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**THE PHILIPPINES OFFERS A RICH CONTEXTUAL** backdrop for deliberating on important regional and global issues related to civil society and development. Emerging trends in the Asia and the Pacific, as they are driven by internal and external factors, may be read from what changes are happening in the Philippine economy, society and politics.

Civil society organizations (CSOs) and civic movements have a long tradition in the Philippines. Free associations of Filipinos existed before there was even a state that could command allegiance from Filipino citizens. Years before the 1896 revolution that ended nearly 400 years of Spanish colonialism and produced the first democratic republic in Asia, there were cooperative societies and other forms of citizen associations engaging in a variety of activities for promoting the common good. This tradition has been demonstrated in different ways the past two centuries but was especially important in crucial periods like the 1896 and 1986 revolutions.

Since the 1986 revolution, which ended 20 years of Marcos rule, the space for citizen participation has expanded greatly. This is due in part to civic initiative and vigilance and partly to the government's growing sensitivity to popular demands and pressures. The 1986 Constitution, which replaced martial law, has enshrined popular participation in the governance, at least, in principle. The Local Government Code of 1991 opened the door for greater involvement of CSOs in governance issues and concerns.

## Current Climate

Before the 1997 Asian crisis, the Philippines seemed to be recovering from a long period of economic stagnation beginning from the 1983 foreign debt crisis. The pre-1997 sustained economic growth was expected to relieve the country from the recurrent boom-bust cycle that has characterized Philippine development since World War II. The Asian crisis threw the country back to square one, as it were.

There has been a progressive decline in social spending since the beginning of structural adjustment during the early 1980s. While debt repayment enjoys automatic allocation from the national budget, basic services rank low in funding priorities. Education, health, housing, water and sanitation, and infrastructure are fast being privatized. Land reform, once declared as a centerpiece program of government, has been sidelined. Graft and corruption in government are common but rarely punished. Incidence of crime and violence are widespread and increasing. Citizens are generally cynical of politicians and public servants and have very low regard for their capacity and integrity to deliver on their development promises.

The previous Ramos government refers to the Philippines as the upcoming "green tiger" of Asia: a country that balances goals of high economic growth and strong environmental protection. Sustainable development has been declared a state policy, which means that social and environmental concerns will be integrated into national development planning.

The Philippines remains a divided society: the gap between the super rich and the poorest poor seems to be widening even when the economy was improving. Rapid economic growth tends to undermine what little progress has been made in pursuit of environmental justice since the 1992 Earth Summit. Most attempts at reform have failed and the present social reform agenda has yet to make a real impact on the lives of the poor majority.



## Size and Scope

It is impossible to determine the precise number of CSOs in the Philippines but the number is presumed to be large and rising. In December 1996, for example, the Securities and Exchange Commission (SEC) estimated that above 58,000 nonprofit organizations had been registered with them, which represented a dramatic increase from an estimated 18,000 in 1989. The sector includes self-help groups and cooperatives; neighborhood associations and community organizations; religious and spiritual societies; professional associations; business foundations; local philanthropies; private voluntary organizations (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 scope of civic initiative covers a broad range of human welfare activities. The traditional practice of *bayanihan* (mutual exchange) still persists in rural villages and some migrant communities in cities despite the pervasive influence of the cash economy and rapid globalization. The majority of CSOs confine their activities to helping their membership, enhancing the sense of community, extending gifts and services to others, or to common professional or spiritual enhancement.

Activist organizations such as development CSOs and people's organizations are on the cutting edge of social change processes as they engage in activities that impact directly on the larger society. They usually band together into larger social coalitions and movements to leverage their influence on public policy and government practice. Their work in educating, organizing, and mobilizing the public 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. Activist CSOs can compel government to make a change or, if necessary, even help bring down unaccountable governments, as in the 1986 revolution. They are the alternative voice in Filipino society.

## Legal, Regulatory, and Tax Issues

CSOs are not required to register with the government but SEC registration is needed to accept donations or to participate in government projects. The SEC required audited annual financial reports from registered parties. Nonprofit, non-stock organizations are



exempted from taxation. CSOs can engage in income-generating activities. They are not required to pay income tax as long as they do not issue dividends to their members and their revenues are used solely for nonprofit activities.

The Philippine Constitution guarantees the freedoms of speech, association, and assembly. The government is under mandate to ensure people's participation at all levels of policy-making. However, all these rights have been suppressed at times, as happened in the case of the writ suspension in 1971 and subsequent imposition of martial law in 1972. There are some disturbing signs indicating stricter regulation in the future. These include the proposed national ID system, CSO inventorization and accreditation, and funding restrictions targeted at outspoken and critical CSOs.

## **Funding Base and Support**

CSOs in the Philippines generally rely on membership dues, donation, direct and indirect subsidies, and earned incomes from their own business activities. Donations come from both local and foreign sources in cash or in kind. Development CSOs are highly dependent on public and private foreign assistance. They receive ODA (official development assistance) by way of co-financing arrangements between donor governments and donor-country CSOs. Endowment funds for development CSOs are rare.

Activist CSOs are normally shut out by official donor agencies but manage to devise creative ways to receive ODA, including financial support from like-minded foreign CSOs. An undetermined amount of direct and indirect subsidies for people involved with activist CSOs is provided by communities in the form of housing, food, meeting places, and transportation expenses. CSOs that have access to ODA, private foreign donations, and direct citizen contributions may also have been supporting activist CSOs.

## **New Trends and Challenges**

Despite the overall decline in ODA flows, there is a noticeable increase in the percentage of ODA monies that find their way to CSOs. Explorations in direct funding of CSOs from ODA sources have resulted in some pilot programs. One example is the Global Environment Facility grant of US \$20 million for a CSO-managed biodiversity conservation



project. New endowment funds created out of debts swaps fall within the same modality.

In anticipation of a withdrawal of external CSO funding support due to the Philippines' expected economic upturn (before the 1997 Asian crisis), some CSOs are beginning to prepare for more aggressive business ventures. Some of them have started borrowing from former donor partners, and others have themselves gone into banking.

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.

Negative trends notwithstanding, each CSO continues in its own way to make some contributions towards strengthening the civic infrastructure of Filipino society. The bigger challenge is how these otherwise disparate voices can come together to build a broad social consensus for the sake of the country's common future.

### **PRRM—one among the many**

The Philippine Rural Reconstruction Movement (PRRM) is an example of CSOs in the Philippines. Founded in 1952, 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.

PRRM's core program is called Sustainable Rural District Development Program (SRDDP). The goal is to affect structural change at a certain scale of sustainability. The central element of SRDDP is community empowerment, a long and complex process designed to bring about the eventual shift of power to the people and their communities. At every step, this process translates into increasing the capacity of communities for self-governance and management of resources and in a mode of governance that is accountable to the citizens. 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. 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.

## Globalization Issues

Are we becoming a more civic world with globalization? Has rapid globalization made us more or less caring for each other and the things around us? Where is globalization headed? Is humanity any less troubled and more hopeful of the future now than before? Is humanity coming apart or coming together? What can we do as citizens, wherever and however we are located and live our everyday lives? Can we take hold of the accelerating race to progress and help shape this heady process in ways that best serve our common humanity?

To be civic means to be more caring for the next-door and distant others, to demonstrate not only in word but more so in action that every soul on this planet counts and has a dignified place on the table. A more caring world is yet to be, and certainly not the description of the century about to end. And whether and how we can make this dream of a more civic world a lived and perceived reality might well be the single biggest challenge in the century about to begin.

Much attention is now focused on the civics—here simply defined as citizens and civil society organizations of high civic-mindedness and civic initiative—for the kind of leadership role they have been playing and can continue to play in building a more civic world in the midst of high-speed globalization. The civics are everywhere—in state, corporate and social organizations—trying their best to secure and promote the common good under enormous pressures coming from all directions. They share with governments a common concern for how best societies should be organized and governed. They mirror the diversity and freedom of the market forces minus the latter's bent toward destructive competition that tends to push things out of control.

Civics are not the saint some of us paint them to be. They are in fact less civil than civic at times and not entirely free from bad practices, even moral pollution. Still and all things considered, they probably are one of humanity's best hopes for building healthy civil societies in a fast globalizing world.



## Millenium deficits

The century about to exit will leave behind outstanding deficits. This is a legacy that past generations will pass on to the next.

The biggest deficit of all is the equity deficit. Large sections of our societies are excluded from ownership, access, decision-making and the "good life." And while sophisticated institutions have emerged that govern local, national and even international matters, brutal atrocities and other crimes against humanity continue. People embrace democracy, but are also aloof and suspicious; judicial systems exist to protect the peoples' rights, but majority have no access to justice; the economy has advanced thanks to high-technology, but people are losing jobs, they remain illiterate, they are getting hungry, and poverty and indebtedness is increasing in scale and quality. Information technology is developing rapidly and capital flows continue to increase, but power and wealth are growing more concentrated in a few people and corporations. The rights of women, children, and indigenous peoples are commonly violated.

The second major deficit is the sustainability deficit. The rapid rate by which we are consuming the very ecological basis of our life and livelihood is responsible for the rapid growth of economics but this rate has gone way past the capability of natural systems to regenerate and recover from damage. We are poisoning our air, our waters and the land. We are disrupting the atmosphere's protective shell and the great forests in all the continents. The loss of habitats is leading to mass extinction unprecedented in history. Erosion and flooding are destroying our farmlands (displacing millions of tons of topsoil), severely affecting the capacity of future generations to produce food for themselves. If these trends to on, serious environmental collapse can occur within our lifetimes, or those of our children's.

## The continuing debate

Learning to live and work together seems to be the biggest challenge of the coming century. But before governments, corporations, CSOs and plain citizens can work together to put things right, they must first recognize what keep them apart even as they build on those things that bind them in common.

The questions before us are not new. They have been posed in different ways before.



- Should we accept that corruption and misgovernment are endemic in governance, or can we insist on our right to an honest government that is fully accountable to its constituency?
- Should we accept concentration of wealth in a few individuals, corporations and countries as a natural result of the market rewarding the efficient, or can we work to redistribute wealth more equitably to ensure meeting the basic needs and providing a minimum acceptable level of quality of life to every citizen?
- Should we accept the continuing abuse of nature way beyond its capacity to regenerate itself, or can we work towards sustainable patterns of production and consumption that will fully restore nature's ecological cycles?
- Should we accept the massive release into the market and into the environment of millions of tons of toxic gases, poisons and products, or can we adopt a social contract against the poisoning of our one and only ecological home?
- Should we accept the chronic violence in our society, particularly against the voiceless, the minorities, the women, and children, or can we take firm and concrete steps to remove the causes of violence and promote a culture of non-violent and democratic resolution of conflicts?
- Should we accept the aggressive intrusion of hegemonic monoculture, or can we protect, promote and celebrate the diversity of cultures and communities?
- Should we accept globalization as an inevitable process of scaling-up for increasing efficiency, over which we have no choice, or can we look for ways to control and manage this process at an appropriate scale, to assert the primacy and security of human-scale living such as families, neighborhoods, and workplaces in self-governing and self-sufficient communities?

These points of contention will shape the equity and sustainability discourse in the coming decades into the next millennium. Once we are able to frame the issues that separate us, this recognition will signal the beginning of the possibility of working together, of learning to live together. As much as we put a huge burden on governments and corporations in solving the deficits of democracy, we will likewise demand the same civic norms and values from ourselves as citizens.





## About the author

Isagani R. Serrano is Senior Vice President and Board Member of the Philippine Rural Reconstruction Movement (PRRM). He's written for CIVICUS the following: *Civil Society in the Asia-Pacific*, 1994; *Humanity In Trouble But Hopeful* in CITIZENS, 1995; *Profile: Philippines* for CIVIC INDEX, 1997; *Coming Apart, Coming Together* in Civil Society at the Turn of the Millennium, 1999; *A Global Citizens' Commitment*, 1999. A community organizer, educator, writer, guitarist, 'farmer', and political prisoner for seven years during martial law in the Philippines. Trained in education and literature, community organization and development management. Holds a Master of Science in Environment & Development Education (MSc in EE/DE) from the South Bank University-London.

