Bureau of Soil and Water Management). (*Business World*, July 7, 1995).
- (3) Project Preparatory Study, Western Visayas Agro-Industrial Development Project (WVAIDP). Financed by US\$826,000 grant from the ADB's Japan Special Fund (*Business World*, July 27, 1995)

- (4) Approved Infrastructure Project, General Santos City, Mindanao by USAID (*Philippine Star*, January 1, 1995).
- (5) Aid in population, primary health care, HIVS/AIDS, Hospitalization and Surveillance System. JICA, Global Issues Initiative (*Philippine Daily Inquire*, July 27, 1995).
- (6) For water supply, roads and flood control, Japanese ODA is also utilized (Appendix 4)

This list is not meant to be exhaustive. There are perhaps other donors to the Philippine rural development program like the European Union, etc. Utilization, however, of official development is rather low in the Philippines and the government has not been efficient in utilizing this resource. A problem that has continued to hound the Philippines is its low absorptive capacity—its ability to use the loans on committed projects. This is because the government lacks the counterpart funds and the delays in the release of money by the budget department. Official development assistance (ODA), however, is only a temporary, stop-gap measure. To sustain its development, the country has to rely more on its own domestic resources, particularly domestic savings to finance its developmental programs. When this will happen depends on the reform packages being undertaken by the current leadership in many fronts—in industry, agriculture, tourism and the bureaucracy.

V. Issues in Philippine Rural Development

The primary objective of rural development in the Philippines should be the improvement of the quality of life of the rural people in the rural area, the landless rural workers, the low land and upland farmers, subsistence fishermen and those engaged in the forestry area.

Improving the quality of life of the rural poor, however, can only be achieved through increased employment, increasing efficiency in the use of resources through improved technology, equity by providing them broader access to resources, employment opportunities, government services and infrastructure, and their participation in the planning and implementation of rural development programs.

It is imperative that rural industries should be put up to be able to accommodate the increasing number of unemployed rural people, particularly the landless agricultural workers. It is noteworthy to point out that this is now the direction of the new strategies (CAIDS, Growth Corridors) being pursued by the government. The CAIDS requires, however, the institution/modification of existing policies for the rural people to be actively involved in this program. One such area is on developmental financing. Developmental financing do not easily flow to the countryside because the financing institutions are collateral minded and there are numerous requirements which are beyond the capacity of the rural poor. The

present collateral orientation of financing institutions inhibits the establishment of people enterprises in the countryside. Hence the need to review and modify this policy.

While I agree and support the rural industrialization policy of the national government, it should be stressed, however, that in pursuing the rural industrialization activity, the government should be conscious of and mitigate the negative effects of rapid rural industrialization. Problems on the dislocation of people where manufacturing plants/industries are put up, pollution, garbage and waste disposal, as what is now happening in the CALABARZON area, should be minimized.

The other issue which should be addressed by the Philippine government is the provision of more rural infrastructures like farm to market roads, post harvest facilities, market information, research and technology. Public expenditures in agricultural research have been quite low in the Philippines compared with the newly industrialized countries.

Parallel to the need for appropriate agricultural technology for food production is the development of farmers cooperatives as institutions which will provide credit and marketing services to the members. Non-government organizations also to be more relevant to the development process should re-orient and redirect their efforts to more substantive and concrete programs/projects rather than on mere advocacies which are more of rhetorics.

The state universities should pursue the generation of more meaningful and appropriate technologies for dissemination to the rural poor. This would be their main contribution to the rural development efforts.

The local government units role in the development of the countryside is also vital. The devolution of front-line services formerly performed by national agencies to them, giving them more responsibilities, authority, power and resources is a vital impetus to rural development. There is also a need to accelerate the implementation of the agrarian reform program as an equalizing policy of the government.

Concluding Remarks

For rural development to succeed in the Philippines, it needs the involvement of many sectors, the national government, the local government units, non-government organizations, state academic institutions, farmers/peoples organizations and cooperatives. If poverty is to be reduced and eliminated in the countryside, these sectors should hand-in-hand tackle the problems of the countryside through deliberate action oriented programs and policies both at the macro and micro level. There are no easy and fast solutions considering the complexity and magnitude of the problems confronting the implementors of rural development programs.

And lastly, the successful implementation of the programs in rural development requires

political will—the ability of government to provide the resources and the direction to the difficult task of nation building.

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APPENDIX 1

BASIC DATA, PHILIPPINES Year : 1993

I. RESOURCES AND USE

Total land area	29.7 million ha
Total arable land	9.5 million ha
Potentially irrigable area	3.13 million ha

Irrigated area statistics :

Irrigation service area	1.533 million ha
Irrigated area (wet+dry)	2.010 million ha
Cropping Intensity	131%
Crops grown	Rice on 99% of the area
Average paddy yields	3.3 mt/ha
Paddy production	6.567 million mt

Rainfed area statistics :

Paddy area	1.5 million ha
Average paddy yield	2.14 mt/ha
Paddy production	3.21 million mt

Rice production and demand :

Total paddy production	9.77 million mt
Total rice production (net)	5.866 million mt
Current annual rice demand	6.2 million mt

National irrigation systems : (Gravity systems)

Number of systems	165
Service area	647,000 ha
Number of beneficiaries	391,000
Irrigated area (wet+dry)	866,000 ha
Cropping intensity	134 per cent
Average O&M expenditure	P591/ha
Personnel services expenditure	70% of O&M
Desirable O&M expenditure	P880/ha
Irrigation service fee collection	P499/ha
Collection efficiency (1992)	57%

Communal irrigation systems : (O&M by beneficiaries)

Number of systems	6,200
Total service area	734,000 ha
Irrigated area (wet+dry)	852,000 ha
Cropping intensity	116%

Private/pump irrigation systems :

Number of systems	4,100
Total service area	152,000 ha
Irrigated area (wet+dry)	292,000 ha
Cropping intensity	192%

II. BASIC ECONOMIC DATA

	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>1992</u>
Population (million)	27.1	36.6	48.1	60.7	63.4
Population density (persons/km ²)	90	122	160	202	211

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GNP per capita (\$)	237	191	674	729	847
Real GNP growth (%) (with respect to the previous year)		5.5	2.3	3.5	-1.6
Exchange rate (pesos/\$)	2.02	5.90	7.51	24.31	25.51

III. SOCIO-ECONOMIC INDICATORS

	<u>1970</u>	<u>1980</u>	<u>1989</u>	<u>1990</u>
Life expectancy at birth (years)	56	62	64	65
Infant mortality (per 1,000 livebirths)	80	57	43	53
Access to safe water (% of population)				
- in urban areas	—	65	49	—
- in rural areas	—	43	54	—
Daily per capita calorie supply (cal)	1,960	2,380	2,255	2,452
Daily per capita protein supply (gm)	47	53	52	57
Persons per physician	9,100	6,655	6,700	6,104
Gross primary school enrollment (%)	108	110	106	110
Adult literacy rate (%)	83	83	86	90
Per capita consumption of energy (kg of coal equivalent)	267	346	295	243

IV. IRRIGATION PRODUCTION AND VALUE ADDED

Value of total paddy produced in irrigated areas	\$1.12 billion
Production as per cent of GNP	2.25 per cent
Population depending upon irrigated area	6 million
Per cent of population depending upon irrigated area	10 per cent
Per cent of rural population depending upon irrigated area	15 per cent

V. INVESTMENT IN IRRIGATION SECTOR (\$ MILLION)

	<u>Actual investment</u>		<u>Programmed</u>	
	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
Annual Government outlays	80.972	45.076	36.954	46.163
Annual external assistance	21.450	15.170	36.410	36.206
Total	102.429	60.246	73.364	82.369

VI. MAJOR OFFICIAL AGENCIES

<u>Agency</u>	<u>Functions</u>
National Irrigation Administration (NIA)	Planning, design, construction, operation and maintenance of irrigation systems
Department of Agriculture (DA)	Planning research and extension in the field of agriculture
Department of Environment and Natural Resources (DENR)	Protection, improvement and conservation of environment and natural resources
Department of Agrarian Reform (CARP)	Implementation of comprehensive agrarian reform program
Land Bank of the Philippines (LBP)	Credit facilities for agricultural production
National Food Authority (NFA)	Grain storage and marketing

Source : Irrigation Sector Data of the Philippines (ADB, Dec. 1994)

APPENDIX 2

Table 1 Land Distribution Performance.

Agency	Total Scope 1987-1998		Accomplishment July 1987-Dec. 1992.			Total Balance 1993-1998	
	Area (Hac.)	FBs	Area (Hac.)	FBs	%	Area (Hac.)	FBs.
DAR	3,820,600	1,553,604	1,069,881	747,312	28.00	2,750,719	806,292
DENR	6,475,000	2,347,667	1,092,805	455,484	16.88	5,382,195	1,892,183
Total	10,295,600	3,901,271	2,162,686	1,202,796	21.01	8,132,914	2,698,475

Source : PARC Secretariat.

NOTE : FBS : Farmer beneficiaries

DAR : Department of Agrarian Reform

DENR : Department of Environment and Natural Resources

PARC : Philippine Agrarian Reform Council

Table 2 Accomplishments in Non-Land
Transfer Programs
(Cumulative as of December 1992).

1. Leasehold operation	
Area Covered (hac.)	560,221
No. of FBs	352,798
2. Stock Distribution Operation	
Applications Filed	88
No. of applicants	35,955
Area (ha.)	23,675
No. of FBs	
Plans Approved	13
No. of applicants	8,288
Area (ha.)	8,946
No. of FBs	
3. Production and Profit Sharing	
No. of Firms which Complied	83
No. of Farm workers	82,386
Area Covered (ha.)	97,710
Amount Due (PM)	274.9
Amount Distributed (PM)	269.3

Source : CARP 1992 Annual Report, PARC.

NOTE : FBS : Farmer beneficiaries

CARP : Comprehensive Agrarian
Reform Program

PARC : Philippine Agrarian Reform
Council

PM : In Million Pesos

APPENDIX 3

Summary of approved applications for conversion :
During the period, March 1988-September 30, 1992

Year	DAR	DOJ	Total
1988	9	0	9
1989	21	0	21
1990	308	47	355
1991	240	97	337
1992	75	36	111
Total	<u>652</u>	<u>180</u>	<u>833</u>

Approved conversions under DOJ without dates :	49
Grand total of approved applications :	882
Total number of cases filed :	1,209
Conversion rate :	73%

Grand total of lands converted : 87,771.50 hectares

Lands converted either by DAR or DOJ at any classification :

Industrial/DAR	1,287.5642
Industrial/DOJ	3,230.5524
Residential/DAR	2,366.6604
Residential/DOJ	2,884.0425
Commercial/DAR	90.849
Lands converted through the DOJ opinion	7,919.518
Total lands converted :	12,434.1409

(Source : Department of Agrarian Reform)

NOTE : DAR : Department of Agrarian Reform

DOJ : Department of Justice

CARPable lands vs. lands converted/targetted for conversions
(June 1988-March 1994), in hectares.

	CARPable lands (hectares)	Lands converted/tar- getted for conversion (hectares)
Region 1 (Ilocos)	365,045	1,740
Region 2 (Cagayan Valley)	573,218	940
Region 3 (Central Luzon)	806,199	5,836
Region 4 (Southern Tagalog)	1,426,588	17,421
Region 5 (Bicol)	900,439	392
Region 6 (Western Visayas)	710,096	35,129
Region 7 (Central Visayas)	589,029	3,392
Region 8 (Eastern Visayas)	768,492	627
Region 9 (Western Mindanao)	791,876	50
Region 10 (N. Mindanao)	953,347	87,602
Region 11 (S. Mindanao)	1,025,366	3,790
Region 12 (C. Mindanao)	1,114,109	3,274
CAR	251,796	54
Philippines	10,295,600	160,247

Sources : DAR, PARC, NCSO, PPI, KMP reports

NOTE : DAR : Department of Agrarian Reform

PARC : Philippine Agrarian Reform Council

NCSO : National Census and Statistic Office

PPI : Philippine Peasant Institute

KMP : Kapisanan ng mga Magbubukid sa Pilipinas

APPENDIX 4
DPWH INFRASTRUCTURE PROGRAM

JAPANESE ODA FINANCING FOR ROADS

ITEMS	PHYSICAL TARGETS		
	TOTAL	1987-1992 (ACTUAL)	1993-1998 (PROGRAM)
<u>ROADS</u>			
LENGTH (KM)	6,190	2,684	3,506
COST (P BILLION)	47.1	11.1	36.0
<u>BRIDGES</u>			
NO. OF PROJECTS	323	66	267
LENGTH (L. M.)	16,621	4,327	12,294
COST (P BILLION)	2.9	0.6	2.3

JAPANESE ODA FINANCING FOR FLOOD CONTROL

ITEMS	PHYSICAL TARGETS		
	TOTAL	1987-1992 (ACTUAL)	1993-1998 (PROGRAM)
NO. OF PROJECTS	24	7	17
COST (P BILLION)	21.4	3.7	17.7
LOCATION		METRO MANILA, PAMPANGA DELTA, LOWER AGUSAN, NATIONWIDE SWIM, AGNO	METRO MANILA, PAMPANGA DELTA, LOWER AGUSAN, NATIONWIDE AWIM, AGNO, UPPER AGUSAN, NORTH LAGUNA LAKE SHORE, MAYON VOL- CANO, BICOL, PANAY, GAGAYAN, ILOGH- ILABANGAN, LOWER COTABATO & LAOAG

JAPANESE ODA FINANCING FOR WATER SUPPLY

ITEMS	PHYSICAL TARGETS		
	TOTAL	1987-1992 (ACTUAL)	1993-1998 (PROGRAM)
NO. OF PACKAGES	3	2	1
NO. OF NEW WELLS	30,231	20,233	9,998
NO. OF WELLS FOR REHAB.	4,016	3,677	338
NO. OF LEVEL II	100	100	-
COST (P BILLION)	3.6	2.6	1.0

Source : Department of Public Works and Highways. 1994