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INSTITUTIONAL DEVELOPMENT OF LOCAL ORGANISATIONS IN THE CONTEXT OF FARMER-LED EXTENSION: THE AGROFORESTRY PROGRAMME OF THE MAG'UUGMAD FOUNDATION

David Brown and Caroline Korte

This paper reviews the attempts of the NGO, World Neighbors, and its indigenous successor, the Mag'uugmad Foundation Inc., to develop the local institutional capacity of farmer organisations on the island of Cebu in the Philippines, building on a highly successful programme of farmer-led extension of agroforestry technologies. The paper describes the history of the programme from its inception inl982, and considers the grounds for its success in the transformation of the farming system over a wide area of the Cebu uplands. It then examines progress to date in the area of local institutional development, and assesses the likelihood of the substantial transfer of management functions to the community.

The topics of 'local institutional development' and 'local capacity building' are central concerns in the current literature on grassroots organisations, though there is remarkably little agreement as to the meanings of the terms, let alone the means for the attainment of the objectives they encapsulate. Part of the reason for this lies in divergences of opinion as to the relevant frame of reference. To one group of theorists, local institutional development is synonymous with organisation building while, to another, the focus is on the creation of an institutionally complex and competitive environment rather than the consolidation of the individual organisation. To some extent, this contrast reflects differences in proximity to the implementing agency. NGO activists, for example, tend to draw on variants of consensus theory to guide grassroots capacity building. They view institutional development as, in essence, an educational process involving the inculcation of awareness and solidarity. To those more concerned with the broader policy context, on the other hand, the notion of conflict provides a key conceptual tool, and the progress of institutional change is likely to be seen as relating as much to conflict between actors as to their mutually supportive interactions. In reviewing the progress of institutional development in the case study situation, the paper assesses the relative merits of these contrasting perspectives for illuminating the processes of change.

The intervention model adopted by World Neighbors and the Mag'uugmad Foundation has followed an approach which can be characterised as 'technically-driven' rather than 'social action' in its primary orientation. That is to say, the main focus has been on externally generated, though locally adapted, technological innovation as a tangible basis on which to build farmer organisations. At least in certain locations, this strategy has brought significant benefits. Elsewhere, however, an essentially similar approach has met with less success. An examination of these contrasting outcomes helps to pinpoint reasons for the variable effectiveness of the approach. A number of factors are identified, including: variations in soil quality and access to forest products off-farm; proximity to urban markets; tenurial constraints; population density; and migrant labour opportunities.

Of particular interest as a factor in explaining the rapid diffusion of technology has been the role of incentive payments to farmer extensionists. The payment of honoraria was built into the programme from the start and this remains a significant, if diminishing, item of expenditure. While such incentives undoubtedly facilitated the transfer of technology, they remain controversial in a number of ways. By underwriting the risk of early innovators, they not only impose a barrier to farmer-to-farmer extension, but also create the potential (perhaps as yet little realised) for differentiation of interests within a hitherto largely homogeneous peasant farming population, to the detriment of the development of community solidarity.

The process of institutional development over a period of 15 years has been characterised in the literature as a three-stage, planned and mutually-supportive sequence, involving the ordered transfer of management capacity from expatriate NGO to peoples' organisation. While this characterisation is certainly pertinent, close examination of the events in question

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shows that it is only partial, and that a more complex process of interaction has in fact occurred, in which conflicts of interest between the various parties have played an important, if often unacknowledged, role in influencing the progress of events. To understand this sequence requires a different register of enquiry from the largely consensual models conventionally applied to the understanding of NGO-inspired local institutional development.

The article concludes by considering the lessons which this case study offers for the definition of future capacity building strategies. One issue is that principles of local institutional development are often at odds with their modes of financing, and there is thus a need to harmonise funding arrangements and structures of management development. This in turn requires a framework of action which goes beyond the individual agency, and trades greater pressures to performance upon NGOs for community organisations for greater recognition of the investment costs involved. A second set of conclusions concerns the relationship between technology transfer and institutional development. By and large, the study endorses the leading role of technology in the process of solidarity building, and supports the 'minimalist' strategy of institutional growth in which organisations are developed around activities that are single function and task-oriented. In the Philippines context during the period in question, it is most unlikely that a social action approach would have provided a qualitatively superior base on which to build local solidarity. The case study also endorses the principle of farmer-led extension as a basis for institutional development, although the specific circumstances of the case study situation need to be recognised. It is concluded that while a technology driven process using farmer-to-farmer extension is neither a universal possibility nor a guaranteed mechanism for institutional development, it does, potentially, offer a base on which to build quite wide-ranging community solidarity.

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ACRONYMS

A & D	'Alienable and disposable' land - i.e. land available for private purchase
APAN	Asia-Pacific Agroforestry Network
BFD	Bureau of Forest Development
CD	Community Development
CIPS	Community Information and Planning System (PHILDHRRA participatory research approach)
CO	Community Organisation
CSWCAP	Cebu Soil and Water Conservation Agroforestry Programme (formerly CSWCP)
CSWCP	Cebu Soil and Water Conservation Programme
DA	Department of Agriculture, Government of the Philippines
DAR	Department of Agrarian Reform, Government of the Philippines
FI	Farmer Instructor
GSO	Grassroots Support Organisation
HBM	*Hugpong SK Banianhon Mag-uugma* (Organisation of Upland Farmers - a people's organisation on Cebu)
MFI	Mag'uugmad Foundation Inc. of Cebu
MSO	Membership Support Organisation
NGO	Non-governmental organisation (includes GSOs and MSOs)
PHILDHRRA	Philippine Partnership for the Development of Human Resources in Rural Areas (NGO)
PO	People's Organisation
SALT	Sloping Agricultural Land Technology
SFI	Senior Farmer Instructor
SWC	Soil and water conservation (general concept of)
ToT	Training of trainers

The unit of currency in the Philippines is the Peso, currently fluctuating at between P36 - 40 = £1 sterling.

Institutional Development of Local Organisations in the Context of Farmer-led Extension: The Agroforestry Programme of the Mag'uugmad Foundation

David Brown and Caroline Korte

1 Introduction

This network paper is concerned with the soil and water conservation work of the American grassroots support organisation (GSO), World Neighbors, and its indigenous successor, the Mag'uugmad Foundation Inc. (henceforth 'MFI'), on the Island of Cebu in the Philippines. The Cebu Soil and Water Conservation Programme is a leading example of a farmer-led approach to extension in a fragile environment; its aim is to extend agroforestry technologies to communities in a number of environmentally precarious upland localities. Since 1990, MFI has been supporting the growth of a number of membership support organisations (MSOs) at its project sites. These are known locally as 'Peoples' Organisations' (POs).[1] The intention is ultimately to transfer operational responsibility for the soil and water conservation programme and a series of other development initiatives to the local population. The paper reviews the history of the programme to date and seeks to identify some of the factors which might account for its success. It then considers the prospects for effective institutional development at the local level.[2]

2 Points of departure — theoretical themes in institutional development

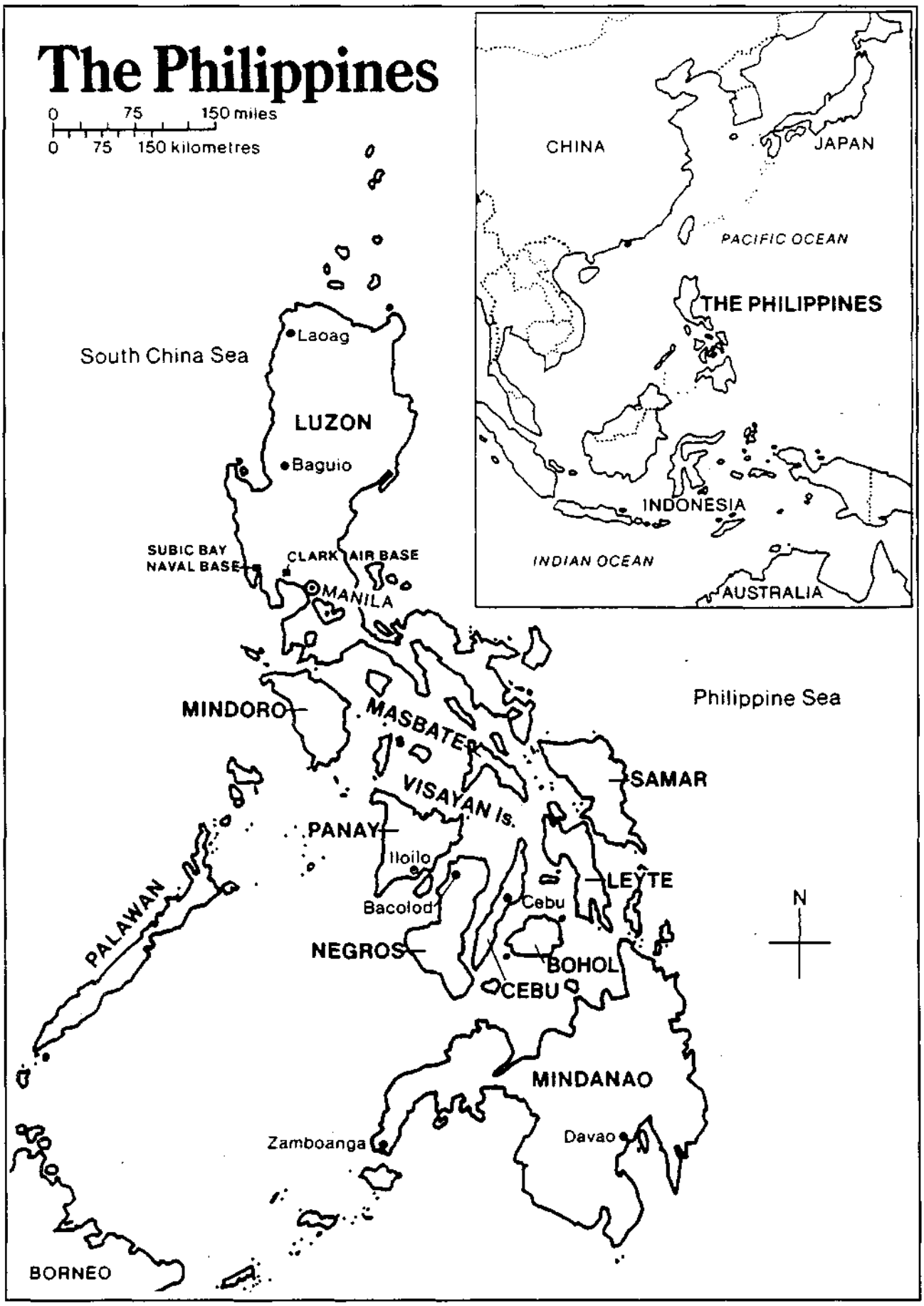
A number of separable but overlapping themes dominate the literature on local institutional development. The first concerns the *relationship between the development of institutions and the strengthening of organisations.* While to many activists, the notion of institutional development has been treated as more or less synonymous with the strengthening of individual organisations (see Van Reenen and Waisfisz, 1988), theoreticians interested in broader questions of public choice and societal performance have found it useful to distinguish the two (Hirschman, 1967, 1970). To this latter group, institutional development has as much to do with the creation of an institutionally complex and competitive environment as with the consolidation of the individual organisation. One means through which to create choice is by stimulating competition between service providers according to a classical market model, though there are other ways in which pressures can be brought to bear on providers through more interventionist means, for example through regulatory bodies and other 'competition surrogates' (Israel, 1989). The ultimate goal in all such cases is to create pressures to organisational performance and hence, to make the institutional arena more responsive to the public interest.

These two approaches offer different views of the process of capacity building; they also offer different perspectives on the social relationships which this process is likely to entail. As an example, in the organisation-building approach, the issue of conflict tends to figure in a rather restricted way, and to be seen as operative primarily at supra-local level. While there is often a presumption of conflict in relations between the target communities and the established elite, variants of consensus theory are more likely to be invoked to explain the actual process of externally-supported change. Institutional development tends to be seen as, at heart, an educational process in which any hindrance to the transfer of ideas and structures is explicable primarily in terms of the slow growth of awareness and solidarity among the socially marginal. The issue of conflict rarely figures at a more substantive level - in relation, for example, to conflicts of interest between the support agency and the community. To the public choice theorists, on the other hand, conflict is inherent to the model at all levels. Indeed, it is the basic mechanism for the achievement and maintenance of allocative efficiency. Thus, on the former view, 'conflict' plays an essentially negative and destructive role in the process of insitutional development, while on the latter, its role is held to be, in part at least, constructive and positive.

The second line of investigation in studies of local institutional development concerns the *scale and scope* of successful organisational strategies. Here the contrast is between approaches which focus on the creation of single-function, task-specific organisations (as are advocated by Tendler, 1976) and those which favour multi-level organisations with multiple channels of communication and diverse functions and tasks (along the lines of Uphoff and Esman, 1974). While single-function organisations are easier to manage and less prone to internal conflicts, they also suffer from limitations of scale and integrative capacity which restrict their ability to serve as a basis for institutional development. Whether their advantages outweigh their limitations is a matter for debate (for an elegant review of this topic, see Peterson, *1982:passim).*

Closely connected with such questions of organisational design is the issue of *the role of technologies in institutional development.* Again, the field is marked out by two opposing views. On the one hand, there are those who see the development of technology as a necessary precursor to effective institutional development (see, for example, Bunch, 1982). On the other are those for whom institutional

Figure 1. Map of the Philippines, showing the island of Cebu



development is fundamentally concerned with political actions and with the attitudinal changes needed to support them, and who would view an excessive orientation towards technology as likely to favour elite capture, thus threatening long-term sustainability. The technological focus is easy to reconcile with the minimalist approach to organisational design (single-function, task-specific) discussed above. Bunch, for example, argues that the greatest chances of success in community development will come when activities are focused on 'limited technologies' (that is to say, ones which involve only minimal changes to the existing system); by and large, these should both be 'visible' and offer the prospect of 'recognisable success' in the relatively short-term (1982).

In the Philippines context, the divide between 'technology-driven' and 'social action' orientations feeds into a wider debate on strategies of development, which is typically viewed as an contrast between 'community development' (CD) and 'community organisation' (CO). Racelis has been the most vocal advocate of the CO approach (see, for example, Racelis-Hollnsteiner, 1979)- Racelis characterises CD as basically a welfarist approach founded on a presumption of harmony and cooperation through self-help; there is a strong technical focus and an emphasis on communal upliftment through the leadership of an elite. CO, on the other hand, is more clearly oriented towards the generation of organisational capacity at grassroots level, in a social action perspective, by a strategy of an essentially political nature designed to radicalise and mobilise the masses. Thus, against the criticism of CD as being top-down and elitist, CO aims at universal empowerment and the promotion of the interests of the oppressed through activities which are locally-generated and essentially 'demand-led'. Whilst organisational development is likely to be one of the first and central pillars of the CD process, the CO approach is likely to involve organisational development at a relatively late stage in the process of change, and only when collective action has created self-awareness and self-confidence, and the membership see it as in their interests to come together in formal associations.

At a more substantive level, a constant motif in the literature is that organisations with a membership that is relatively homogeneous are not only more likely to succeed in the achievement of their immediate tasks than those that are heterogeneous, but are more likely also to offer the prospect of long-term sustainability (Johnston and Clark, 1982; Racelis, 1979; Borlagdan, 1992; Farrington and Martin, 1988:p.55).

As regards the reasons for success or failure of community-based organisations, several principles stand out: the importance of active inculcation of a sense of local 'ownership' and avoidance of alien and inappropriate organisational forms; the need to develop and sustain a long-term perspective in problem-solving activities; and a focus on felt needs and proven benefits (Johnston and Clark, 1982; Korten, 1980). Within the fields of agricultural and forestry extension (particularly in complex and highly variable environments), such principles would support the increasing interest which has been paid in recent years to farmer-led initiatives. Advocates of farmer-to-farmer extension have been vocal in their championing of the ability of small farmers not only to develop and adapt technologies, but also to diffuse them effectively in the wider community. In support of their position they cite factors such as the lack of cultural and status barriers within the farmer population, the continued presence and high visibility of the farmer-extensionists, the detailed local knowledge of these people, and the low unit cost, as positive influences (see for example, Fisher (1992), Scarborough (1996a-c)).

The case study which follows examines a leading programme of farmer-to-farmer extension in a marginal environment, the professed goal of which is local institutional development.

3 The case study: the "work of the Mag'uugmad Foundation, Inc.

The island of Cebu occupies a central position in the economy and society of the southern Philippines. It is a rugged island, dominated by a central mountain range which runs almost its entire length, and dissects it more or less evenly. With a porous limestone base and limited rainfall, Cebu is exceptionally dry for its tropical locality, markedly so when compared with the neighbouring islands. Lowland areas are limited in extent and confined to the coastal strip. Given the steep gradient of much of the island - over two-thirds of the land has a slope of 18% or more, and half has a slope of more than 30% (Kummer *et al.*, 1994:pp.266-7) - soil degradation is a major environmental problem wherever the uplands are farmed (see Box 1).

The work of the Mag'uugmad Foundation Inc. (MFI) grew out of the Cebu Soil and Water Conservation Programme (CSWCP) founded in 1981 by the American NGO, World Neighbors.[3] This programme addressed the problem of the degradation of the resource base in the upland areas of the island (due to soil erosion and declining soil fertility), and sought to identify alternative technologies appropriate to the small farmer population. In 1988, responsibility for the programme was transferred to MFI, a new, indigenous NGO.[4]

4 Review of programme development

From the perspective of institutional development, the history of the Soil and Water Conservation Programme can be considered to have three major phases. The

Box 1. The island of Cebu

Cebu is one of the 2,000 inhabited islands of the Philippines. It is the ninth largest in terms of land area (5,088 km^2), and measures 200 km by 40 km. Cebu City is the administrative capital of the island, as well as the hub of the Central Visayas Region. Thanks to its location at the centre of the Philippines archipelago, its relatively healthy and malaria-free environment, and freedom from the worst climatic and environmental hazards which blight its larger neighbours, Luzon and Mindanao, Cebu has long enjoyed an importance in the Philippine economy (and, indeed, in the whole economy of insular SE Asia) disproportionate to its size. Today, the island is of considerable, and ever-growing, industrial importance, being the site of a number of major export processing zones which specialise in electronics assembly and related manufacturing enterprise; it has a vibrancy characteristic of the growth poles of the newly industrialised states of the Pacific rim. 1.27 (48%) million of Cebu's 2.64 million inhabitants live in Metro-Cebu (ie. greater Cebu City). This burgeoning conglomeration of several contiguous towns grew in population by 34.5% in the decade to 1990 (Flieger, 1994: p.13).

The uplands in the economy of Cebu

In Cebu, as elsewhere in the Philippines, exploitation of the uplands is associated with last resort farming. Without too much simplification it is fair to say that access to fertile valley lands for irrigated rice production implies relative income security and prosperity; recourse to the maize-growing uplands is associated with poverty and life at the margins.

Cebu is a densely-populated island, even by the exaggerated standards of the Philippines. It has 520 persons per square kilometre, albeit unevenly distributed, and an annual population growth rate of 2.38%. Only 38% of the land on the island is arable. With finite land resources and a growing rural population, farm size has been decreasing steadily. In the decade to 1990, the average area of rainfed farms fell from 1.19 hectares per family concession to only 0.75 hectares (Kummer *et al.*, 1994:p.272; Flieger, 1994).

The history of cultivation in Cebu can be traced back to Neolithic times. The island was already heavily cultivated by the time of the Spanish conquest, and historical evidence points to the evolution of a dynamic agricultural economy in response to a variety of environmental and social pressures. Particularly critically in the social transformation of the island was the growth of sugar production in the nineteenth century. The rise of the sugar estates established Cebu as a leading producer, and this in turn led to the concentration of landholdings, and progressive marginalisation of the rural majority. Gradually, 'rural stratification in Cebu acquired more closely the features of a peasant society, (with) big landholders, smallholders, tenants or sharecroppers, and agrarian wage labourers' (Mojares, 1985:p.28). By mid-century, the pattern of cultivation which provides the backdrop to the present study was well established. At the time of Vandermeer's pioneering work in the early 1960s, corn (maize) occupied over half of all cultivated land on the island, and was often double or triple cropped (Vandermeer, 1963). Today, the rural economy is still largely dependent on corn, though a variety of other produce is also grown, including the familiar range of tropical and semi-tropical fruits and vegetables (bananas, avocados, beans, capsicums, aubergines, etc.). Cebu is particularly renowned for its mangoes, which are of high quality and much in demand throughout the Philippines.

Given the historical levels of land scarcity on Cebu, soil fertility has long been problematic. Whilst fallow land did exist well into the present century – between 1960–1980, the cropped area increased by 16% (Kummer *et al.*, 1994:p.272) – this is now confined to the most marginal upland environments, and farmers in most areas have to work with fixed areas of land. For the majority, extensive systems of cultivation are no longer feasible. By the 1950s, over 90% of the land area of Cebu was estimated to be affected by soil erosion, and similar levels were noted in the following two decades (Kummer *et al.*, 1994: p.267). Deforestation has been extensive, and less than 3% of land is now said to be forested (very little of this is due to natural growth).

Cebu has been widely characterised in the literature as in an environmental crisis; Vandermeer, writing in 1963, described the island as 'almost an agricultural liability to the Philippines', while Collins, in 1990, described it as an 'ecological disaster' (quoted in Kummer *et al.*, 1994:p.266). While not all authors would nowadays share these views, Cebu is clearly in a precarious position in environmental terms.

first involved a productive association between an expatriate NGO, World Neighbors, and groups of local farmers working upland soils. The second involved the indigenisation of the programme through the take-over of managerial authority by an alliance of local technicians, farmers and fisherfolk (MFI). The third (still in a relatively early stage of development) entails the full transfer of 'ownership' from the local GSO to the farmers themselves. Whilst, as will be discussed later, such a simplistic model does not necessarily fully capture the complexity of the transitions involved, it is convenient to set out the evolution of the programme primarily in these terms.

The original initiative to establish a soil and water conservation programme began with a meeting in July 1981, between three individuals active in extension and conservation work in the region and a local farmer from the area of Guba, a rural *barongaf* within the administrative boundaries of Cebu City. The three initiators were, respectively, two representatives of World Neighbors (both US citizens), and the Filipino Regional Director of the Department of Agrarian Reform. World Neighbors had hitherto (1952-73) been involved primarily in family planning activities in the area, rather than in agricultural extension. It was now, however, seeking to develop a programme in Cebu in line with its successful soil conservation work in Central America and the Caribbean. This was a time when agroforestry techniques were being very widely promoted throughout the developing world, and Cebu, with its undulating topography, high density of rural population and evident environmental stress, seemed an ideal location for a programme of this type. The third member of the initial reconnaissance team, although a government official (and thus not necessarily a natural ally of the Filipino farmer), was well-known locally as a champion of farmers' rights, having been a leading local campaigner (unsuccessfully, as it turned out) against the

appropriation by a Cebu business corporation of a large tract of local land for urban amenity development. The local contact was an equally propitious choice, an established, though still young, farmer with an enquiring and experimental turn of mind who had been the recipient of the Ministry of Agriculture's 'most outstanding diversified farmer award', at both regional and provincial levels in 1980.

The visitors brought with them publicity relating to World Neighbors' experience of soil and water conservation (SWC) in Haiti, which they believed would form an appropriate model for agricultural development in Cebu. The farmer quickly recognised the applicability of the recommended package to conditions on his own farm, which suffered from both water-logging and severe erosion. At the visitors' suggestion, he first tried to involve his neighbours in the formation of an *alayon* (a traditional, voluntary labour-sharing arrangement) to undertake the heavy infrastructural work associated with contouring. When this failed he formed a group with his five brothers and sisters.

Under the guidance of World Neighbors, but relying heavily on the entrepreneurial skills of this pioneer farmer, the programme developed rapidly. The first contour *alayon* was formed in December 1981. By March 1985, there were 10 *alayons* in the programme, with 93 members, and an additional 30 individuals had adopted the contour farming methods without having joined a World Neighbors-linked *alayon* group. By 1994, 936 farmers were said to be actively maintaining SWC technologies.

The distinctive features of the programme, in managerial terms, were established in its early days. These included:

1. An extension approach relying on farmer-to-farmer extension, and dependent on the willing participation of interested members of the farm community (see Granert *et al,* 1989)
2. Use of indigenous labour sharing units *(alayons)* as the organisational base. In order to qualify for membership, individuals were required to contribute their own labour (or that of their immediate family). Substitution of hired labour was not permitted in the groups.
3. Management of the programme at field level by instructors drawn from the farming community, with financial cover for labour-time expended in extension activities. From quite early in the programme (1984-85), key farmer extensionists were reimbursed for their efforts. Cash incentives were retained for all categories of farmer instructors until August, 1994, when payment was restricted to the senior categories (part-time Senior Farmer Instructors, and full-time Livestock Coordinators and Site Managers).

The programme promoted agroforestry technologies aiming towards soil stabilisation and fertility improvements through a combination of contour farming, agroforestry and crop/livestock interactions. Individual elements of the technological package in question were already known on the island. For example, *Leucaena leucocephala* formed part of traditional systems of rotational agroforestry (such as the *'na-alad'* system (APAN, 1992:p.8)), and rock walls and contour bunds were also familiar in some localities (though usually as part of in-gully, not round-the-slope, terracing, as in the World Neighbor's approach).

What was clearly outside local experience, however, was the integration of a range of agroforestry techniques into a complete system appropriate to sloping lands under permanent cultivation. In the initial project site of Guba (an area of mostly clay-loam soils), this implied use of: contour hedgerows; contour and drainage canals; soil traps and check dams; contour ploughing and in-row tillage; integrated livestock/crop management (linked to alley farming); and various soil fertility management practices involving alley cropping, rotations, mulching, and green manuring. In the two other World Neighbors project locations, Argao (100 km south of Cebu City on the east coast, which commenced in September 1981) and Pinamungajan (75 km west of Cebu City, on the western seaboard, which commenced in May 1994), more expensive structural technologies, particularly rock walls, had to be used to support the standard SWC practices, as both sites were in areas of poor, shallow top-soils on a limestone foundation, with only limited potential for purely vegetative technologies. *Alayons* supplied the relatively heavy investments of labour needed for the initial land preparation work, and transfer and adaptation of the technologies were then achieved through a carefully managed indigenous extension support structure of farmer leaders and instructors. All of these positions were occupied by 'peasant' farmers from the localities (almost exclusively men), with World Neighbors providing logistical and training support.

World Neighbors withdrew from operational control in 1988 and handed over management to the Mag'uugmad Foundation, 'a broad federation of farmers and fisherfolk', set up expressly to take over the programme. Its board consisted of three farmers and one fisherman from the participating communities. World Neighbours remained, however, the major sponsor. Only within the last couple of years has it begun to wind down its level of funding with a view, if not to withdrawal, at least to encouraging broader donor participation in programme development.

MFI has continued to manage the programme up to the present day. Throughout, the primary focus has been on farmer-to-farmer extension of soil and water conservation technologies, though other programmes have gradually been added, either to bolster the main

thrust of the Training of Trainers (ToT) and farm stabilisation programme (for example, a livestock distribution ('dispersal') scheme) or to address the needs of particular interest groups and lessen dependence on the technological element of the programme (for example, projects in the area of family health and nutrition).[6] Drawing largely on the success of the original programme, MFI has played an active role in the promotion of soil and water conservation technologies more widely throughout the Philippines, and indeed, in the whole southeast Asian region. The Guba site, in particular, has been extensively visited by staff of other NGOs and by farmer groups, and MFI staff and small farmers alike have played key roles in stimulating the cascading of training benefits at regional scale in southeast Asia. Similarly, Cebu farmers have made cross-visits to their peers on other islands in the archipelago and elsewhere.

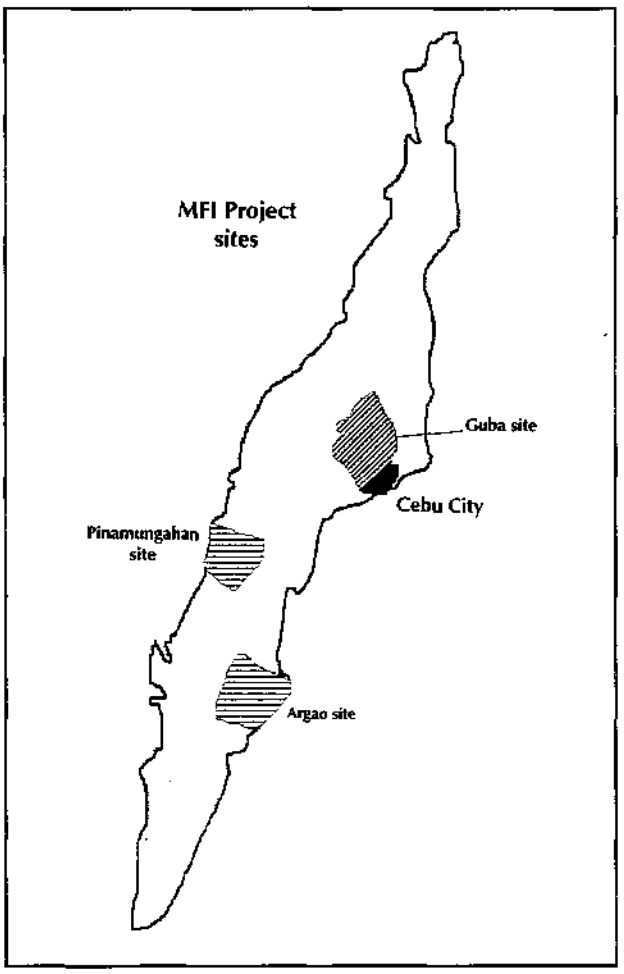
Though the growth of farmer organisations had been mooted since the start of the programme, it was not until 1990 that the first peoples' organisations (POs) were formed. Three POs were established in the Guba area (Kabameka, Hugpong SK Banianhon Mag-uuma (HBM) and Banikanhon), and others were formed in Argao and Pinamungajan. These were conceived as a forum for information exchange on upland technologies and as a conduit for input (seeds, farm tools, water barrels, livestock, etc.) supply. They were also seen as an incipient structure to replace MFI as a grant receiving corporation, with the aim of ensuring programme sustainability even without the presence of the NGO. The Kabameka PO has subsequently split into a number of separate 'chapters', largely to accommodate the wide geographical coverage of this association and the difficulties which were experienced in day-to-day communications and management. All of these units follow the primarily territorial character of rural settlement in Cebu. The ultimate goal of the PO leaders is federation into a single, all-embracing union, though the general perception is that the POs are not yet adequately established as separate entities to make this a serious proposition, at least in the shorter term.

We return to the dynamics of PO formation later in this paper (Section 7).

5 Reasons for the success of the CSWC programme

The centre piece of MFI's work has always been the Cebu Soil and Water Conservation Programme inherited from World Neighbors, and it is this programme which is responsible for MFI's reputation as a leading practitioner of farmer-to-farmer extension and agroforestry.[7] MFI has been remarkably successful in achieving adoption with appropriate local adaptations of SWC technologies; in the area of the study, anyone who has adopted the technology is almost certain to have learnt it directly or indirectly from MFI. Of 253 farm families in the area of the Kabameka PO, 183 (69%) had adopted the technology, most of them during the period 1986-92. Only 70 (27%) maintained the traditional extensive cultivation practices.

Figure 2. Map of Cebu, showing MFI project sites



The environmental effects of these and parallel changes on the island of Cebu (often themselves triggered by the successes of MFI) should not be underestimated. Kummer *et al.*, for example, see such small-scale initiatives as having collectively arrested the process of land degradation in Cebu, leading to a series of positive environmental changes including improved vegetative cover, stabilisation of agricultural productivity, and arrested coastal sedimentation *(1994:passim).* There can be few other projects in the developing world in which such a radical transformation of the indigenous farming system and of the local landscape can be so clearly attributed to a single NGO programme.

At the outset it was far from self-evident that such a programme would prove to be a success. The technology which it promotes is demanding of both time and effort, the returns are long-term and

uncertain, and (particularly for the peasant farmer), the risks significant.[8] In seeking to explain the success of the programme, account must be taken of factors relating both to the energies and enthusiasm of the individuals through whose leadership the programme was developed, and to the external environment, the nature of the technology and the extension methods employed.[9] The fact that essentially the same types of extension methods, employing very similar technologies, were applied by the same agencies with varying degrees of success in the three project zones (the Guba programme proved by far the most successful, while that at Pinamungajan must in many ways be considered to have failed), allows one to place in perspective the balance of internal and external influences. The remainder of Section 5 and Section 6 reviews some of the factors which may account for the success of the technology transfer process.

Farmer-led extension

Of the factors internal to the programme, there is little doubt that the use of farmer-to-farmer extension methods has made a strong contribution to the programme's success, and has facilitated the adaptation of the technologies in conditions of high site specificity (Castillo, 1992). Recourse to traditional labour sharing arrangements, *alayons*, to mobilise the large amounts of labour required in the infrastructural phase, has no doubt helped to reinforce the sense of farmer ownership. At the same time, there has not been any other alternative extension provision which might have competed with, or undermined, the World Neighbors/MFI programme. Government extension in the Philippines is confined to the lowland rice growing areas, except when there are discrete donor-funded projects in place; these, in the area in question, have complemented rather than competed with the MFI programme.

As regards the project environment, account must be taken of both 'push factors' (the familiar signs of stress in the existing farming system, as evidenced by rapidly declining farm area, and increasing use of inputs to sustain the yields), and 'pull factors' relating to the growing market for vegetables and flowers in urban centres such as Metro-Cebu.

Proximity to Metro-Cebu

Given the phenomenal growth of Metro-Cebu as an industrial and export processing zone, it is, perhaps, unsurprising that the Guba site, one of the few areas of well-watered and reasonably fertile soils on the island located only 20-30 kms from the downtown area, should have prospered in the last decade. Well-established channels exist for the marketing of produce from the Guba area, through the agency of 'jeepney' and motorcycle drivers who deliver goods (flowers, fruits and vegetables, as well as small livestock and a number of minor artisanal products) on commission to the wholesalers of Cebu City's 'Carbon Market'. By the same token, it is notable that Pinamungajan, the area most isolated from urban markets, has been the least successful in terms of the spread of agroforestry methods, and has now been all but abandoned as a SWC site.

Population pressure

The issue of rising population pressure is likely to have influenced adoption of the technologies in a number of ways. In the first instance, the loss of fallow consequent on rising population denies farmers the most labour-conserving means of restoring soil fertility, and increases farmer interest in alternative fertility-enhancing techniques. At the same time, the loss of both non-cultivated patches within the agricultural complex and uncultivated commons forces farmers to look for other means to supply a range of forest products, including fuelwood, poles and browse. On-farm culture thus becomes attractive not only to maintain soil fertility but also to provide livestock feed and to satisfy a range of domestic needs.[10]

Guba and Pinamungajan offer contrasting pictures with regard to both soil fertility and the balance between on- and off-farm resources. In Guba, within Cebu City limits, chemical inputs (fertilisers, pesticides and also agents to induce mango flowering[11]) have long been an accepted part of the agricultural system. They offer significant returns on investment, albeit at a high cost and some risk. Uncultivated areas are now few and far between and common lands negligible in the Guba area, and a market has thus built up for a variety of timber and non-timber products which in many other areas would be supplied off-farm as common pool resources at minimum real cost.[12] With poorer soils and less investment potential (though with greater access to common land and hence, alternative sources of agricultural supply), decision-making strategies in Pinamungajan, as will be discussed below, are more likely to involve maintenance of the extensive system (or alternatively out-migration) than intensive land development.

Tenurial constraints

If lack of alternative supplies of forest products is one of the keys to the success of farm forestry, then tenurial security is surely another. In the Philippines as elsewhere, investment decisions concerning long-term farm management are crucially affected by public policy decisions relating to land tenure as well as by perceptions of long-term tenurial security. This is particularly true of farming systems which incorporate structural technologies and the cultivation of woody perennials (as in the present case). The growing

Box 2. Rural land classification

Rural lands in the Philippines are of two predominant types.

Public forest lands date from the 1894 Maura Law of the Spanish colonial administration which placed two-thirds of the land area of the Philippines under the control of the state. The Revised Forestry Code of 1975 transferred all remaining lands above a critical gradient of 18%, and mountain areas above 600 metres, to state ownership (except for those subject to pre-existing and legally recognised claims of ownership). All public forest lands are officially inalienable, although individuals may be given access to them through stewardship contracts with the Forest Management Bureau, normally with a 25-year renewable term.

Alienable and disposable (A & D) lands, by contrast, are under private ownership. Such lands can be purchased and transferred by individuals through inheritance and other means, and are secured with various forms of 'proof' of ownership, ranging from tax declaration certificates (which lack official authority, but are certainly better than nothing) to deeds of freehold ownership.

In the Philippines context, males and females may both hold title to land (both legal ownership and the various forms of tenancy). Inheritance of alienable land (and all other major property) is cognatic, being divided equally between male and female heirs. While there are patriarchal tendencies in the household, gender relations in rural Cebu, as elsewhere in the Philippines, are remarkably egalitarian by the standards of most agrarian societies; size and type of holding are likely to be of superior importance to gender in determining interests in land.

polarisation of social structure in the Philippines has been evidenced most clearly in the emergent pattern of land tenure, and an understanding of the influence of tenurial constraints is essential to an appreciation of the pattern of technology transfer in the upland zones.

In the first instance, investment decisions are influenced by the legal classification of the land. The two major classes of rural lands - *public forest land* and *'A & D land'*- are reviewed in Box 2. Because of differences in legal status, long-term investment is more likely on A & D lands than on public forest lands. Within the MFI programme, one of the three sites is on A & D land, while the other two are mainly on public forest land. It is no accident that the NGO programme has been most successful at the A & D site (Guba), and least successful at Pinamungajan where lands are almost exclusively public forest.

While the influence of land classification may be regarded as critical to the adoption of the SWC technology, a complicating factor is the security of the tenurial relationship at the individual farmer level (see Box 3). Smallholder farmers are in a particularly vulnerable and insecure position with regard to tenurial status (see Nelson, 1994:p.29). This insecurity derives from a number of sources. The non-permanency of tenancies is the most obvious *(bahin* sharecropping is widespread on Cebu and, except where the tenanted area is of such size as to fall within the Agrarian Reform programme, such tenancy is effectively unprotected). In addition, legal tenure may be insecure, insofar as it rests on a certificate of doubtful validity (small farmers often lack the means to secure full legal ownership). The emergent policy context is also a source of some insecurity, even though its ultimate effects (and certainly its intentions) may be to improve the situation of the rural poor. Agrarian Reform legislation has not necessarily been an unreserved blessing for the tenant farmer in that it has lessened the interest of land owners in granting long-term tenancies; plots are often now awarded only on an annual basis, increasing the tenant's dependency. Recent environmental legislation, such as the designation of watersheds on which supplies of potable water for urban and tourist populations depend as 'critical', has also acted to increase the insecurity faced by the small farmer. A likely consequence of this is to decrease small farmers' willingness to invest in land improvements, at least in the short-term. This latter influence has adversely affected uptake of the SWC technology in one of the newer MFI projects, at Cot-Cot near to the Guba site.

Evidence concerning the relationship between tenancy status and propensity to adopt the new technology is given in Section 6.

Labour migration

Patterns of labour migration may be expected to exert an influence on technology uptake. Again, two of the MFI sites - Guba and Pinamungajan — offer contrasting evidence.

Box 3. Forms of tenancy

Over time there has been a gradual polarisation of social structure in Cebu, leading to the emergence of a category of rural poor resident mainly in the upland areas, and defined by insecure and limited access to land. The island's spectacular industrial growth in the last decade has accentuated this polarisation and hastened the creation of an urban-based and linked land-owning elite living outside the areas occupied by their tenants, and only partly dependent on them for their livelihoods. A variety of relationships exist to bind tenants to these patrons, of which land is one, albeit the principal, means. On Cebu, tenancies are of three main types: true share-cropping – *bahin* – in which the proportions are variable according to the level of the owner's responsibility for inputs, but are normally 1:3 (owner/tenant); leasehold – the *abang* system – at a fixed annual rent; and *prenda* which is a form of pledge.

Officially, land reform legislation imposes a ceiling on private ownership, both *bahin* and *abang*. Under the 1988 Land Reform Act, land retention limits vary (Lara and Morales, 1990:p.152), although 7 ha tends to be taken as a rule of thumb. In its operation, the law is biased in favour of existing owners who have holdings above the ceiling, and this and other factors (for example, uncertainty as to the land retention limit) tend to make it a very imperfect instrument for the promotion of equity.

In the early years of this century, much migration took place from Cebu and the Visayan region as a whole to the more sparsely populated island of Mindanao. This migration was chiefly agricultural in character. More recently, since the 1960s, migration to Mindanao has slowed considerably and given way to movements of labour to the industrial and commercial areas around Manila on Luzon, and to the area of Metro-Cebu.

In assessing small farmer decision-making, including such issues as the decision to invest in new technology or to migrate in search of waged work, it must be remembered that the decisions that are made by rural dwellers are not constrained by their external labelling as 'agriculturalists' but take into account all the possible income-earning opportunities available to them (see Fujisaka, 1986; *passim).* In the context of Pinamungajan, for example, decisions as to whether to adopt the new technology are influenced both by the high investment costs in infrastructure needed in this unpromising terrain (construction of rock walls, heavy investments in soil improvements etc.) and by the relative attractiveness of alternative uses of labour (particularly long-term out-migration, which is traditional particularly for adult males). In Guba, by contrast, not only are investment costs very much lower (vegetative technologies and small incremental improvements to soil fertility), but, partly as a consequence, the alternatives are relatively less attractive. Labour migration from Guba to Cebu City is widespread, but this has tended to reinforce investment in agricultural technologies, not to stand as an alternative. A typical strategy would be for the young adult children of a farm family to migrate to Cebu City to work in a department store, fast-food restaurant or the like, thereby providing support to the farm enterprise both through cash remittances and by identifying market opportunities. The parental farm would serve not only as a more attractive environment in which to raise a family, but also as a form of insurance in an uncertain labour market and as a way of reducing social welfare costs during periods of unemployment.

6 Issues in community participation

Programme costs

In terms of cash outlays, the costs of the programme have been almost entirely funded from external sources. Such costs, though relatively modest by the standards of international aid, are nevertheless significant, and beyond the capacity of most public sector extension programmes. The original World Neighbors Programme was budgeted at a total of US $144,545 over 7 years (the greatest annual expenditure of $28,018 was in 1985-86), and its successor, the MFI Soil and Water Conservation and Agroforestry Programme has been budgeted at $35,000-50,000 per annum since the handover. Present coverage of the Programme is estimated at 700-900 farm families, which means that expenditure is approximately $40-70 "per family.

Table 1. Staff remuneration as a component of the CSWC programme budget

	1981/82	1987/88	**1990/91**	1995/96
Expenditure on salaries and honoraria (US $)	3,600	22,362	35,526	30,692
Salaries and honoraria as % of core budget	29%	68%	66%	*77%*

Incentives to extensionists

Staff remuneration has always been a major component of the CSWC core programme expenditure. The evolution of the staff salaries/ honoraria component of the budget is shown in Table 1. While these figures require interpretation (for example, in 1981-82, the entire salaries bill went to one part-time expatriate World Neighbors staff member, whereas there were 31 staff in 1990-91), they do point to the need to consider the role of financial incentives in the programme's development.

The extent to which payments to extensionists can be held accountable for the success of the farmer-to-farmer extension process is a matter for debate (Smith, 1994). Honoraria to farmer extensionists were an integral element of the programme until August, 1994, when they were withdrawn for Farmer Instructors (FIs), though retained for the senior grades of Senior Instructor, Livestock Coordinator and Site Manager. In 1987/88, Farmer Instructor honoraria stood at $22.50 (equivalent) per month for 8 days' work; in 1993/94-, the final year in which honoraria were paid, Farmer Instructors (of whom there were 17) received PI,000 (c.$42) per month for 8 days' work. The three Senior Farmer Instructors still continue to receive P2,200 ($63) per month for 15 days' work.[13] These sums were/are intended only to compensate for time expended in extension work, and not to provide any additional cash income. This is the way in which the Instructors view the honoraria, although they consider the payments as insufficient to compensate fully for loss of labour-time on the farm (lack of time to maintain one's own farm at an acceptable level is a common complaint from FIs and other farmer leaders, and not all FI farms maintain their demonstration quality). The payments, which were certainly a factor in the rapid expansion of the programme are,

nevertheless, significant by local standards and consequently the source of some controversy.[14]

The justifications of the FIs themselves may well discount the additional benefits (security of earnings, support for risk-taking and ability to plan, for example) which regular cash income provides in this uncertain environment. Moreover, whatever use has been made of these incentives there is little evidence that they have been invested in hiring labour to compensate for labour time forgone. Altogether more probable is an increase in the workload borne by spouses (mostly wives) on the farm (see Mag'uugmad Newsletter, 1994a: pp.5-8).

Adoption of the technology

The interplay between environment and technology is a particularly interesting one in the project zone, illustrating the influence of both topography and social differentiation on interest group formation and technology dissemination.

The uneven terrain and resulting absence of any potential for development of mechanised agriculture have both served to diminish the likelihood of social polarisation induced by land consolidation. Such threats of land acquisition as do exist are more likely to derive from speculation by large corporations in the development of recreational facilities for the urban population and for tourism rather than from agricultural development *per se*. The threat that such large-scale capital investment would represent to traditional livelihoods in all probability acts to encourage unity in the peasant farmer population, not to polarise it.

Land ownership in the area is relatively differentiated, and there are a significant number of absentee landlords, some with substantial holdings. These include business people living in Cebu City. Plot size for resident owners varies from about 0.5 ha or less to a maximum of about 11 hectares. Only eight householders out of 265 in the area of the Kabameka PO (100% sample) had no land at all, and only one of these was involved in farm work and could be viewed as having farming aspirations (the individual in question was a self-employed mango sprayer). There are also wide variations in the incidence of tenancies (as opposed to ownership) in the various localities. For example, in one chapter of Kabameka as few as 25% of farmers were tenants, while in another as many as 88% were tenants. Plots held by tenants tend to be smaller than plots held by owner-occupiers (see Table 2).

Land tenure status does influence propensity to adopt the new technology, though the issue is more complex than might be assumed. In the zone of the research study, for example, tenants were more likely than owners to adopt, both in absolute terms (63% of all adopters were tenants, and 11% joint land-owners/tenants) and as a proportion of the category (77% of all tenants had adopted the technology, as opposed to 61% of owners; 80% of joint owners/tenants had adopted). At the same time, clusters of tenancies were also evident in which no tenant had adopted the new technology, under pressure from an absentee landlord. It seems that the size of landlords' overall holdings is the crucial factor in accounting for such variations. Where landholdings clearly exceeded the seven hectare ceiling, landlords were unlikely to permit their tenants to improve their holdings, for fear of action under the Agrarian Reform legislation.[15] Where landholdings were markedly below the ceiling (in such cases the landowner might well be a neighbouring small farmer), then no such barrier to adoption was likely to be raised.

Whilst significant heterogeneity is evident in the pattern of land ownership, conditions of enterprise management are much more uniform. Almost all farms (whether tenanted or owned) are exploited primarily by small farm families, and most non-owner occupied farms are in share-cropping tenancies. Many of the small owner-occupiers are themselves tenants on a portion of their farms, or have given out a small area of land to a relative or neighbour, in a long-term tenancy (see Table 2).

The technology which has been extended is in Bunch's (1982) terminology both highly 'visible' and 'limited' (in the sense of involving only incremental changes to the existing farming systems). It is scale neutral and offers incremental benefits to all adopters. It also encourages contiguous farmers to coordinate their land management plans and their individual agricultural activities. All of these factors have

Table 2. Landholding status within two chapters of the Kabameka People's Organisation

Ownership status of land

Status	Number of farmers
Landowners only	**39**
Tenants only	**34**
Part landowner, part tenant	**30**
Total	103

Size of holdings by ownership status

Plot size	Owner-occupied	Tenancies
< 2 ha	**45 (65%)**	**59 (92%)**
2-5 ha	**22 (32%)**	**5 (8%)**
> 5 ha	**2 (3%)**	**–**
Total no. of plots	**69**	**64**

facilitated the extension process and prevented the emergence of barriers to communication between the early adopters and their peers. These observations support Bunch's remark that:

> *'We doubt that [people-centred agricultural development] principles would work with mechanised, highly capitalised farmers, because they would probably not be willing to teach each other:* (1996, p.16).

The role of the elite

A wealth ranking exercise undertaken in the Kabameka area clearly showed a lack of interest in membership of the PO on the part of what might be called 'the village elite'. Such individuals are often among the biggest landowners, with significant off-farm income sources and valuable assets. Not one of the 12 individuals (out of a population of 110) ranked by informants as being in this notional category was a member of a PO, although half had adopted the contour farming technology independently. Such non-participation would seem to be related both to purchasing power and the size of land-holdings. For example, for such wealthy individuals, chemical inputs and hired labour represent relatively minor costs, and there is thus less pressure to seek alternative means of maintaining farm fertility. At the same time, as large landholders, the elite are under less pressure to exploit every cultivable inch of their land.

The non-participation of this category of farmer is in many ways a strength of the programme, in that it demonstrates that, unlike many NGO interventions, this programme has not been subject to elite capture. However, when it comes to the category of farmers at a level just below this land-owning elite the situation is less clear. While the technology has been very extensively diffused through the farm community, the direct benefits offered by the NGO have been much less widely distributed. The latter have been largely concentrated in the hands of a group of 'yeoman farmers' — not the village elite, but a middle-ranking category of successful family farmers who not only have the security to support risk-taking and entrepreneurship, but are freed thereby from the pressure of living from hand to mouth. Such 'yeomen farmers' are certainly well-represented in the office-holding ranks of the PO and its chapters, though one suspects that, at least in certain instances, their modest prosperity has derived in some measure from the benefits provided by the programme. A contentious issue, of which MFI is already well aware, is the extent to which the organisation might itself be serving, unwittingly, to help create an incipient elite out of this category of yeoman farmer. If this were to happen it might, in a worst case scenario, eventually divert the agenda of the PO away from its original target group.

Two considerations are of particular importance here. The first concerns the possibility that it is the honoraria provided by MFI to its farmer employees that underwrites their entrepreneurial spirit and propensity to risk-taking. These are the qualities which MFI wishes to inculcate in the population at large but they may, in the end, be largely restricted to a category of farmers which it has helped to create and sustain. While the honoraria are intended only to compensate farmer-extensionists for actual labour-time foregone, those in receipt of honoraria do tend to have an unmistakable air of well-being which it is hard to dissociate from the fact that they are in receipt of a regular 'salary'.

The second consideration relates to the role of this yeoman group in the decision-making processes at PO level. A number of factors - the sense of 'ownership' which employment with the NGO engenders, exceptional entrepreneurial spirit, the free time to participate which follows from relative wealth, the ability to support the social expenditures associated with such participation, etc. - all encourage the part-time employees to participate actively in the affairs of the PO. While their high level of participation does not necessarily follow from MFI employment in any simplistic sense (not all of the active participants are employees, and several of those that do participate were as active before nomination to their posts, and before their economic situation began to improve, as they have been since), there is nevertheless evidence of an association between employment and participation. What is more, the benefits of the programme do appear to be predominantly shared within a group whose members are well known to each other and who are often, indeed, close relatives. The fact that accession to the ranks of farmer-instructor has been on the basis of a recommendation from the body of existing farmer instructors and farmer 'employees' has, no doubt, served to reinforce the internal cohesion and solidarity of the group (Granert *et al.*, 1989).

MFI recognises the potential problems to which such a concentration of benefits and decision-making powers might ultimately lead. In particular there is the danger that a division of interests will emerge between the extensionists and the broad farming population. However, as an NGO reliant on voluntary spirit, MFI is not necessarily very well placed to counteract the tendency. Indeed, its major preoccupation at the present time is not with the consequences of past incentives, but the disincentive effects of their abandonment.

7 The issue of institutional development

The institutional development approach adopted by World Neighbors and MFI has followed the 'technologically-driven' model - that is, a central focus

on externally generated (though locally adapted) technological innovation as a tangible basis on which to build farmer organisations and create communal solidarity. Technology transfer has thus been the leading edge, with institutional development figuring unequivocally as a contingent process. This approach has its roots in established World Neighbors practice (see, for example, Bunch, 1982, Chapter 15), and is supported by a wider literature on the development of farmer organisations. It is clearly in line with the views of Tendler concerning the need to build farmer organisations around activities which are single-function and task-oriented (1976:pp.7-9).

This strategy has undoubtedly been successful in promoting technological adaptation in the complex environment of the Cebu uplands. It has also been an important first step in the creation of a farmer's movement in the area. It is not, however, without its difficulties when it comes to the transition from relatively highly focused activities with a strong service component, supported by an intermediary GSO with international connections, to the more diffuse and diverse aims of an independent PO without a single technical rationale, and with more tenuous external support. There is a fundamental difference between a PO which functions as a means of transferring skills and ideas of a technical nature, according to rules established and monitored externally, and a PO as a research and learning organisation managing the distribution of unpredictable benefits in a variety of diverse fields.

The present case study does not fit easily into the characteristic models of Philippines social development - community development (CD) or community organisation (CO) - although the conceptual tension that this contrast reflects does figure in the debates within, and between, the GSO and its associated POs. While there are certainly elements within the approach which are characteristic of the CD model (emphasis on leadership development, avoidance of conflict, and the central role of technology transfer), the approach to farmer-to-farmer extension is an innovative element, not reducible to 'top-down' implementation, and, whatever its actual dynamics (to be discussed further below), it is not merely a conduit for the domination of the elite. It is also arguable that the approach from technology transfer to institutional development does accord with some of the main precepts of the CO, not CD, model — that is the movement from 'simple, concrete, short-term and personal issues to more complex, abstract, long-term and systematic issues', and a focus on decision-making by the people through the organising process (Racelis-Hollnsteiner, 1979:pp.408-9). According to the CO model, having secured the new technology, the stage is then set for rural people to defend their claim to their land through popular mobilisation of an implicitly political kind.

In order to investigate these issues further, we need to look more deeply into the history of the Soil and Water Conservation Programme, and to examine some of the forces which have underpinned the evolution of the programme from an expatriate NGO-led initiative through management by a local GSO to the incipient PO take-over.

8 The institutional transitions

On the face of it, the sequence of events which has led from external contact with World Neighbors in 1981 to the incipient PO take-over would seem to follow the classic model of local institutional development. The three transitions identified earlier would thus figure as a natural progression leading to the indigenisation of the programme and the empowerment of, first, the local GSO and later the farm community. This is certainly a valid characterisation of the transitions, which have in many ways provided an exemplary model of local institutional development, in line with what World Neighbors' staff regard as the 'healthy' institutional development route. At the same time, there are elements in the second and third transitions (transfer of management from expatriate to local GSO, and from local GSO to PO) which are not explicable on this model and which require a rather different register of enquiry if they are to be adequately understood.

The rise of MFI has been presented in the literature as a logical outcome of processes already in train in the project zone. Cerna and Miclat-Teves present it thus:

> *"As the project gathered momentum, the need for a more defined organisation was realised in order to:*
> - *provide a legal framework to the organisation with authority to enter into contracts and transactions with other organisations;*
> - *gain access to resources and direct funding, which will broaden the project base;*
> - *develop autonomous decision-making programmes, making possible direct farmer participation (since members of the Board are also the staff there will be more voices in the planning and decision-making processes);*
> - *secure better access to information.*

> *MFI therefore registered as an NGO."*
>
> (Cerna and Miclat-Teves, 1993: 249)

The issue of legal identity is an important one in this environment, as it provides a means through which to widen MFI's access to external donor and national government support. It would, however, be an over-simplification to see the rise of MFI as purely due to the twin pressures of resourcing and local sovereignty. For, in fact, the main pressure to indigenise the programme at the particular moment when this occurred came not from the farmers and fisherfolk involved in it but from the expatriate NGO

which was responsible for starting the process. Local activists, while in principle committed to the creation of an MFI-type indigenous intermediary, were in the event forced to comply with their funder's interests more or less reluctantly, and certainly sooner than they would have liked.

World Neighbors' manifest commitment to the progressive indigenisation of its programme in the interests of sustainability and the incorporation of withdrawal into its planning processes was an important factor here, though by no means the only one. Account must also be taken of the organisation's concerns as to the disproportionate influence in the programme of the two key gatekeepers - the expatriate technician and the pioneer farmer. These people had been critical to the launch of the whole endeavour; as the programme matured World Neighbors became increasingly preoccupied with the level of influence that they wielded. The suggestion is that World Neighbors saw indigenisation of the programme not only as a logical consequence of the overall farmer-to-farmer extension model, but also as a means to counterbalance the power of these individuals. In the event, when MFI took over the expatriate withdrew from the programme altogether, citing excessive interference by World Neighbors. There is evidence here to support Oxby's views concerning the ways in which programme development through 'traditional' organisations serves to increase the power of gatekeepers to the indigenous community — though the point at issue here has more to do with access than 'traditionalism' as such (Oxby, 1980: p.4).

When we turn to the third transition - from indigenous NGO to local PO - the situation is also rather more complex than might initially appear. It is necessary first of all to probe further into the relationship between the support agency (MFI) and the PO and its chapters. MFI's self-conception, as noted above, has always been as a 'broad federation of farmers and fisherfolk', and a number of key individuals in the organisation do have farming interests. At the same time, MFI has never been a farmers' association in the sense of being an alliance of full-time peasant farmers. Its main leadership has always had a more middle-class identity; the full-time employees of MFI are all (with the exception only of the three farmer extensionists) university or college educated, on managerial career paths, and recruited outside of the immediate programme area. These differences of interest and identity are reflected in the history of the GSO's main decision-making forum, the Board of Trustees.

From its birth in 1988 until 1993, the Board of Trustees of MFI was dominated by the staff of the organisation itself. While perceptions of this period may vary, there is a view that staff domination of the Board led to a focus on service delivery at the expense of capacity building, and to excessive preoccupation with levels of remuneration. Concern about the management of the agency led to a reorganisation of the Board in 1993; six out of nine of its members are now non-staff members.

Differences of interest between the GSO and the POs must also be taken into account when considering the timing of the third transition. The need to develop farmer organisations has figured in Programme reporting from the outset; the expatriate programme adviser had long called for the formation of POs, and the need to develop local capacity was also a clear conclusion of the 1984-85 evaluation. Yet it was not until 1990 that the first POs were formed and, even today, the process of PO take-over is only just starting to get off the ground. It has to be asked, therefore, why was this process so delayed?

There are doubtless many influences here, not least the high opportunity costs to the community — notably its poorer members - of participation in soil and water conservation activities, especially at the less immediately productive end (ie. institutional development). Equally, participation in community associations lying outside the structures of government was not popular with the broad mass of small farmers in the later years of the Marcos regime, in part at least because of the danger of appearing to support the insurgency. This would help explain the inability of the World Neighbors staff to interest farmers in PO formation in the early years of programme development. However, when it comes to more recent events, one needs also take account of the conflicts of interest that exist between the GSO and the PO in relation to revenue generation and programme control.

Several factors have contributed to the current pressure to push forward the process of PO growth and development, one of which has certainly been a weakening of MFI influence over the farmer community, which is itself a result of various decisions, most notably the abandonment of honoraria to the Farmer Instructors in 1994. This decision demonstrated a clear recognition that, with the technology transfer and farm stabilisation programmes having reached more or less the limits of their capacity in the project zones, continuing expenditure on honoraria to farmer instructors, as compensation for work undertaken in the diffusion process, was becoming difficult to justify.[16] Since 1994, FI time given up to farm instruction has still been compensated, though on a purely one-off basis, and only as part of specifically budgeted and funded training courses with an external orientation.

Without this very tangible justification for its own control over the programme, MFI's relationship with the local community is rather drawn into question. Other programmes have been developed, and these offer some compensation (honoraria continue, for

example, to be paid in the health programme), but the central pillar of the relationship between GSO and POs — the programme — has definitely been weakened. This is of concern to MFI, for its own income still rests in very great measure on its claims to expertise in soil and water conservation and on its position as an intermediary between outside agencies and the innovating farm communities. There is a tension between MFFs interest in farmer association development and its need — in the interests of its own survival - to retain control over access to the farm community. This tension is most clearly evidenced in the sensitive issue of the future ownership and management of MFI's main training centre, built on land owned by the wife of the pioneer farmer at the Guba site. Though several possibilities have been mooted for its future management (including handover to the three POs active in the Guba area, or transfer to the collective of former FIs), no decision has yet been taken and the site remains under MFI control.

The payment of farmer honoraria raises a number of interesting managerial issues. With the benefit of hindsight, it is arguable that the issue of farmer incentives would have been better and more sustainably handled had such incentives been organically built into the programme. The most obvious way to have done this would have been to charge farmers for the advice they were given on SWC issues. This would, however, have been managerially demanding of the agency; not only would it need to have developed a detailed understanding of the level of income benefits provided by the improvements in technology (such knowledge is entirely lacking in this programme),[17] but it would also have had to develop a mechanism either for anticipating those benefits, or for deferring payment until they had materialised. Alternatively, a less direct method of cover might have been used — for example, payment of individual monthly dues at an appropriate level or a communal income-generating scheme to channel money from other profit-making activities such as a supply or marketing cooperative. Again, these options would not have been without their managerial difficulties.

The tendency for programme benefits to gravitate towards a clique of 'yeoman farmers', is perhaps not unexpected, thought it may yet pose threats to institutional sustainability in the longer term. The danger is that the increasing prosperity of this group will eventually come to estrange it from the population at large. One barometer of this would be the acquisition by its members of significant class-enhancing assets such as land. But there must also be concerns regarding the wider issue of the confidence of ordinary members in their leadership, particularly where, as is sometimes presently the case, that leadership participates actively in local politics in association with the local land-owning elite. Where such ambitions cause a divergence from the 'commonality of interests' (Carroll, p. 102) between the leadership and the mass then the scene is clearly set, in Racelis' terms, for GO to give way to CD and for the leadership to become alienated from the membership (1979:p.4O6).

In the present case, such a tendency is not yet pronounced. In terms of landholdings, the leadership has a long way to go before its situation begins to diverge substantially from the membership. Programme benefits to date have generally not been of a type which could be monopolised; division of the largest PO into operational sub-sections — 'chapters' — has also helped to keep the leadership in contact with the grass-roots (cf. Borlagdan, 1990:p.271).

9 The 'way forward

The third transition, in which management of the programme passes from the GSO to the PO, is as yet relatively little advanced. Exactly what is to be transferred is unclear. The programme has largely run its course. While it was undoubtedly very successful in two of the three sites, it must be considered to offer only limited potential for future development, and this chiefly through further training work. MFI has attempted to diversify the local programme into new areas of activity beyond soil and water management. The health programme, which receives substantial funding from the Ford Foundation, is pioneering an approach which seeks to move from an issue-based to a more communitarian orientation. Opinions differ as to the success of this programme, the tone of which is, in certain respects, quite unlike that of farmer-to-farmer extension. MFI is keen to extend the programme to other islands and localities, though in order to be successful it will need to develop its skills in site appraisal, particularly in the more climatically exposed and lower population density islands such as Leyte, where the appropriateness of labour-intensive SWC technologies is by no means guaranteed.

All in all, one senses something of a lack of direction in the programme at the present time, with regard to both the NGO and the POs. Part of the problem relates to the difficulties in reorientation from a technologically-driven project to one which embraces other activities with more diverse and less concrete aims. This is not necessarily just a question of the attitudes and skills developed within the POs and the support agency; it may well be that the donors and beneficiaries have also become conditioned by the technology transfer process to expect outcomes which are unrealistic in the emerging context. In this sense the programme may well be a victim of its own success.

Brokerage roles

The success of the programme may also be problematic in other ways. It may be the case, for

example, that this very success has distorted the process of local institutional development by inflating the importance of the POs, and giving them a status which they would not have were it not for their association with the intermediary NGO. In relation to the programme of technology transfer, institutional development has been most evident at the level of *alayon* (the immediate labour-sharing group, with up to eight members) rather than at the level of the PO or its constituent chapters. Even then, it has been fairly transitory. To date, the functions of the POs have been bound up most clearly, not with the transfer of technology, but with the management of the interface between the agency (MFI) and the farm community. This is essentially a brokerage function, albeit one that has tended to be seen as an element of strengthening of capacity. While one would not wish to diminish the importance or potential value of the POs as farmer organisations, it is impossible to divorce their development from the widespread donor interest in NGOs and community associations (particularly those active in environmental management), or from the international renown of MFI and its image as a local GSO able to deliver access to farmer-led extension in the area of agroforestry. Though it would be going too far to see the POs only as a conduit for MFI and its external partners, this is certainly one element of the present situation.

There is thus a distinct possibility that the withdrawal of MFI will remove from the POs one of the primary grounds for their own existence. The paradox is that while the growth of the POs is seen as a means for local institutional development and indigenisation, this process itself can be related to the GSO's need to have a farmer-level intermediary structure to replace its now-abandoned tier of paid FIs. But this structure derives much (though not necessarily all) of its relevance from the continued presence of the GSO. It is not clear that the POs will be able to adapt to new functions, once MFI withdraws, nor that donors will be willing to support POs at the same sort of financial levels that were accepted for MFI while the POs attempt to make the transition to new and as yet uncertain roles.

The potential for self-financing is certainly limited in the small-farmer context, and one must question the extent to which the POs can present themselves as offering real community benefits which would encourage members to contribute financially, beyond their liaison role. Even should the donors find a need to sustain these liaison functions following the withdrawal of MFI, then it is doubtful whether they would be prepared to adequately cover the costs involved. What was accepted as 'support for institutional development' when channelled through the GSO is likely to be seen as a 'subsidy' and a 'route to dependency' when channelled to the POs themselves, (despite the high opportunity costs to small farmers of performing such liaison work). For POs to continue to play this role does also, of course, beg the question of their capacity to undertake the brokerage work alone and to span the local and the international spheres.

Nevertheless, the present hiatus in programme development might be only a temporary phenomenon, marking a period in which the programme makes a definitive break with a successful, but now effectively completed, technology transfer project and develops other fields of activity. A number of areas have potential both for MFI and for the POs. The first of these relates to the enabling role of government. While the public view of government in the Philippines is generally sceptical, this is a context where considerable and enlightened legislation already does exist, at the level of statute if not necessarily practical reality (and often very imperfectly applied). Such a context does provide opportunities for well-placed and politically secure, support agencies to develop advocacy and brokerage roles. At the policy level, the implications of the local government code of 1991 (which set in train a process of administrative decentralisation to municipality level, commencing with the Department of Agriculture, but eventually to include a wide range of government services) are that managerial capacity should be continuously developed within local communities. Similarly, the new funding opportunities which now exist through state agencies, such the Department of Trade and Industry, are likely to encourage further PO development in that they are prejudiced towards interaction with large, federated people's organisations. The need to develop the critical mass to access grants at this level may well provide the driving force for both PO development and PO federation in the coming years.

MFI is aware of its broader institutional development functions and has done well to encourage a more independent stance among its POs, and to push them to search for independent funding (even, at times, against its own better interests). There is a commendable willingness on the part of this NGO to view institutional development in a context wider than its own promotion, to diversify the funding base of its member POs, and to avoid excessive dependency on its own agency. However, while seeking to increase the capacity for independent action on the part of the POs, MFI does not see itself as abandoning the communities entirely to their fate, and expects some level of future association, albeit one that is not yet well-defined.

There are also encouraging signs in other areas; one of the three POs, for example, now runs a successful retail cooperative store. Rural credit and finance may well be a field with considerable potential for both MFI and the POs. The fact that traditional loyalties of tenant farmers to landlords do often tend to be respected, even in the present policy context and

despite widespread public hostility to landlordism, underlines the importance of patron-client relationships in providing a safety-net in this climatically and economically uncertain environment (cf. Borlagdan, 1990:pp.272-3). It also gives food for thought to NGOs that wish to challenge the existing patterns of resource ownership in the rural areas.[18] Substituting for existing patronage functions might well be a necessary precursor of any move to guarantee the land claims of tenant farmers by legislative means. MFI would be well-placed to manage a credit programme in association with the POs, for such activities would build on the strengths of its extension work (i.e. good local intelligence and high public legitimacy).

With more secure access to credit, PO members would then be in a strong position to influence produce marketing. The present system of marketing is unformalised, small in scale and largely dependent on trust. Though reputed to be effective and reliable it is, from the seller's point of view, hardly lucrative. Most of the value added occurs in the process of marketing over which the small farmers, risk-averse and lacking feasible alternatives, have no powers of control. A combination of proven capacity in retail trade and tight financial management might thus develop the skills and linkages needed to promote cooperative marketing and thereby offer the producers substantially improved returns.

There are, in addition, a number of threats which hang over the rural communities in areas close to the centres of Cebu's industrial development, such as Guba and Argao. Where this is the case successful action in support of community interests is likely to call for a high degree of collective solidarity and a capacity for coordinated response beyond the local area. One obvious example of this is the threat posed at the Guba site by a proposal for golf-course development. However, there are other areas where, by the very nature of the issue, capacity for collective action at supra-local level would be a prerequisite. These would include such activities as: coordination of farm practices in the management of critical watersheds; support for populations threatened with displacement by dam construction for public water supply development; and other areas of environmental management in the peri-urban zone.

This is, then, a potentially radicalising situation. Collective action in such circumstances might well provide the impetus that the POs need to move from a primarily technological focus to more demanding social and political aims. Federation of the three POs - at present only a vague ambition of groups which are themselves not yet fully institutionalised - could then be forged by horizontal consolidation around those limited functions where members' interests both coincide and demand a unified, supra-local response. Thus, what seem at the present time to be limitations of a rather narrow technological approach might develop into the productive foundation of a broad communitarian movement, as well as a source of strategic advantage in the environmental debates which dominate the policy scene in the Philippines.

Managing such political concerns would also suggest an important continuing role for powerful NGOs with strong central linkages, rather than a full transfer of control to peoples' organisations which may lack the political connections and resilience needed to face the external threats alone. Whether this would imply a major role for the Mag'uugmad Foundation is, however, a rather different matter, for the skills which this organisation has honed to perfection in areas such as field-based training and extension are not necessarily those which would be at a premium for networking and political action at regional, national and international levels. At the end of the day, the Mag'uugmad Foundation might do well to play to its unique strengths in farmer-based extension, perhaps supported by community-based credit and marketing, and to see its role in advocacy as essentially that of local witness and information broker, freed from the constraints of the more externally-oriented and media-dependent activities that national and international brokerage would entail.

10 Conclusion

The evidence of this case study is thus of a process of institutional change in which a complex of disparate and sometimes opposing forces (elements of conscious strategy, conflicting interests, external influences and fortuitous events) come together to lead a local NGO and its associated farmer groups towards new technological and organisational possibilities. Understanding these forces raises issues of conflict as well as consensus, and requires critical analysis of the GSO/MSO relationship.

That the process of institutional development has not progressed further in the present case is testimony not only to the high costs (to both agency and farmers) of organisational change, but also to the fact that, as in any similar process, change is only likely to occur where incentives exist to encourage it (Van Reenen and Waisfisz, 1988:p.46). Put differently, while MFI demonstrates admirable commitment to the principle of institutional development, significant disincentives occur within existing funding arrangements (involving MFI and a number of donor agencies) to dissuade it from total commitment to the cause. These disincentives derive from one of the central contradictions in GSO-supported farmer-to-farmer extension programmes: such a system is decentralised in terms of the movement of information within the farm community, yet resource flows are to a large extent - often of necessity - controlled by, and channelled through, a central agency. It is a

contradiction with no ready resolution. In all probability the PO lacks the managerial capacity to handle the programme alone; handing over management to former and present farm-based staff might well be seen by the rank-and-file membership as unacceptable and the status quo may, in the long-term, prove unsustainable.

Beyond the level of the agency, two sets of conclusions can be drawn. As regards donor relationships, consideration needs to be given to the ways in which donors can support the processes of institutional development by seeking to harmonise funding arrangements with structures of management control. This needs to be done in a way which encourages local support agencies to diversify their activities and partnerships so as to minimise their dependence and maximise their capacity for service to the community at large. But it needs also to be recognised that the process of institutional development in the broader of the two senses considered at the beginning of this network paper (ie. in terms of public choice and the performance of civil society) cannot be the responsibility of a single agency (whether local or expatriate GSOs or local MSOs), and it should not proceed on the assumption that it can (cf. Fujisaka, 1986:p.85). Creation of pressure to performance (whether through inculcation of competition or through other means) would require a change in the overall atmosphere in which NGOs work, as well as a reorientation of the donor community towards a more strategic and coordinated view. While creation of a more pressured environment might not be greeted with great enthusiasm by those GSOs which have prospered in the protective and nurturing funding climate of the last decade, this could be compensated for by greater donor awareness of the investment costs which have been borne by both GSOs and MSOs in supporting the growth of the sector and the spread of information within it.

A second set of conclusions relates to the debate on single vs. multi-purpose organisations. Some support is provided by the present case study for Tendler's 'minimalist' strategy of institutional growth, involving the development of organisations which are single-function and task-oriented. Uphoff and Esman's (1974) linkage of successful performance to the development of multi-level organisations with multiple channels of communication and multiple functions and tasks is certainly endorsed by the present authors as a desired end-state (indeed, this image is more or less implicit in the notion of 'institutional development'). However, such an end-state is still a good way off in a programme which continues to depend on the promotion of a restricted range of technologies.

The relationship between transfer of technology and institutional development is a controversial one. While the leading role played by technology transfer has clearly not been without its strains and limitations in the present instance, it is arguable that a social action approach would not have provided a qualitatively superior base on which to build local solidarity. In the highly politicised arena of Cebu, it would seem unlikely that social action could have been promoted on terms which the local community •would have been able effectively to control. The farmer-to-farmer extension approach has ensured that several of the central features of successful organisational design which were earlier described — for example, local 'ownership' and the inculcation of problem-solving capacity - have been an integral part of programme development.

While this instance would certainly endorse the principle of farmer-led extension, it needs to be recognised that it is perhaps atypical, to the extent that, through good fortune or otherwise, the programme identified a set of technologies very early on which proved ideally suited to the local social and physical environment. Thus farmer involvement was confined largely to popular mobilisation and site-specific adaptations of a rather limited kind *{per* Castillo, 1992). It might be wondered whether farmer-to-farmer extension would have been so successful were no such technology to have been identified, and were the programme to have been dependent on the ability of small, risk-averse farmers not just to adapt, but first to generate, the appropriate technologies. It is notable that progress in this direction has been very slow over the last eight years, despite a recognised need to diversify out of soil and water conservation. There are a number of additional factors to be taken into account, for example the favourable political context in the post-Marcos years (one consequence of which has been the inculcation of the kind of optimistic atmosphere which is likely to be an essential precondition for small-farmer investments in agroforestry), as well as the not unrelated issue of the willingness of a number of key donors to invest heavily and over lengthy periods in institutional development, despite its high transaction costs.

A technology-driven process using farmer-to-farmef extension is therefore neither a universal possibility nor a guaranteed mechanism for institutional development. Nevertheless, in the present instance - and this may be a crucial consideration, given the nature of the threats which the small farmers of Cebu are soon likely to have to face — farmer-led technology development does have the priceless value of creating a set of benefits which are both tangible and socially constructed within everyone's memory, by the labour of the community. In short, it provides a constant reminder, to locals and outsiders alike, that here is a community with interests to defend.

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Endnotes

1. The terms 'GSO' (grassroots support organisation) and 'MSO' (membership support organisation) are used in this article in the senses implied by Carroll, 1992:p.9.
2. The study is based on field research using rapid appraisal methods. Research was undertaken in a rural area in Eastern Cebu (one of three main MFI sites) during a twelve-day period in 1995. Interviews with NGO headquarters staff, their governmental partners and other key informants in Cebu City were undertaken during a short follow-up visit in 1996. Only summary research findings are presented here; further details are provided in Brown and Korte (1996).
3. This was renamed as the Cebu Soil and Water Conservation and Agroforestry Programme (CSWCAP) in 1988.
4. 'Mag'uugmad' is an ambiguous Cebuano word implying both 'tiller' and 'advocate for change'.
5. The *barangay* is the lowest unit of local government within the Philippines system. Each *barangay* is likely to comprise a number of communities, or *citios,* and is headed by a salaried *'barangay* captain'.
6. Two family and reproductive health projects, targeted primarily at women, have been set up. This is in part at least to redress the perceived male bias in the extension work. The health programme pioneered the use of the Community Information and Planning System (CIPS) methodology to facilitate a needs-based approach to project identification and management.
7. SWC might be seen as a variant of 'SALT' (sloping agricultural land technologies), although this designation would not be universally accepted in the Philippines. For some practitioners, the term 'SALT' should be restricted to agroforestry technologies developed for the moderate slopes of humid tropical areas such as Mindanao, while SWC refers to the technologies applied to the often more severe slopes of the dryer areas such as Cebu.
8. For a discussion of the agro-ecological conditions under which alley farming is likely to succeed, see Carter (1995).
9. Field data to support the conclusions summarised

in this section is given in Brown and Korte (1996).

10. Livestock are often an important component of the agroforestry systems in Cebu, in that they shorten the payback period and tide farmers over what, from the point of view of on-farm tree planting, is likely to be a lengthy investment phase.
11. The climate of Cebu lacks the seasonality necessary to induce natural mango flowering. In former times, flowering was induced by a process called 'smudging' which relied on smoke production from burning wood. Wood burning was also used to keep down insect pests. Nowadays, wood is too rare a commodity to be burnt for these purposes, and thus farmers are forced to use nitrate solution and imported chemical sprays to, respectively, induce flowering and control insect pests.
12. It would not appear that the proximity of urban markets, and wage labour opportunities has resulted in substitution of externally produced goods for these off-farm products, as has sometimes happened in, for example, India (see Hobley and Shah (1996)).
13. Site managers and coordinators receive rather more, though their employment is full-time. The incentive level is reckoned to be twice the daily wage. For comparative purposes, the poverty threshold is currently $80/month in Region VIII. The 1994 CIPS survey conducted by MFI and its partners in the Cambinocot area records an average declared household income per month of $246.
14. For example in Lintuang chapter, the number of adopters went from one in 1988 to 32 in 1990 and 40 in 1991. In Catives, the first adopter was in 1985; by 1986 there were 20, and by 1995, 79.
15. The Department of Agrarian Reform (DAR) is presently mandated to investigate any holdings of A&D land on Cebu of more than 5 ha, regardless of the crop coverage (previously only rice and maize fields fell within the DAR brief). Public forest lands should theoretically not be settled (except under stewardship agreements) and are thus excluded from the Agrarian Reform legislation, though in reality, many areas of public forests are under *de facto* private ownership, and may well be given out in tenancies. The Agrarian Reform legislation is to be reviewed in 1998, and there is some uncertainty as to what will happen after this.
16. MFI staff speak of a 'lack of movement' in the programme, with a dearth of new adopters and the same individuals always turning up for meetings and farm work.
17. By contrast, the Baptist Rural Life Center in Mindanao, the lead agency in the development of SALT, does provide precise figures for the economic returns to a variety of SWC technologies. It has recorded returns of upwards of US$60 per month on an initial investment of $325 (provided unpaid family labour is used, and discounting seed costs), over a 20-month period (Tacio, 1991). These figures may be relevant in Cebu, though it should be remembered that Mindanao soils are unusually fertile. At the same time, the Mindanao results may underestimate the additional benefits enjoyed on Cebu, primarily from the integration of livestock into the cropping cycle. These may partially compensate for the lower soil quality (Granert, 1996, *pers. comm).*
18. In the 1994 CIPS survey conducted by MFI with residents of Cambinocot, declared sources of personal loans were identified as: neighbours (53%); parents/brothers (40%); usurers (27%); and 'middle persons' (3%). No bank loans were recorded, although there are numerous banks in Cebu City.

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