

BREAKING THEIR SILENCE

Report of the
FOURTH ASIAN DEVELOPMENT FORUM

*“Transforming Institutions
for the Empowerment
of Asian Grassroots Communities”*

20-24 February 1995
Kuala Lumpur, Malaysia



BREAKING THEIR SILENCE

Report of the

FOURTH ASIAN DEVELOPMENT FORUM

*“Transforming Institutions
for the Empowerment of Asian Grassroots Communities”*

20-24 February 1995
Kuala Lumpur, Malaysia



ANGOC

Asian NGO Coalition
for Agrarian Reform and Rural Development

TABLE OF CONTENTS

FOREWORD

<i>Antonio B. Quizon and Fr. Antonio J. Ledesma, S.J.</i>	
<i>Asian NGO Coalition (ANGOC)</i>	1

MESSAGE

<i>Makoto Imada</i>	
<i>Sasakawa Peace Foundation (SPF)</i>	3

INTRODUCTION	5
--------------------	---

KUALA LUMPUR DECLARATION	7
--------------------------------	---

KEYNOTE

<i>Anwar Fazal</i>	9
--------------------------	---

SUMMARY	14
---------------	----

REGIONAL PAPERS

Keeping the World Bank at Bay	
<i>Medha Patkar</i>	28

The Asian Development Bank Campaign	
<i>Antonio B. Quizon and Violeta Perez-Corral</i>	35

GATT and Asian Grassroots Communities	
<i>Dr. Walden Bello</i>	66

COUNTRY REPORTS

Bangladesh	
<i>Dr. Atiur Rahman in behalf of the Association of Development Agencies in Bangladesh (ADAB)</i>	78

India	
<i>Association of Voluntary Agencies in Rural Development (AVARD)</i>	84

Indonesia	
<i>Wahana Lingkungan Hidup Indonesia (WALHI)</i>	91

Malaysia	
<i>Management Institute for Social Change (MINSOC)</i>	98

Nepal	
<i>Dr. Rishi Adhikari in behalf of NGO Federation of Nepal (NFN)</i>	104

Pakistan	
<i>Rural Development Foundation of Pakistan (RDF)</i>	109

Philippines	
<i>Joel Mangahas in behalf of the Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRRA)</i>	117

Sri Lanka	
<i>National NGO Council of Sri Lanka (NNGOC)</i>	129

Thailand	
<i>NGO Coordinating Committee on Development (NGO-COD)</i>	134

LIST OF PARTICIPANTS	140
----------------------------	-----

PHOTO ACKNOWLEDGMENTS

Pages

- 50 - *Hseng Nounng Lintner*
- 85 - *APWLD*
- 99 - *Nico Sepe/APWLD*
- 139 - *Jimmy A. Domingo/REAPS*

FOREWORD

Globalization and democratization are two countervailing processes that run through Asian societies today.

On one hand, globalization connotes increasing external control by international financial institutions such as the World Bank (WB) and the Asian Development Bank (ADB) over the economies of poor nations. Under the New Order influenced by the General Agreements on Tariff and Trade (GATT) and World Trade Organization (WTO), trade barriers are torn down to allow faster movement of goods and finance capital — but not labor — across national boundaries and into local communities.

Globalization ultimately focuses on a growth-centered model that looks at development as a function of economic progress. And we all seem caught in this treadmill of growth: stop, and we perish. Undoubtedly, this “development of the fittest” leaves behind countless

millions at the margins of society as the gap widens between the rich and poor.

In contrast, democratization implies empowering grassroots communities towards meaningful change. It means awakening the people’s sense of dignity and self-confidence so that they can stand bold and brave without losing their cultural identity. Ultimately, it demands greater transparency and accountability — as exemplified in the local communities’ opposition against mega-project disasters like the Narmada Dam in India.

These were the broad processes discussed in the Fourth Asian Development Forum under the theme “Transforming Institutions for the Empowerment of Asian Grassroots

Democratization

*means awakening
the people’s sense of dignity
and self-confidence so that
they can stand bold
and brave without losing
their cultural identity.*

Communities." The debate continues even as the spectre of mass poverty and displacement persist to blight many Asian societies.

In this light, the *Kuala Lumpur Declaration*, issued by the forum participants, becomes a summary cry of protest and a call to action. It invites all NGOs and concerned institutions to join hands in charting an alternative agenda for development of the Asian region today.

We wish to sincerely thank all the speakers, presentors and participants of the Fourth Asian Development Forum. Through their efforts, they may all be considered as co-authors of this publication. The Forum was indeed honored to have as speakers three "social activists" known for their enormous contributions to the global debate on institutions: Medha Patkar, Walden Bello and Anwar Fazal.

We acknowledge the Management Institute for Social Change (MINSOC) for hosting the conference. We thank especially the ADF Country Focal Points for months of preparatory work, their unfailing commitment and constant coordination work.

We acknowledge the assistance of the Sasakawa Peace Foundation for making the conference and this publication possible. We express our gratitude in particular to Makoto Imada, Koshiro Takada, Yoshiko Wakayama and Shoko Yamada for their presence at the conference.

Finally, we wish to thank the following: Dave Ingles, Nathaniel Don Marquez, Ma. Teresa Lingan-Debuque, Rosemarie Francisco, Roberto Añonuevo, Conrad Tolentino, Maricel Almojuela, Lalaine Angeles, Marivic Mandalihan, Florida Alma Briones, Antonina Ducusin, Mira Alexis Ofreneo and Teresito Elumba — for their assistance in summarizing the many papers and insights for this publication.

FR. ANTONIO J. LEDESMA, S.J.
Chairperson, ANGOC

ANTONIO B. QUIZON
Executive Director, ANGOC

MESSAGE

The first in this series of the Asian Development Forum was held in February 1992, a year pregnant with hope for peace and prosperity in the wake of the Cold War's cessation. Contrary to expectations, however, a volley of small, hot wars has broken out in many areas of the world, demonstrating that neither the nation states nor international agencies, such as the United Nations, were capable of quelling the sparks, let alone the flames, of such regional conflicts.

This has necessitated the establishment of a New World Order, or, in other words, a shift to a more cohesive, equitable global paradigm that can provide an effective matrix for sustainable development. NGOs, I am certain, will be instrumental players in this process of building a new world at the threshold of the 21st century.

In June 1992, shortly after the first forum, NGO representatives from around the world gathered in Rio de Janeiro on the occasion of the Earth Summit to discuss issues related to the global environment and an agenda for addressing them. This event elevated the role of NGOs in the eyes of policymakers and the attentive public alike as organizations capable of making significant contributions to the prevention and solution of transnational issues.

“In recent years economic development models advocated by international agencies have become the cause of considerable environmental degradation.”

There is, in fact, a close linkage between global problems and local development issues which are being addressed as the ADF's main theme. It has become clear in recent years that the economic development models advocated by international agencies have become the cause of considerable environmental degradation. While these models may have contributed to macro-level economic growth, they have largely failed to enhance the quality of life, or the common good, of the people in the targeted countries.

Recognizing these past shortcomings, international agencies are now placing greater value on participatory development and on the highly functional role that NGOs can play not only in local development policymaking but global environment policymaking as well.

Given these unfolding circumstances, it was both topically appropriate as well as timely that the Fourth Asian Development Forum was held on the theme "Transforming Institutions for the Empowerment of Asian Grassroots Communities." This Fourth ADF, held in February 1995 in Kuala Lumpur, Malaysia, was attended by more than 50 people from nine Asian countries. An enthusiastic and highly constructive discussion evolved around the presentation of country

case studies, which are compiled in these proceedings.

Special speeches and presentations by Dr. Walden Bello of the University of the Philippines, Ms. Medha Patkar of Narmada Bachao Andolan, and Mr. Anwar Fazal of the United Nations Development Programme were very informative and shed important light on the development challenges facing today's Asian nations.

Finally, we at the Sasakawa Peace Foundation (SPF) would like to express our deepest appreciation to Fr. Antonio Ledesma, S.J. and Mr. Antonio Quizon, to the staffs of ANGOC and MINSOC, and to all the participants whose contributions crowned the Fourth ADF with success.

MAKOTO IMADA
Program Director
SPF

INTRODUCTION

People are sovereign over institutions. Institutions are responsible and accountable to the people on whose behalf they exercise public power.

After the Second World War, many new independent countries grappled with the task of pursuing nationhood. People of the South anchored their model of national development on the government institutions of modern States. There was a prevalent belief that the bureaucracy was an ally of the poor and the weak. The people saw the State as a way out of poverty and an instrument for liberation and social change.

In 1944, in the remote village of Bretton Woods, New Hampshire, USA, the winning allied nations led by the US and Britain created the "twin sister" institutions of the World Bank (WB) and the International Monetary Fund (IMF) as a response to the devastation caused by the Second World War. The WB and the IMF were mandated to be the primary global ministers of post-war reconstruction and development.

The WB agencies, together with some regional development banks, comprised the multilateral development bank (MDB) system. Later, other international institutions were created, this time to promote trade among countries. This vision came to life with the creation of the International Trade Organization (ITO) and the General Agreement on Tariffs and Trade (GATT).

With the end of the Cold War, MDBs have grown to become perhaps the most potent inter-governmental institutions influencing Third World development. Armed with initial capitalization from member-government contributions and co-financing from bilateral sources and private commercial banks, MDBs play a dominant role in shaping the directions of public spending and borrowing, which often require developing

member countries (DMCs) to modify their domestic policies and priorities.

In allegiance to these international institutions, national governments have helped isolate communities by increasing state power but at the same time decreasing people's participation. The national interest came to be equated with the interests of the state and its ruling forces. The goal of nation-building circled on economic development which emphasized growth rates without concern for the people's welfare.

Fifty years after the founding of the IMF and the WB, the tandem has gained much notoriety for their role in promoting and financing development that has been proven to be inequitable, unsustainable, and implemented sans participatory and democratic processes.

Roughly 17 percent, or US \$278 billion, of the total debt burden of developing countries now amounting to US \$ 1.7 trillion is owed to the WB and IMF.

Structural adjustment programs (SAPs) adopted by international financial institutions and fed to loan-hungry governments have increased poverty among the rural populace, affected women's traditional capacities, further eroded the natural resource base, added to food insecurity, and led to the loss of indigenous cultures and identities.

Through the SAPs, multilateral financial institutions (MFIs) have been able to exert greater intervention over governance processes of low-income borrower countries, reshaping the national economies and administrative processes to conform to the MFIs' economic and political ideology. This development widened the gap between the rich and the poor, preserving the dualistic economy and way of ruling of their former colonial masters.

MFIs are themselves public institutions, created by governments through public funds. Yet, the reality is over the years, MFIs have begun taking a life of their own, with little or no system of public accountability. Ironically, by their very statutes ratified by member-governments, MFIs enjoy immunity from all suits and legal damages, and are not covered by any international or

domestic court. These MFIs cannot be held accountable for the impact or consequences of their projects and lending operations. Public interest groups have thus begun clamoring for concrete measures to make them more fully accountable for their actions.

Given the amount of influence MFIs wield, it has become important for non-governmental organizations (NGOs) to influence their lending policies and institutional frameworks.

Some NGOs directly challenge the MFIs' growth-oriented paradigm and are pushing for institutional and policy reforms within these institutions. Monitoring systems and protest actions are being launched worldwide to attract attention to failed projects and to change destructive policies. On the other hand, many NGOs have taken on the development challenge themselves. Large-scale service programs are being implemented to increase the quality of life of the poor and develop self-reliant communities.

In the Fourth Asian Development Forum, Asian NGOs gathered together to examine the present roles and powers of these governments and international financial institutions, review their impact on the lives of people, and assess people's action towards making them more accountable to civil society. In reforming governmental organizations and international financial institutions, Asian NGOs are working towards empowering poor communities in the region and the people of the world as a whole. For after all, it is the poor communities who suffer from the consequences of unresponsive and inappropriate policy.

*Multilateral
institutions are
public
institutions,
created through
public funds...
yet, they have
taken a life of
their own with no
system .*

KUALA LUMPUR

DECLARATION

We, participants in this Fourth Asian Development Forum, representing non-governmental organizations from nine countries of Bangladesh, India, Indonesia, Malaysia, Nepal, Pakistan, Philippines, Sri Lanka, and Thailand, adopt this Declaration:

1. We are deeply concerned over the injustice of widespread poverty and continued denial of basic needs and human rights to many of our fellow Asians, which tends to be aggravated by a process of globalization and increasing control by international and transnational institutions of the world's economic system.
2. We recognize that the present growth-centered development model pursued by the industrialized North and propagated by our ruling elites is ecologically unsustainable and socially exploitative of our region.
3. We further recognize that the present development paradigm promoted a culture of consumerism and materialism that erodes the rich and diverse spiritual-cultural values of our societies.
4. We are disturbed over the continuous armament build-up to the detriment of economic and social development, while noting the rapid growth of many economies of the region.
5. We note, however, that a variety of people's struggles for survival and change in many countries have

generated greater awareness and deeper insights in evolving an alternative paradigm for the region.

6. We note further, with optimism, that many countries of the region are entering into a new phase of political decentralization and democratization that allows local communities more participation in decision-making and recourse to non-violent means in resolving conflicts.

It is in this light that we in the Asian NGO community resolve to work towards building up a new order that:

- a) restores and enhances the freedom and self-governance of grassroots communities and places them at the center of development;
- b) ensures to communities adequate control and rights over their natural resources and a due share in economic opportunities, respecting their indigenous knowledge systems and harmonious relationship with the environment;
- c) recognizes their autonomy to design and realize their own people-centered sustainable development with gender equity and human dignity; and
- d) enables them to achieve self-reliance and self-sufficiency in their basic needs, live in peace and harmony, and meet all challenges of the State and market forces at the local, national, regional and global levels which impede their empowerment.

*signed by the participants
of the Fourth Asian Development Forum
24 February 1995, Kuala Lumpur, Malaysia*

KEYNOTE

Anwar Fazal

I would call the title of my speech as the ABC of Change. Why? Because the fundamental struggle that we are all in is a struggle for transformation or change. I use "ABC" to remind us of three very important things: "A" stands for Anger; "B" stands for Bravery, Boldness; and "C" for Capacity-building, Competence.

Any transformational struggle has to be built on feelings, and on the fact that we have in the world today a terrible unacceptable situation. We have a right to be angry. The kind of changes needed require very bold and brave action. But none of these are going to happen if we do not have competence and we ourselves do not know how to make this change.

If we don't remember these things in many of our meetings, we will suffer from two syndromes. One is the "paralysis by analysis" syndrome, where issues are just analyzed and you go from analysis to analysis. Second is the "NATO" syndrome, which means "no action, talk only". My hope in this keynote address is to get you interested in doing things.

The first point I wanted to make is that society can be likened to a fish that rots from head to tail. And the real crisis is a crisis of political will of politicians and institutions that are leading the world.

The second point is that people create institutions but are not careful when these institutions start shaping them. We often allow this kind of phenomenon to run the world. Unless we are conscious of this, we will fail to develop as human beings.

Anwar Fazal served twice as President of the International Organization of Consumers Union; and was the first Asian to hold the position. He chaired the Environmental Liason Center International in Nairobi and is currently coordinator of the United Nations Development Program's Asia-Pacific 2000. He received several awards including the Right Livelihood Award (also known as the alternate Nobel Prize) and the United Nations Environmental Program Globe 500 honor.

We need to look at two very simple things. One, the security of the world rests upon the very countries that are also the

"Changes that have occurred, be they in the environment, women's rights, labor rights, were issues that people's organizations have pioneered."

biggest merchants of armaments. While industrialized nations give about US \$ 60 billion in terms of aid per year, around US \$ 125 billion returns to them as they sell armaments. Second, the real problem is not overpopulation in the Third World. The development of the whole world hinges on a certain development model run by a number of institutions.

Any transformational struggle must begin with a vision. Anger itself will transform into violence and negativism if there is not a vision. Constructive mission then is needed to rechannel the anger. Some kind of *pancasila* (five principles), is needed as a framework for in any transformational struggle.

First, there must be *justice* in the social area. Any kind of vision that we have must be of communities, societies, global orders that are socially just.

Second, from the point of view of ecology, there must be *ecological sustainability* in any system.

Third, in the economic area, there must be *productivity*. We must be able to produce the kind of things that we need for our sustenance.

Fourth, in the political arena, we must participate politically because the word "*participation*" is very central to communities.

Fifth, the whole area of *culture* must not be ignored, in all its various forms: beliefs, values, dances, songs and so on. We must be culturally *vibrant* to have that particular feel in communities.

These five ingredients can make a holistic vision to which we can put a lot of our work in.

I think there is still a lot of naivete about "development issues." How can you tolerate the situation when, US \$ 25-30 billion should have been used to provide all the basic needs of children of the world, but instead we spend more than that by playing golf?

Similarly, just look at smoking and drinking. The US\$25 billion that will help us deal with issues with regard to all the basic needs of children, is just half the

amount that Western Europe spends every six months for alcohol and

cigarettes. If you look at infrastructure and projects, for example an airport in Hong Kong, that is about the cost of only one infrastructure project.

I think people need to know these kinds of figures. They need to be reminded, because we do have some very absurd and perverted global priorities.

If we look and provide some kind of framework for what is wrong, I have found very useful the three kinds of cultures that are dominating the very ugly aspect of development.

One is the culture of violence. It is not only the kind associated with armaments, or with beating up people. We know that international crime is now a growing industry in the world today. The collapse of the Cold War and the Eastern Europe system have generated a tremendous amount of crime giving it a whole new boost.

The culture of violence also extends to institutions and people. A lot of things that should have been provided to people, health, nutrition, etc., have actually caused people's death and harm.

Second is the culture of waste. So much of our society's efforts are related to development systems that cause waste, be it in the use of chemicals. Pesticides for example, are the grossly overused. Instead of using them as a last resort in many particular circumstances, pesticides

become a standard way in agriculture to the extent that millions of people are hurt in the process. Agricultural systems are transformed, soils are destroyed, and water becomes scarce due to the pesticides used.

A very good indicator of the maldevelopment of society can be seen in the garbage index. Any society that has a garbage problem is actually sick and maldeveloped. When you look around the world, particularly in the developed countries, you can quickly see which countries are sick. If our countries begin to have that particular problem, then we know we are in that same path of sickness.

Of course, this kind of garbage that is part of the sickness of developed and industrialized countries has to end somewhere. One of the biggest industries to emerge in the last decade has been the export of garbage to Third World countries. Today, Third World countries not only create their own garbage but have also become the dumping grounds of the industrialized countries.

Third, the culture of manipulation. Manipulation is present in the way powerful institutions are controlled, used, and educated. There is also manipulation in media which is becoming concentrated globally and is transmitting certain values. Advertising industries have become more sophisticated. People campaign ill-health products, for instance, through advertisers with new ways of advertising. They have longer advertisements and go into product placement. They can buy the main film itself with the products, attitudes and values built into it. A whole lot of propaganda is also paid and

targeted at many children's programs.

These are the three cultures we have to be constantly aware of in dealing with development.

The Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC) has talked about alternative cultures. One is constantly reminding us of the question of balance and harmony: not only in our relationships within ourselves and with other human beings but also between ourselves and nature.

Second, we have to remind ourselves the culture of trusteeship and guardianship. We have to care constantly. Government institutions are also guardians and trustees, like us, of nature and children or anybody.

Third, there must be culture of accountability, not only in the very narrow political sense, but also in the spiritual sense for future generations. That is one thing you cannot run away from. One day you will have to answer these matters in whatever form, whatever beliefs you have. The spiritual dimension of accountability is also very central.

There have been many suggestions for changing world institutions — even within the UN system. One of the documents that came out last year in the Human Development Report from UNDP contained a number of suggestions for completely new institutions. It was very clear that the current kind of institutions was not the institutions UNDP wanted. We do not want leadership of the world by people who are basically big money-lenders and having a certain kind of development paradigm that has been part of the problem.

In the area of finance, if you want to be a progressive global institution, you need resources. But the resources are determined either globally or by funding institutions financed by certain countries. Certain ways of institutional operation are then dictated. So global participation and resource-mobilization also become askewed in a certain way. We have to suggest for example, that there should be tax imposed on money movements between countries and on armaments. In this way, independent financial resources can then be tapped.

Many novel ideas have not been noticed but were worth looking at. There were new frameworks for development cooperation and an economic security council; a global security fund; and systematic reduction in military spending. I hope you will look at some of these issues.

If we want to make change, what are some of the things that are very important?

People are looking to people for change. Our colleague from the Sasakawa Peace Foundation mentioned how important people's organizations have become. Changes that have occurred, be they in the environment, women's rights, labor rights, were issues that people's organizations have pioneered. Now these have become part of the global agenda, and even UN agencies and institutions have been considering them. But it began with people. The last decade witnessed a magnificent proliferation of citizen's organizations of all kinds. And if there was anything important, it was their power to make change. And they are making changes. Very often they did not realize the strength and power they had and these were some generic things that were very important. We have to harness this particular power if we want to make the changes I mentioned earlier. Let me discuss seven points.

One, for all citizen's groups and other people, if you want to make change you have to understand power in our communities, nations, and the world. Understand who is powerful. Unless you understand political systems, you cannot make transformations. If you understand it, then you have various methodologies by which you can begin to share power or change the situation. *Understand power and politics*, then you can make them work for you.

Second is the whole concept of moving from *followership to leadership ideas*. Constantly, any social movement must plan across three generations. In all social movements, we need all these three generations to be interactive. Sometimes you will find the old generation does not want to give way, the second generation is getting burnt-out, and there is no time for the third generation to search for movement. If any group does not spend time in building-up leaders in a pro-active way, it will live briefly. Think in terms of *multiplying leadership* as a pro-active way in the movement.

Third, *think laterally*. Any transformation or change has occurred only when social movements which came from one field were prepared to make strategic alliances with other movements. If you do not work on those modalities, you will not make any transformational change. Find out common ways from different movements (i.e., labor, social, agrarian reform, professional movements) and disciplines. Get them

together and come out with certain co-areas that you can begin to deal with. Understand the nature of the problem and move from these to make *strategic alliances*. We have been involved in 15 - 20 major alliances of this kind around issues. As people understand the issue, they accept it and participate in making changes. This is the lateral way.

Fourth, in any transformational changes, do not be trapped within your own space. The nature of the global problem is vast that you have to *think everywhere*. Think in all angles. Very often this argument about being "grassroots" makes people think only about themselves and their immediate environment. But in every community, there are unlimited possibilities and opportunities. You have to open your minds to every strategy to make various communication and support links from north to south. If not, the global institutions, the global media, and the global powers, will suck you up. "Thinking everywhere" means making links, particularly through low-cost ways by which we can communicate.

The fifth element in making change is *activity*. This is the opposite of the "NATO" syndrome. Any social movement must be very discreet in managing activities related to the target changes.

If you want to change the World Bank, for example, these are five things that should be considered by institutions and citizen's organizations all over the world. These must be addressed through specific terms: unity, campaign, government. Think in terms of very concrete activities.

Sixth, you have to constantly remind people that we have

structural issues to deal with. Very often, we deal with the negative symptoms in our societies but not the *root of the problem*. We have to find out who exactly are the people and institutions responsible. I often tell the story of how NGOs can be so busy or a person can be so busy:

"A man sees a baby drowning in a river. He jumps in and saves the baby. As he is bringing the baby ashore, he sees another baby floating down the river and he rushes in again to save the second one. Then he sees a third, and a fourth, and a fifth. He is so busy saving the drowning babies, that he has no time to look up the river to see the person throwing the babies into the water."

Lastly, we have to organize ourselves for a very *long-term struggle*. These issues are not going to be dealt with immediately. You have to plan for generational and intergenerational struggle. In our own people's movements, we have to think in those

time frames. We must build our institutions, our linkages, our human resources on a long-term basis. We have to build that in our movement. If we do not, then again we will not be able to make any change.

I ask all of you to join many of us — who are involved in this transformational struggle — in what can be termed as a **New People's Order**. We have seen a development paradigm that has raped the Earth many times over. We have witnessed Mother Earth suffering from a kind of disease: her lungs are being devastated, her body is being destroyed and poisoned, her skin is being scraped and scarred. What can we do to change this madness and create a paradigm of development and happiness? Little changes everywhere are making this change. Let us remind ourselves that our struggle is about three kinds of peace:

1. Peace with ourselves;
2. Peace with other people; and
3. Peace with Mother Earth.

A development paradigm built on peace is a sustainable and hopeful one. We can achieve such kind of peace. Everywhere, the major revolutions happened by doing little things in little places. When little things are linked together at the right time, anything can happen.

I think insofar as the development paradigm is concerned, we can make our vision happen. I encourage you then to multiply our ranks. □

SUMMARY

There was hardly any need for government when human population was low. The division of function between ruler and subjects occurred only, if at all, within the family. The largest social groups, whether tribes or villages, were little more than loose organizations of families from which every elder or family head had an equal voice. Chieftains, if there were, had strictly limited powers.

The rise of agriculture began to change this state of affairs. In Iraq, the invention of irrigation ushered grander arrangements. Control of the flow of water down the Tigris and Euphrates rivers had to be coordinated by a central body, so as to provide water to all fields. As these skills evolved, society also evolved.

Unfortunately, the young cities of Iraq later quarrelled over the distribution of the rivers' water, and their wealth excited the greed of nomads outside the still comparatively small area of civilization. War came, and military leadership became an important element of kingship as divine sanction. It was to remain so throughout the long history of monarchy: whenever kings neglected their military duties, they endangered their thrones.

The Rise of Civilization

Military crises — civil war or barbarian invasion or both — called for the strengthening of government. The effort to secure a measure of peace and prosperity legitimized asserting authority over vast distances, the raising of large armies, and the gathering of taxes to pay for them. These requirements in turn fostered literacy and numeracy and the emergence of what later came to be called bureaucracy, government.

Bureaucratic imperialism emerged and expanded with civilization.

Yet, diverse governmental practices evolved with time as civilizations worked at defining different parts of the territory. In the Orient, a general liberal attitude toward human creativity existed, giving rise to great cultures despite the existence of despotism.

Oriental despotism lasted as long as the economies of Asia rested on manual labor and handicrafts; it became obsolete when the introduction of modern industry brought a need for more elaborate governmental organization.

As states grew and human technologies developed, the functions of governments became more complex and extensive. Under absolute monarchies, which represented the dominant form of government in Europe from 16th to 18th century, the task of coordinating the administration of royal decrees was carried out by a growing class. (This class transformed into the bureaucracy that is central to the "orderly" functioning of modern governments.) Thus, national government took a definitive centrality.

The Rise of Independence

Many centuries later, colonialism began to shed off its grandeur.

After World War II (WWII), anticolonialism became a potent political force. The great colonial powers found it increasingly difficult to hold on to their overseas territories. The end of the colonial era began when Britain granted independence to India in 1947. France later relinquished its hold on Indo-China, and the Dutch were forced out by the

Indonesians.

As colonialism declined, the number of independent nations grew simultaneous with internationalism. People of the South anchored their model of national development on the government institutions of modern States. There was a prevalent belief that the bureaucracy was an ally of the poor and the weak. The people saw the State as a way out of poverty, an instrument for liberation and social change. New alliances appeared in their place to address various problems on a wide basis.

The wielders of powers

The first major organization of the states of the world was the League of Nations. It was dedicated to the preservation of peace, international cooperation, and improvement in human welfare. But the League's lack of political success tended to overshadow its welfare and humanitarian achievements. Thus, in 1946, its assets were turned over to the United Nations (UN).

In 1944, the allied nations led by the United States (US) and Britain created the World Bank (WB) and the International Monetary Fund (IMF) as a response to the devastation caused by WWII. The WB's thrust was to provide assistance to its member-governments in rebuilding their war-devastated economies. The IMF, on the other hand, was charged with the responsibility of fostering stability and security in the global monetary system. The WB and the IMF were mandated to be the primary global ministers of post-war reconstruction and development.

The WB agencies, together with some regional development banks (e.g., Asian Development Bank, Inter-American Development Bank, African Development Bank, European Bank for Reconstruction and Development), comprised the multilateral development bank (MDB) system.

As trade among countries expanded, the production of goods became increasingly specialized — components and raw materials from one country were shipped overseas for assembly and processing, then returned to their country of origin, or re-exported elsewhere. This led to the creation of international institutions, promoting trade among countries. Such a vision came to life with the birth of the International Trade Organization (ITO) and the General Agreement on Tariffs and Trade (GATT).

In 1980, the WB adopted "structural adjustment lending" or SALs, which accounted for about 25 percent of WB lending operations. Though structural adjustment programs (SAPs) introduced by the IMF and the WB differ slightly from country to country, these typically involve three types of broad policies:

- ↻ Expenditure-reducing policies, or those aimed at removing the country's external and internal deficits by reducing domestic spending (e.g., wage control, reduction in government spending, decreasing amount of credit accessible to public);
- ↻ Expenditure-switching policies focused at changing the basic structure of the economy by shifting the country's economic resources from "non-tradeable goods and services" (e.g., subsistence crops, public services like health and education); and,
- ↻ Institutional policy reforms which are generally outward-oriented and aimed at achieving efficiency (e.g., trade liberalization, privatization, fiscal reform).

With the end of the Cold War, MDBs grew to become perhaps the most potent inter-governmental institutions influencing Third World development, putting greater intervention over governance processes of low-income borrower countries. MDBs have shaped the directions of public spending and borrowing, which often require developing member countries (DMCs) to modify their domestic policies and priorities.

But as national governments incurred astronomical debts to international financial institutions, the intermediation of the IMF and WB in the affairs of the state became more prominent. Hence, substantial amounts of the national budget, for example, were allocated for debt repayments to the North, leaving Third World Countries with less resources to manage their national development. Worse, foreigners' intrusion in the economy and national priorities of Third World Countries, through economic privatization and global market integration, further weakened the people's control over their resources and fate.

Through the SAPs, IMF and WB were able to remold a country's national economy and administrative processes to conform to their economic and political ideology. The national interest came to be equated with the interests of the state and its ruling forces.

In effect, national governments -- in allegiance to the conditionalities of these institutions -- have helped isolate communities by increasing state power but at the same time decreasing people's participation. This phenomenon has led to increasing poverty among the rural populace, further erosion of the natural resource base, greater food insecurity and the loss of indigenous culture and identity. Women are especially affected in their traditional capacities as food producers, health care givers, home managers and community organizers. Moreso, this widened the gap between the rich and the poor, preserving the dualistic economy and practices of their colonial masters.

The failures of national programs due to the mismatch of western-based economic prescriptions with the lifestyle of Asian societies made

the vision of Third World countries graduating to a fully-developed nation more difficult to achieve.

With the end of the Cold War, multilateral banks... [became] perhaps the most potent inter-governmental institutions influencing Third World development.

The People Speak

The rise of people's movements and non-governmental organizations (NGOs) is a clear indicator that institutions give powers to promote the common welfare. It also shows the limited capacity of the civil bureaucracy to respond to social issues and to provide basic services.

A long history of nationalist and social movements, agrarian struggles and religious influence played key roles in shaping the NGO sectors in India, Indonesia, Philippines and Sri Lanka. In India, Nepal and Thailand, indigenous self-help village societies emerged in the context of the relative isolation of villages and the absence of the colonial power. But it was the entry of foreign-based NGOs that influenced heavily the development sectors in Bangladesh, Nepal and Pakistan. The Bangladesh NGO sector grew particularly strong in the 1970s, due to massive relief and rehabilitation efforts and resources poured in by the international community following the war for independence in 1971.

The 1980s may well be called the decade of NGOs as the sector became a significant factor in national development. NGOs have displayed their capacity to reach communities through informal, flexible, innovative and cost effective approaches. NGOs have shown action-oriented results, new concepts that would find socio-political space at macro and micro level.

Based on the country reports and supplemented by a strategy paper written by Antonio B. Quizon last November 1994, it is noted that in several Asian countries, NGOs have been able to make significant and visible contributions to national development in varying degrees and magnitude, by: (a) shaping public policy; (b) providing experiments that have successfully been adopted at national programs; or (c) directly implementing programs at a significant national scale. Table 1 identifies these key NGO impact areas, which emphasize and build upon people's participation:

On a larger context, it has become paramount among NGOs to introduce institutional and policy reforms within the MFIs given the amount of influence they wield. Some NGOs directly challenge the issues surrounding MFIs' growth-oriented paradigm.

For example in 1988, the Asian NGO Coalition

Table 1: Significant NGO Impact Areas in Nine Countries

Country	Significant NGO Impact Areas
<i>Bangladesh</i>	Health and family planning Institution of primary health care approach Passage of the generic drugs law Credit and livelihood-generation Alternative systems for collective marketing Introduction of new agricultural systems Implementation of massive afforestation programs Setting up of nursery systems
<i>India</i>	Agrarian reform and resource rights Productivity and distribution of <i>bhoodan</i> and <i>gramdan</i> lands Credit and livelihood-generation Facilitation of poor's involvement in collective economic activities Human rights, peace work Cultural rights and social integration Formal and non-formal educational programmes Women's rights and issues Constituency and movement-building
<i>Indonesia</i>	Environmental protection Recognition of NGO roles in the National Basic Law for the Protection of the Environment Human rights issues

con't. on next page

Table 1 (continued)

<i>Country</i>	<i>Significant NGO Impact Areas</i>	<i>Country</i>	<i>Significant NGO Impact Areas</i>
<i>Malaysia</i>	Consumer awareness and protection Environmental protection Public awareness and constituency-building	<i>Philippines (con't.)</i>	National coalition-building among fisherfolk organizations Environment: Public awareness and constituency-building
<i>Nepal</i>	Environment: Community Forestry Community and rural development activities Non-formal education Health	<i>Sri Lanka</i>	Provision of credit to poor, particularly on women Setting-up of Cooperatives Pre-school education in grassroots communities Health: Developing village-based preventive health care system Environment: Public awareness and constituency-building, Tree Planting Activities
<i>Pakistan</i>	Income generation: savings and credit Environmental protection, training on natural resource management Community Organizing: establishment of family planning centers, health care	<i>Thailand</i>	Environment: Public awareness and constituency-building Community organizing: rural and urban community development, children and youth development Health: community health promotion Human Rights Communications: media for development, technical support services and information dissemination
<i>Philippines</i>	Agrarian Reform (AR) National coalition-building among peasant organizations Passage of Comprehensive Agrarian Reform Law Tripartite field implementation of AR Agriculture/Forestry/Fisheries Introduction of farming systems Banning of certain agri-chemicals		

(ANGOC) and the Environmental Policy Institute (now Friends of the Earth-US) first entered into a partnership to address MDB-related issues, but with more focus on the Asian Development Bank (ADB). As the campaign gained momentum, the effort included not only arresting badly-designed, destructive projects but also engaging the Bank in more constructive dialogue on policy reforms and on development models which incorporate greater transparency and public accountability. (Please refer to related section on the Asian Development Bank Campaign).

An alternative course of action is the implementation of large-scale service programs to reach wider areas and beneficiaries. NGOs helped develop self-reliant communities which replicate and expand practices that increase the quality of life of the poor. One experience the successful oral rehydration training program of the

Bangladesh Rural Advancement Committee (BRAC) which benefitted 90 percent of the poor households in Bangladesh.

Also, people from the voluntary sector started to enter institutions to effect changes from within. A number of NGO leaders are occupying high positions in government to bring in the agenda of the poor and disadvantaged. NGO leaders in the Philippines are occupying key cabinet positions in government, such as the Health and Agrarian Reform Departments.

Needed policy reforms for effective people's participation

Although NGOs and the voluntary sector have made modest gains in development, a lot more work can be done to build people's participation if the prevailing legal and policy environments are favorable to them.

Participation cannot be catalyzed under an authoritarian framework of government. Even under democratic societies, public policies formulated with minimal or no popular consultation are less likely to achieve successful results than those that institutionalize adequate venues and mechanisms for people's participation.

Most Asian governments have official policy pronouncements which recognize the role of NGOs and the voluntary sector. But in many instances, actual government practices contradict with official declaration and commitments on popular participation and people empowerment. Legal restrictions are imposed on the official registration of societal groups and NGOs. Stringent controls are placed on funding, particularly those sourced from foreign donors. Restrictions on travel, both within and outside the country, close monitoring and at times prohibition of certain NGO activities — all these serve to hamper the evolution of real people's participation.

Similarly, MFIs exert increasing influence over society, to the point of reducing people's countervailing power to control them. There is too much planning from the center, tending to assist mainly the urban areas. Hence, the outer regions, normally the rural areas, surrounding the capital receive less support and

resources. Faceless professional bureaucrats run public institutions. The depersonalized nature of public administration shields officials from the consequences of their actions.

Concretely, the participants in the Fourth Asian Development Forum were one in calling for reforms within multilateral institutions like the WB and the ADB, citing perennial problems in project financing. Among them:

- ↗ People in the beneficiary and affected areas are not included in the planning stage of the project. Hence, alternatives to the proposed project are not considered. The experience of people who know the area best is superseded by the often dubious expertise of technical advisers and consultants.
- ↗ The Bank approaches a project with a "no retreat, no surrender" credo. Hence, even if it commissions studies and impact assessments, the findings do not influence its decision to go ahead with the project. Indeed, the studies are commissioned largely to lend credibility to its funding decisions. When risks are identified, the Bank writes them off by enumerating the projected benefits, and is thus able to report zero risk.
- ↗ The Bank would occasionally admit to committing mistakes. But it would just as easily justify another project formulated according to the same flawed appraisal techniques. People calling attention to this fact are dismissed as "unscientific, rigid, closed, anti-change".
- ↗ In its cost-benefit analyses, the Bank uses data gathered not from the people but from borrower governments. Results of studies are distorted to overestimate the benefits and underestimate the costs.

In many Asian countries, NGO action is still effectively curtailed by an inhospitable policy environment. By and large, actual government practices contradict with official declaration and commitments on popular participation and people empowerment. Meanwhile, in countries where voluntary action is tolerated, or even encouraged, NGOs often risk being co-opted by government and rendered ineffective. Based on Quizon's strategy paper and country presentations during the Fourth Asian Development Forum, the legal framework for NGO activities varies widely among Asian countries. A comparative study is presented in Table 2:

Table 2: Laws and Regulations on NGOs in Selected Asian Countries

<i>Country</i>	<i>Salient Features of Existing Laws and Regulations on NGOs</i>
<i>Bangladesh</i>	<p>1961: The Voluntary Social Agencies Ordinance specifying that all voluntary agencies must register and be approved by the Registration Authority; this body also has the powers to:</p> <ul style="list-style-type: none"> a) approve the constitution of agencies, and all amendments thereof b) inspect all books of accounts and other records of agency c) suspend or dissolve the agency for failure to comply with the ordinance <p>1978: Foreign Donations Regulation requires NGOs to report any foreign aid received and obtain prior approval of foreign-funded activity</p> <p>1982: Ordinance No. XXXI prohibits any citizen or NGO from receiving any foreign aid without prior permission; also, donors must obtain prior government approval for any foreign contributions to any citizen or NGO</p> <p>1983: Nira-III of the Security Branch of the Ministry of Home Affairs sets the procedure governing foreign donations</p>
<i>India</i>	<p>Five-Year Plan recognizes role of voluntary organizations</p> <p>1984: Foreign Contributions Regulation Act requires NGOs which receive foreign aid to register with the Ministry of Home Affairs</p>
<i>Indonesia</i>	<p>Law No. 2-1982 recognizes the roles of NGOs in addressing environmental and development problems</p> <p>Law No. 8-1985 on Social Organization stipulates:</p> <ul style="list-style-type: none"> a) State ideology of Pancasila be the guiding principle of all social organizations b) Obligatory registration of social organizations c) Social organizations must report and receive approval of foreign aid d) An umbrella organization be set-up to coordinate the activities of social organizations e) Social organizations operating at village level coordinate the activities with the LKMD f) Government can suspend and dissolve social organizations
<i>Malaysia</i>	<p>Societies Act of 1966 specifies that all social organizations must register and be approved by the Registrar of Societies</p> <p>1983: Amendments to the Societies Act stipulates:</p> <ul style="list-style-type: none"> a) social organizations must report all foreign financial and organizational assistance to Registrar b) Registrar is authorized to: forbid foreign contract; conduct searches of social organizations without a warrant; remove members from social organization's Board of Directors dissolve social organizations

Table 2: (continued)

Country	<i>Salient Features of Existing Laws and Regulations on NGOs</i>
<i>Nepal</i>	<p>1992-97: Eight Five-Year Plan recognizes NGO role and to help increase NGO effectiveness, stipulates that government will:</p> <ul style="list-style-type: none"> a) define specific areas/sectors where NGOs have comparative advantage b) simplify rules and regulations for NGO registration and organization c) modify tax laws <p>1993: Amended Social Welfare Act changes the (former) Social Services National Coordination Council (SSNCC) into the Social Welfare Council (SWC) and stipulates that NGO membership in SWC is now discretionary</p>
<i>Pakistan</i>	<p>1961: similar to The Voluntary Social Agencies Ordinance of Bangladesh</p> <p>1962: Rules issued on the Voluntary Social Agencies Ordinance stipulates specific requirements and procedures covering registration, maintenance of accounts and registers, change of address, etc. of the agency</p> <p>1987: Memo No. 150 of the Economic Affairs Division creates a Standing Committee to review all proposals for funding of NGOs from foreign assistance funds</p>
<i>Philippines</i>	<p>1987: Sec 23, Article II of the Philippine Constitution states that "the State shall encourage NGOs, community-based or sectoral organizations"; while Art XIII on the Roles and Rights of People's Organizations (POs) stipulates:</p> <ul style="list-style-type: none"> a) "the State shall respect the role of independent POs" b) "the right of the people and their organizations to effective and reasonable participation at all levels... shall not be abridged" c) "the State shall, by law, facilitate the establishment of adequate consultation mechanisms" <p>1989: NEDA Board Resolution No. 2 provides guidelines for GO/NGO Collaboration, which includes accreditation for program participation, availment of tax exemption, funding support and incentives to NGOs, and provision of mechanisms for GO/NGO Collaboration</p> <p>Article III, Chapter IV of the Local Government Code spells out the following policies for NGOs and POs:</p> <ul style="list-style-type: none"> a) "local government units shall promote the establishment and operations of POs and NGOs to become active partners in the pursuit of local autonomy" b) "local government units may enter into joint ventures and other cooperative arrangements with POs and NGOs to engage in the delivery of certain basic services, ... and enhance the economic and social well-being of the people"

Table 2: (continued)

Country	Salient Features of Existing Laws and Regulations on NGOs
Sri Lanka	Voluntary registration for groups seeking legal status, i.e., CAP 105, Trust Act with Public Trustee, Company Act No. 17/1982, Voluntary Social Service Service Organizations Act of 1981
Thailand	There are two different legal aspects concerning NGOs. The law refers to non-profit organizations either as foundation or associations; applications for registration stipulate that both must not be involved with politics. To have a legal identity and status, foundations are required to register; they are not automatically given tax exempt status.

In the experience of Asian NGOs, there are three types of over-all policy environment for NGOs which determine the context for GO-NGO relations, to wit:

- ↪ *Highly Restrictive*: Existing laws & regulations tend to censor NGO actions, and require prior Government permission by NGOs for certain "normal" activities, such as organizing meetings or receiving foreign grants. There is a lack of guarantees of freedom of expression, assembly against arbitrary arrest, and detention.
- ↪ *Regulative*: Laws and regulations on basic freedoms are present, and sets broad parameters for NGO activities.

↪ *Supportive*: Fundamental laws not only recognize basic freedoms, but actively promote government collaboration with NGOs and the voluntary sector.

The table below summarizes the over-all policy environment for NGOs and the scope of NGO development activities in nine Asian countries.

Table 3: The Policy Environment for NGOs in Selected Asian Countries

COUNTRY ENVIRONMENT FOR NGOs	OVERALL POLICY	SCOPE/STRENGTH OF INDIGENOUS NGO DEVELOPMENT ACTIVITIES
Bangladesh	Highly Restrictive	Broad
India	Regulative	Broad
Indonesia	Highly Restrictive	Moderate
Malaysia	Highly Restrictive	Limited
Nepal	Regulative (in transitions)	Broad
Pakistan	Highly Restrictive	Limited
Philippines	Supportive	Broad
Sri Lanka	Regulative	Moderate
Thailand	Regulative	Limited

Learnings and Insights

1. The NGOs' strength lies in establishing credibility and acceptance by the community. NGOs identify themselves with the poor people. Working from below with zeal and enthusiasm, their basic task is to empower the people by making them aware of their potentials, rights and obligations as members of a free, independent and democratic society.

2. In the absence of a strong power base in the rural areas, the rural elite class has come forward as a ready-made agent of the government. In return, it has appropriated for themselves the benefits of government-designed development projects, thereby denying the rural poor of their share.

3. Trade has played a key role in fueling growth in a number of Asian countries. Yet, there are increasing cautionary notes about over-reliance on trade to act as engine of growth. Although the WB has changed its approach considerably over the last decade, the **thinking** of the Bank still remains the same. It assumes that the poor cannot provide the growth-push. If the poor are positioned outside the growth endeavor, it follows that they will be denied of its fruits.

4. After years of advocating for decentralization and self-governance, the NGO sector has of late realized that some degree of state intervention in the economy is essential to protect communities from unregulated market activity. With the implementation of GATT, and the unrestricted flows of capital which are expected to accompany it, the government's role as buffer will become more crucial.

However, it is not the NGOs' intention to give the state control of

the market. Nor are they advocating socialism. What they envision is for the State to take on a more activist role in the economy, whereby communities (or civil society) in alliance with the state will regulate the economy through a democratic and rational decision-making process.

5. Legislation alone cannot bring about social reform. Voluntary agencies will have to target two levels: a) firstly, to try and ensure that "genuine" candidates stand for elections; and, b) once elected, to monitor their participation. On this light, the Philippine and Indian participants share concrete experiences in the promotion of NGO participation in local government structures.

However, the participants also realized that though there is a need for electoral politics, NGOs have a political role to play outside it. The danger in participating in electoral politics is that it creates in people's minds the illusion that there is no alternative to running a polity outside the electoral process.

6. Moreover, NGOs may find themselves unprepared when this much-vaunted political space does open up for them. There is the added danger too that NGOs will be caught up in the "transitional" mindset that often comes with holding public office.

7. While working with the elected representatives is important, it is much more critical to work at the community level to bring about an awareness of the concept of free and honest elections. NGOs should empower the people to be vigilant on their representatives. There is an area for example, where the Bangladeshi NGOs can closely link with other Asian NGOs to learn more on strengthening POs — an area where Bangladeshi NGOs need more information and support.

8. The only way to counter-balance actions of government officials is through democratic institutions, including an independent judicial system and an investigative and free press.

9. Networking among NGOs is absolutely necessary so that they can share experiences and benefit from the successful strategies adopted by other NGOs. Likewise, networking enhances NGOs' advocacy role with governments and international institutions. For instance, the Nepalese NGOs intimate that they have learned important lessons on advocacy strategies from NGOs in India and Philippines. Moreover, they were able to get a direct linkage with Ms. Medha Patkar of

the Save the Narmada Dam Movement. This linkage will strengthen their efforts with the Nepali government in advocating for the review of the construction of the Arun Dam.

- ↪ Of particular importance to NGOs is a need for continuous dialogue with government with a view to evolve policies and procedures that satisfy both NGOs and the government.
- ↪ With regard to GO-NGO partnership, the following actions are needed: a) develop mutual trust and respect between GOs and NGOs; b) guarantee independence and autonomy of NGOs; c) define the respective roles of GOs and NGOs in development work; d) establish institutional framework for effective GO-NGO collaboration; e) set-up criteria for accreditation and representations of social development NGOs; and, f) extend funding support and incentives to NGOs and POs.

Action plans

At the end of the five-day Forum, the participants agreed on the following Plan of Action:

I. Information Sharing

This involves the active and timely exchange of information among NGOs on the current developments at the regional and national levels. For instance, one particular issue that needs to be constantly updated is the legal and policy environment for NGOs.

Specifically, the following action agenda shall be pursued at various levels:

- ↪ Examine existing publications managed by NGOs as possible channels of information. The publications will be developed into a "development magazine" and will be sustained by subscriptions.
- ↪ Use and maximize all available communications resources (e.g., mass, print, electronic media) to supplement existing newsletters and magazines of the NGOs. Also, NGOs can take advantage of the interest of the local press by beefing-up linkages with the local community media. National focal groups shall focus on national papers or journals. At least once a month, the focal point organizations will take care of feeding the local and national press with updates on Asian development activities and information, to easily reach people.

Audio-visual materials could also be maximized for information sharing or influencing sympathetic film-makers to highlight the region's development causes.

- ↪ Publish a "Tool Kit," or a primer on information on such institutions as the WB, IMF, WTO, etc., and the issues associated with these. This is one way of making the issue popular and demystified to NGOs, and more important, to the communities.
- ↪ Develop a mechanism, if not a newsletter, through which information from focal NGOs can be disseminated to NGOs and other tactical alliances. ANGO can serve as a clearinghouse for this purpose. The ANGO Secretariat shall compile all electronic mail addresses and facsimile numbers.
- ↪ Formulate a common format for documentation of project experiences to identify strengths and weaknesses that address the following issues: relevance, community participation, sustainability, cost effectiveness, and impact. Once documented, these experiences on NGO-GO collaboration can be disseminated to other groups doing similar studies.

II. Solidarity Building

This area refers to supporting proactively grassroots struggles in transforming institutions. In a sense, solidarity building is also linked with information sharing, on how we express our sense of oneness on certain concrete issues.

⇒ Devise a system through which NGOs can respond quickly to issues which involve fellow NGOs.

NGOs could express solidarity simply through letter barrages to the respective heads of state of the country besieged by the issues. For instance, at the time Patkar, a leader of the movement opposing the Sardar Sarovar dam in the Narmada valley, was fasting to signify her continuing protest, NGOs could have sent letters to the Indian prime minister or sent postcards to Patkar herself to show their solidarity.

The focal point should be alert on informing other countries about these issues to initiate such influence.

⇒ Draw up a hit list of issues to tackle so as not to spread resources and efforts too thinly. This hit list should be updated constantly and by the focal organizations. NGOs in the area of these priority issues should monitor any developments and inform other agencies at once. Each country should likewise draft and update their respective list of issues.

On the other hand, NGOs should not only be reacting to certain actions of institutions but also be promoting NGOs positive efforts in empowering communities.

As for this Forum, Table 4 below lists the issues raised, together with the corresponding focal NGOs assigned to provide information on them.

Groups involved in cases of ADB projects should inform ANGOC of the situation and how the latter can assist in the local campaign.

III. Capability Building and Institution Building

This action point looks into the development of the organizational capacities of NGOs and the communities to engage in policy advocacy with institutions. Similar efforts and resources should be given to individual NGO and particularly community leaders who work directly on the issues.

Given a multiplicity of existing training institutes in each country, a further possibility for enhancement is setting-up an exchange program or a region-wide training. Among them are:

⇒ NGOs are welcome to seek help from the People's Management School, which specializes in management for people at the grassroots level. The idea is to look systematically for management concepts that would enable people at the communities to effectively interface with the environment and take responsibility for their development. For more details, contact Mr. Ahjay Mehta of Seva Mandir.

⇒ The Technical Cooperation in Developing Countries (TCDC) in Indonesia can link up with other institutions within the region specializing in institution building. Interested parties can channel their inquiries to Mr. Emmanuel Haryadi of Bina Swadaya.

Table 4: Focal Points on Issues Raised

Issue	Focal Organization
Narmada Dam in India	Association of Voluntary Agencies in Rural Development (AVARD)
Arun Dam in Nepal	Rural Reconstruction of Nepal (RRN) and NGO Federation of Nepal (NFN)
Toxic Fertilizer in Bangladesh	Association for Land Reform and Development (ALRD)
Aquaculture/shrimp culture in India and Bangladesh	Gandhi Peace Foundation (GPF) and other NGOs representing countries where such projects are being set up
Environment and forest conservation	Wahana Lingkungan Hidup Indonesia (WALHI) and NGO Coordinating Committee on Development in Thailand (NGO-COD)
Local governance and decentralization	AVARD in India and Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRA)

↗ NGOs seeking to participate in the campaign for reforms in multilateral development banks such as the ADB are welcome to join a month-long ADB Campaign Internship being sponsored by ANGOC. Interns will be trained and participate in the ongoing ADB campaign.

↗ There is an ongoing 6-month training for rural development workers and welcomes applicants for this annual training. Aspiring trainees can send their formal requests to Fr. Antonio Ledesma, SJ of the South East Asia Rural Social Leadership Institute (SEARSOLIN). □

“There is need for electoral politics, but NGOs [also] have a political role ...outside it.”

REGIONAL PAPERS

Keeping the World Bank at Bay.....

Medha Patkar

The Asian Development Bank Campaign.....

*Antonio Quizon &
Violeta Perez-Corral*

GATT and Asian Grassroots Communities....

Walden Bello

KEEPING the WORLD BANK at BAY

Medha Patkar

Medha Patkar is an activist of the Narmada Bachan Andolan (Save the Narmada Movement). She graduated with a degree on Physical Sciences, took graduate studies on Social Work, and researched on economic development and its impact on traditional societies. Appalled with the Narmada situation, she resigned as professor of Social Work and joined the Narmada movement. She has worked with the downtrodden since 1976 and in Narmada Valley since 1985. Patkar is a coordinator of the National Alliance of People's Movement which is forging an alliance among secular, anti-globalization organizations with the aim of bringing to reality an alternative paradigm of development through people' empowerment and struggles. Before the Forum, Patkar had just completed a 19-day fast outside the State Secretariat in Bhopal, India to highlight the issue of the Narmada Valley.

The Narmada River in central India is believed by Hindus to have sprung from the body of the god Siva, thus it ranks only next to the Ganges in sanctity. The Narmada Valley forms along this river. For generations the Valley has provided food, shelter, and a way of life to numerous tribes and farmers. But the lives of these people are threatened by the proposed Sardar Sarovar Dam, one of the dams to be built across the Narmada River. If built, it will be one of the biggest dams in the world. It is feared that the dam may submerge the entire valley, up to its highest ridge. But the dam will provide electricity and water to India's urban centers. The only notice the Narmada residents received that something would happen to their Valley was stone markers with cryptic letters and numbers spread across the valley.

An entry in the Encyclopedia Britannica 1994 Book of the Year reads:

In October 1992, 59 percent of the World Bank's directors voted to continue funding of the controversial Sardar Sarovar Dam project on the Narmada River in India, although U.S., German, and Japanese directors were opposed. The president of the World Bank, Lewis Preston, said changes to the project made by the Indian government and the affected states justified continuing for a few months longer. In March it was reported that the Indian government would not seek further World Bank funding for the project to provide drinking water and irrigation by building 30 large, 135 medium, and about 3,000 small dams. The scheme would involve resettling about 100,000 people and flood some 121,400 hectares (300,000 acres) of forest. Nearly 400 protesters were arrested on August 5 to prevent them from drowning themselves deliberately. On August 10, the government agreed to review some aspects of the scheme.

The entry failed to state, however, that it was the people who forced the Indian government to discontinue

World Bank (WB) support. Medha Patkar gave an account of how the united people of India kept the World Bank at bay.

I remember it was 30 March 1993 when the Indian government decided not to accept WB's funds anymore. The news was flashed in all media outlets. Prior to that, the government associated, dialogued, entered into contracts with the WB. The project was pushed without a complete financial plan that had 10 percent contribution from the WB. It was ultimately announced that the government did not want to accept this debt as it was accompanied by many conditions.

But everyone who followed the struggle of the people of the Narmada Valley knew it was not the government that asked the WB to stop the funding. The WB threatened it would withdraw its funding unless the government asked it to stop.

When the Narmada valley issue was first raised in 1985, the people's movement did not immediately question the project, nor did it intend to attack the WB and push for its withdrawal. We started by invoking the right to information of the people who would be directly affected by the dam. At that time, we did not even consider the canal affected by the project, the deforestation, siltation and other environmental effects. We began telling those affected that they had a right to know about the so-called public purpose project that they were asked to sacrifice for, and without their consent.

When the information did not come to us in the ready-made form or even during the dialogues between State representatives and the people of Narmada, we decided to dig out the information. This took years. We reached out to the lending agencies whose representatives with a flock of officials would go to the more accessible parts of the valley once in a while, and listen to whatever correct or incorrect translations by the government representatives. They usually brought such documents as reports on their first reconnaissance mission.

We studied the WB's appraisal and post-appraisal

mission reports. We went to the Ministry of Finance, the Ministry of Water Resources and other government agencies to research on their appraisals and evaluation reports. These documents were often vague.

We found that not only were the Bank's figures open to challenge, but its methodology was also questionable. We found that the project would cost about \$15 billion; that the people in the beneficiary areas as well as the affected areas were never consulted; that there were those in the drought-affected areas who did not consider the dam a solution to their problem; that the rehabilitation plans were not ready and even the basic socio-economic and environmental impact studies were not yet complete; that the Ministry of Environment withheld its clearance to build the dam because of the lack of basic studies. But there were those who wanted the project to push through, thus they bypassed the Ministry. The government was in fact already paying the \$450 million commission charges of the WB.

Some decisions were made not in Bombay or Delhi but in Washington by the ambitious elites and lenders from our country. And even as the WB admitted it made mistakes in the past regarding projects it appraised in the same way, this time it assured success. According to an internal paper of the WB, around 25 percent of its sponsored projects end up as failures. The fault lies in the appraisal stage. But the WB would like to sponsor as many projects as possible, for ultimately it is a bank, not a charitable

Some decisions
were made not in
Bombay or Delhi
but in Washington
by the ambitious
elites and lenders
from our country.

organization. We were also told by the WB officials that the inaccurate data they showed us actually came from our government. That if not for the government's proposal, they would not think of providing financial aid. It was apparent that our own Ministries ignored the laws.

Thus, from hamlet to hamlet, we told the people about the project beyond what they were told by the government or some foreign representative. It took us eight years not only to organize the people but to have a dialogue with them. Together we conceptualized this phenomenon of international lending. We saw it was not only applicable to Narmada but to any WB-aided project.

These people probably had less than one percent literacy rate. They did not have the benefit of such infrastructures as roads or ration shops. They thought of the Narmada Valley as their world and they were living off its resources. But through dialogue and by using their own world-view, these people saw the encroachments on their lives. They formulated their own analysis of the socio-economic and political actions around them. They realized the Big Bank, as they called it, would invariably affect their lives; and it was something they must reach out, question, and hold responsible for its actions related to the project. And if they wanted their viewpoint to be considered in development planning, these outsiders were to be asked to leave.

At first the people felt helpless challenging a big institution as the World Bank. Supporters were questioning the ability of the tribes, peasants, activists, and voluntary organizations in general to challenge the WB.

Still, we raised our voice to reach out to institutions and organizations in the donor countries which share our concern for the affected people and our development perspectives. Even if we could not take rallies to Washington, we reached out at least in a representative way. We organized the people in the valley, voluntary organizations, people's movements, individuals, professionals, scientists, common citizens who would come forward to extend support be it financial or by a letter campaign. Beyond that, a large network of international people's organizations was formed.

We had to evolve different strategies to mobilize the donor-country organizations that sided with us. Imagine a small organization in India, funded solely by a community, sending facsimile messages abroad. Hence, depending on whether the mail was delayed, once in a while we would call collect, or approach various organizations, get the attention of tourists from different countries. Through these efforts a network was built now known as the Narmada Action Committee. These organizations did not fully share our development perspective, but with years of dialogue we felt that irrespective of differences we found our common denominator.

Our actions ranged from refusing drinking water to WB officials visiting the valley and telling them to go to the River to get the water themselves, to encircling WB delegates as they came out to the streets in Madhra Pradesh, to accepting an invitation of a committee of the United States Congress (because our own Parliament would not hear us out). We exploited every available channel.



We tried to influence the WB executive directors. One executive director who was sensitive to our cause tried to get an audience for us with the other executive directors. Our message was that they were denied certain information by the WB and thus were denied their rights and the rights of the countries they represented.

Many local organizations were hesitant to challenge the WB or to join actions involving the international organizations who sided with us, even though we strictly maintained no funding relationship with any of these foreign organizations. Not until the WB withdrew did the others see the worth of fighting the WB. Formerly, the WB was not concerned with environmental impact and the like, but it had to rethink such an attitude with the people's protests from all over, and, afraid for its business, to save its image as an international bank for reconstruction and development.

With these efforts we learned that once empowered and committed to the cause, the people, even without substantial resources and enough experience required to deal with modern systems, but who knew very well about the rapes, killings and beatings committed against them, could make a difference and achieve anything.

Today, the dam work has ground to a halt. The state of Madhra Pradesh, one of those that will be submerged if the dam is completed, has joined the fight. The Supreme Court of India has issued some good interim orders in response to our comprehensive petition, allowing, among others, a report from a government agency that was against the construction of the dam. This made possible a reversal of a 1979 court decision that sanctioned this dam. That the Supreme Court considered intervention at this stage justifiable gave the people hope and an opportunity to know more about the project. Even the people from the drought-affected areas, in whose name this project was pursued, and who would receive drinking water only in the year 2020 or 2025, were raising a voice against the dam. In the meantime, a part of the tribal villages next to the damsite has been submerging every year since 1992, affecting some 600 to 700 families.

The last thing I would like to discuss is the present situation of voluntary action. Very few are left to work among the people, while support organizations and networks are sprouting everywhere. This is not

Very few are left to work among the people, while support organizations and networks are sprouting everywhere.

enriching the process of empowerment if these organizations have small mass bases to cling to. Support organizations do play a role, but they do not assure the masses that they will stand by the people to their last breath. And not merely our organizations' strategies but our lifestyles need to be analyzed. Only if the people stand up and we stand by them, be a part of their lives, will they make a lot of difference.

On the WB NGO Committee

The WB NGO Committee was formed in response to the 1987 campaign when hundreds of organizations protested against the WB, as a concession to the protesters. But considering the costs and benefits, we felt that the WB gained more from this. Not just the NGO Committee but also papers issued by the WB that say, for instance, no to involuntary resettlement, but which are not considered in the WB's policies, must be received with caution. Every effort by the WB to gain credibility must be opposed. Protest and dialogue with readiness for confrontation is more beneficial than this committee.

On an alternative solution to the drought problem

We do not have an alternative, mainly because we alone are not

supposed to be responsible for these alternatives. But the government that has advanced the dam as the best and only solution has not looked into various alternatives available. The dam is not a solution to the problem. Hence, other solutions must not be called "alternatives" to the dam but rather the reasonable, rationale and most sustainable solutions.

On electoral politics

We believe that electoral politics and the people's politics, as we call it, are both essential. But we also feel that the dominance of electoral politics has led to vices like corruption. There is a growing need for others to remain outside the electoral politics and allow popular initiatives. When the people see themselves as dependent on electoral politics, they really do not feel the value of empowerment. This does not mean, though, that we should

not use at all electoral or party politics to pursue our goals. For instance, we have always reached out to legislators.

On resettlement of affected communities

The problem is the government considers only those affected by the reservoir, not those others affected by, for example, canals. In this single dam, 200,000 families will lose their land to canals, while only 41,000 will lose theirs to the reservoir. At least 200 tribal villages will be ousted to give way to sanctuaries and national parks, which are part of the project. Ten thousand fishworkers' families will be affected because the fisheries will be affected. There is also secondary displacement when the government buys land from landlords for resettlement. Thus those tenants who have a claim on the land, especially against absentee landlords, lose their right to the land. Resettlement of families affected by irrigation or other infrastructure projects, may work on the small-scale but not on such a large scale as in Narmada.

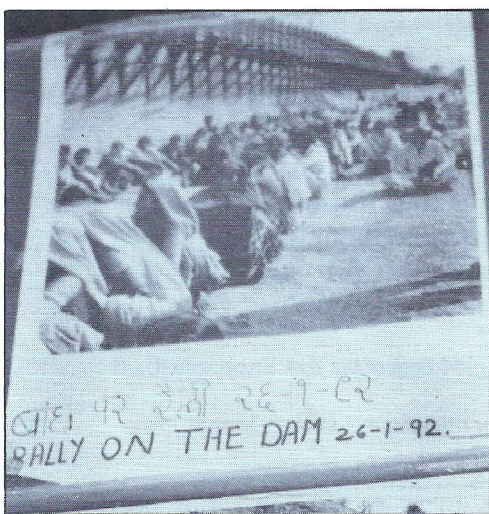
Lastly, we environmentalists have been accused of getting Western ideas into the country. Well conservation has been a rich tradition of countries like ours, not theirs.

We do not have an alternative, mainly because we alone are not supposed to be responsible for these alternatives. But the government that has advanced the dam as the best and only solution has not looked into various alternatives available.

The dam is not a solution to the problem.

NARMADA UPDATE

We
Will
Not
Move
Even if
We
Drown



Villagers who were relocated from the dam-affected areas to government resettlement sites found their new (imposed) homes unable to support their livelihood. The resettlement began as early as 1990 for some villagers. Called "oustees," many of these resettled families have gone back to their villages, while others were pondering similar action.

On 8 June 1995, oustees at the relocation site in Malu in Gujarat state packed their belongings and decided to go back to their village in Gadher. They expressed dissatisfaction on facilities provided by the Sardar Sarovar Project Rehabilitation Agency. The promised fertile land, potable water, schools and jobs for the children, were never fulfilled. The drinking water was saline and reportedly caused illness to some cattle. After travelling some 100 kilometers from the site, the oustees were stopped and detained by police.

Although they were released later that day, they were unable to recover their properties. They continued their exodus and once at Gadher, they built makeshift houses. Having no possession but the clothes they wore, they had to borrow everything that they needed.

At the Narmada valley, residents have to face floods caused by the partially complete dam which blocks the downstream flow of monsoon rains. In a show of protest as well as strength of spirit, the villagers stayed in their huts as the floodwaters rose. They would have drowned if they had to, if only to make the government realize its folly.

On 25 July 1995, monsoon rains bulged the Narmada river, deluging the Bamni village. The villagers gathered in the lowest hut. The water rose until it was chest deep, yet the people refused to move. Although the Narmada this time did not take their life, the villagers lost their belongings to the flood.

Meanwhile, studies in various fields have added strength to the argument against the Narmada dams.

Social worker Kisan Baburao Hazare reported that the depletion of groundwater supply has remained unchecked and is sure to cause water shortages. Hazare did not count the dams among the solutions to the problem.

Recent hydrology reports revealed that the water available in the river was overestimated by some 17 percent,

thus irrigation from the proposed dams might never reach some target areas.

Archaeological excavations in the Sardar Sarovar Project (SSP) submergence zone revealed evidence of a 4,000-year old Chalcolithic civilization. Teeming with potteries, copper artifacts, stone implements, scattered bones, outlines of houses, and many others, the find provided an important look into the prehistoric culture of India, one of the cradles of civilization. The banks of the Narmada are an archaeologist's paradise. In fact, the first human fossil in India was found a few hundred kilometers from the submerged area. This rich heritage is threatened by the dam project.

The Wild Ass of the Rann Desert in Kutch is threatened with extinction by the canal networks of the SSP. The network cuts through the Wild Ass Sanctuary. A report from the Wildlife Institute of India recommended that a major branch of the canal be abandoned and a few others be shortened. This curtailment would cut off 90 Kutch villages from the SSP.

Stagnant water caused by dam construction has increased the incidence of malaria.

On the other hand, the government has maintained a

policy of repression.

The police were not present in Bamni while the villagers risked their lives, confirming suspicions that police stationed in the villages were not there to protect the people but to intimidate them into moving out.

In Gadher, on 5 July 1995, about 150 people, including 100 police, attacked eight families in the Dokra hamlet. The aggressors used tear gas on the villagers, looted their homes, and scattered their grain.

On 16 July 1995, Gadher villagers decided to recover their belongings left behind in Malu. They loaded their belongings into two trucks, but on their way back to Gadher, at 25 kilometers from the dam site, they were arrested by police and taken to Dabhoi police station. The trucks were sent back to Malu and emptied there. The people were loaded into buses and also sent back to Malu. Although the people refused to alight from the bus, they were thrown out by "local hooligans... under the watchful eye of the police."

On 21 July 1995, Segji Surjiya Vasava and Mansingh Veera Vasava, residents of Gadher, went to Bharuch to file a complaint with the police about the July 5 incident. They were arrested as they arrived at the local bus station. The two were falsely charged with throwing stones at police. Their papers, a tear gas shell — evidence from the Gadher assault — and their money were confiscated. They were released on bail 24 hours later.

The government wanted to give the impression that its Rehabilitation and Resettlement program works. To achieve this, it has terrorized the villagers to force them out of their true homes and bullied oustees into staying in resettlement sites. In response, the people resorted to non-violent activities and placed their lives on the line, their spirits buoyed by the thought that the world is watching what their government is doing to them. □

References

1. *Encyclopedia Britannica 1994 Book of the Year*. Encyclopedia Britannica, Chicago.
2. *Narmada Bachao Andolan International Update*, March 1995.
3. _____, 1 July 1995.
4. _____, 5 August 1995.
5. Aubrey Wallace. *Eco-Heroes: Twelve Tales of Environmental Victory*.

The
ASIAN
DEVELOPMENT
BANK
CAMPAIGN

Antonio B. Quizon
& Violeta Q. Perez-Corral

Antonio B. Quizon has been the Executive Director of the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC) since 1990. Prior to this he was active in the students and farmers movement in the Philippines as a community organizer, journalist and volunteer. He represents ANGOC in the NGO Working Group on the ADB as well as the NGO Working Group on the World Bank.

Violeta Q. Perez-Corral currently manages ANGOC's policy dialogue program with international financial institutions. Her work involves networking, policy research, advocacy, and extensive information dissemination. She handles Bankwatch, a publication of Asian NGOs engaged in monitoring activities and lending policies of multilateral financing institutions.

This section is an abridged version of a full-length book entitled, The NGO Campaign on the Asian Development Bank and published by ANGOC in 1995. Copies may be obtained from the ANGOC Regional Secretariat.

Multilateral development banks began with the birth of Bretton Woods Institutions (BWIs) some 50 years ago in Bretton Woods, New Hampshire, USA. In 1944, the winning allied nations created the World Bank (WB) and the International Monetary Fund (IMF) which were mandated to be the prime global ministers of post-war reconstruction and development.

The WB's thrust was to provide assistance to its member-governments in rebuilding their war-devastated economies. The WB group is a family of five international organizations: 1) the International Bank for Reconstruction and Development (IBRD), the main lending institution to fund post-war reconstruction and later to developing countries; 2) the International Development Association (IDA), tasked to provide soft loans to poorer members; 3) the International Finance Corporation (IFC) established to strengthen the private sector in developing countries; 4) the Multilateral Investment Guarantee Agency (MIGA) tasked to assist developing countries attract foreign investments; and 5) the International Center for Settlement of Investment Disputes (ICSID) which acts as a coordinator/arbitrator between governments and foreign investors.

The WB is staffed by 6,300 international civil servants under the Board of Executive Directors and the Board of Governors. It has 177 member-countries, with equity shares valued at around \$170 billion. Voting is dependent on shares, thus, the largest shareholders have the most voting power. In fact, the G-7 countries have 45 percent of voting shares, with the US alone having a 15 percent share. An American traditionally heads the WB. The WB is also part of the broad multilateral development bank (MDB) system. Four other regional development banks comprise this MDB system with the WB Group of Five.

The growing demand for development finance and various political factors produced three development banks for separate regions, namely :

- ↗ Inter-American Development Bank (IADB) in America set up in 1959;
- ↗ African Development Bank (AfDB) in Africa established in 1964; and,
- ↗ the Asian Development Bank (ADB) set up in Asia in 1966.

In 1990, the European Bank for Reconstruction and Development (EBRD) was founded to support the transition of Eastern Europe and Russia to the market system in the post-Cold War era.

The IMF, on the other hand, is tasked with the responsibility of fostering stability and security in the global monetary system. The IMF has 2,000 civil servants with 179 member-owner countries. The IMF resources are now valued at \$200 billion worth of member-countries subscription quotas. As in the WB, the voting system is based on these quota share holdings. The US has the biggest quota at 20 percent and, thus, the most influence and power. On the other hand, the IMF is traditionally led by a European.

Table 1.

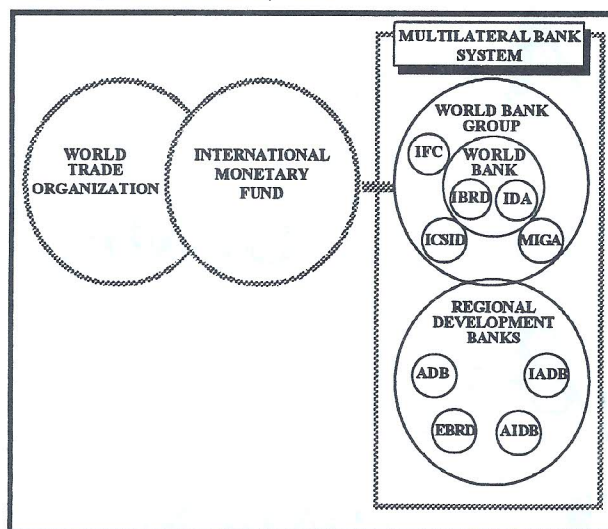
Relative Proportion of Funds of
Multilateral Development Banks, 1992.

	US	JAPAN	GERMANY	ENGLAND	FRANCE
IMF	19.6	6.1	6.1	5.4	5.4
IBRD	17.4	6.2	4.8	4.6	4.6
IDA	25.6	16.6	11.4	8.5	6.7
IFC	25.3	6.3	5.7	5.4	5.4
MIGA	20.5	5.1	5.1	4.9	4.9
ADB	14.9	14.9	4.7	2.2	2.6
IDB	34.7	1.1	1.0	1.0	1.0
AfDB	5.9	4.8	3.6	1.5	3.3
EBRD	10.0	8.5	8.5	8.5	8.5

Source: Corral et al., 1995

Figure 1.

An Overview of the Multilateral
Development Bank System



The MDB system along with the IMF is further upheld by the imminent third power brought to life in the 1944 Bretton Woods Conference: the General Agreements on Tariffs and Trade (GATT). The GATT was initially supervised and implemented by the International Trade Organization (ITO) which was replaced in 1994 by the more powerful World Trade Organization (WTO) signed by 125 countries.

Given the amount of influence of MDBs, it has become important for NGOs to influence their lending policies and frameworks which shape the development agenda of poor borrowing countries.

The Asian Development Bank: Institutional Profile

In the Asia-Pacific Region, the ADB has been tasked in promoting the economic and social growth of its DMCs. ADB is "owned" by 55 countries, including 16 non-regional (donor) members from Europe and North America. Since 1966, the Bank has committed a total of roughly \$50 billion in loans. In 1993 alone, its annual lending reached \$ 5.2 billion for 77 new projects.

Early Years

The ADB, founded in 1966 sponsored by the UN-ESCAP (then ECAFE), was set up as a response to:

↳ a perceived need among the Asian countries for a source of development financing based on the specific region's developmental needs;

↳ the view of more industrialized countries that participation in the Bank was a chance to promote their development policies and economic and political interests.

In the 1960s, development aid focused on "traditional" sectors of infrastructure and industry. The aid policy shifted to a "rural development strategy" in the '70s due to worldwide food shortage and the growing awareness of increasing poverty despite massive and especially in rural areas. A strong bias for agriculture was reflected in the first years of ADB.

Functions & Strategic Thrusts

The principal functions of the ADB are: (a) building loans and equity investments for the economic and social advancement of its Developing Member Countries (DMCs); (b) providing technical assistance for preparation and implementation of development projects, programs and advisory services; (c) promoting investment of public and private

Table 2a

Net ODA flows to Asia, by source of funds, 1970-1990
(\$US million, constant 1990 prices, three-year averages)

Donors	1970	1980	1990	Change 1970-90
Total OECD*	10266	6773	8922	-1344
ADB	14	156	946	932
World Bank	634	1738	1868	1234
UN	384	1131	892	508
All other	89	1435	549	460
Total multilateral	1112	4460	4274	3162
Arab countries	-	450	184	184
Total ODA net	11378	1683	13377	1999

*OECD Members of the Development Assistance Committee Only

Table 2b

Net official flows to Asia, by source of funds, 1970-1990
(\$US million, constant 1990 prices, three-year averages)

Donors	1970	1980	1990	Change 1970-90
Total OECD*	15794	8042	11103	-4961
ADB	113	684	2090	1977
World Bank	1173	3392	4234	3061
UN	383	1131	909	526
All other	175	1496	564	389
Total multilateral	1826	6697	7796	5970
Arab countries	-	387	167	176
Total ODA net	17620	15117	19075	1455

It is best to draw on two sets of OECD data to look at aid flows: those relating to official development assistance (ODA), supplemented with the information on official net flows. ODA is the narrower concept, relating only to certain official flows which the OECD recognizes as 'aid'. Much of the 'hard loan' lending by the WB and ADB is not recorded as ODA but is classified as 'other official flows.'

Source: McCawley, 1993

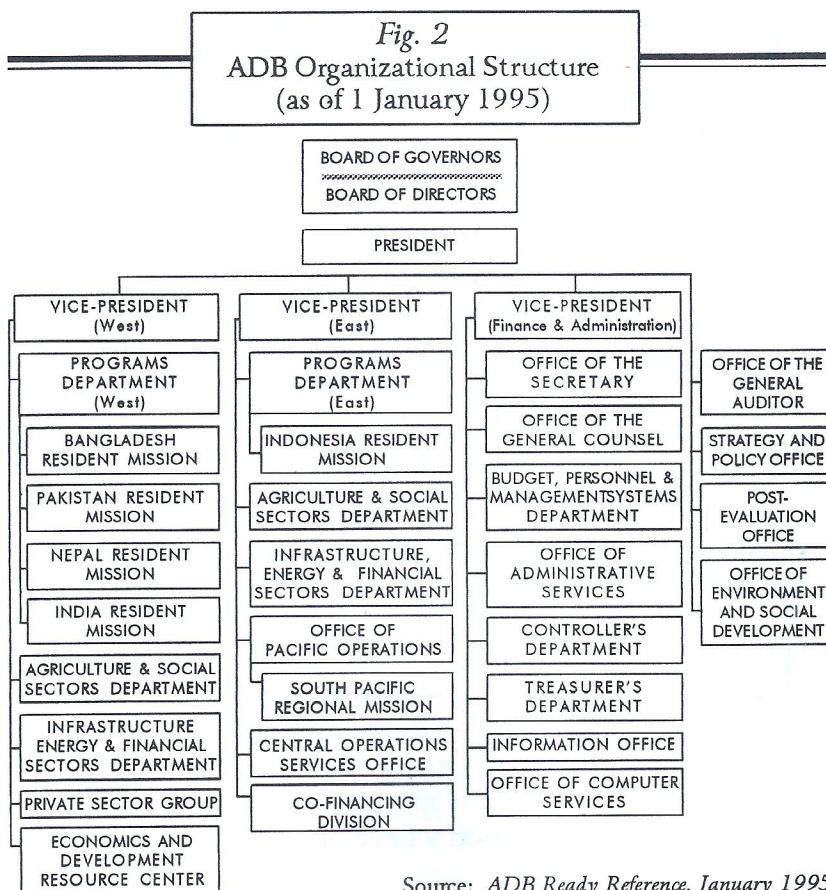
capital for development, and (d) responding to requests for assistance by DMCs in coordinating development plans and policies. (ADB, 1994.)

The Bank's strategic agenda of development promotion, resource mobilization, and regional cooperation is expressed in its four-fold strategic objectives in the medium term: 1) the promotion of economic growth; 2) reduction in poverty; 3) improvement of the status of women; 4) development of human resources and the sound management of natural resources and the environment. Through the "balanced approach" of emphasis to traditional growth projects while addressing social/environment concerns, the ADB seeks to improve the quality life of low income groups.

Legal Status & Cooperation with Inter-governmental Bodies

The *Agreement Establishing the Asian Development Bank* (the Bank's Charter) has the force of law in each of the Bank's 55 members. The Bank is immune from all legal prosecution (except in cases of borrowing and guarantee operations) and is exempt (inclusive of assets, property, income, transactions) from taxation and customs duties.

The Bank lies outside the UN systems, though its charter calls for close cooperation with the UN involving development in the region. It cooperates with the UN and other specialized agencies, like the WB, IMF, United Nations Development Program (UNDP), Economic and Social Commission



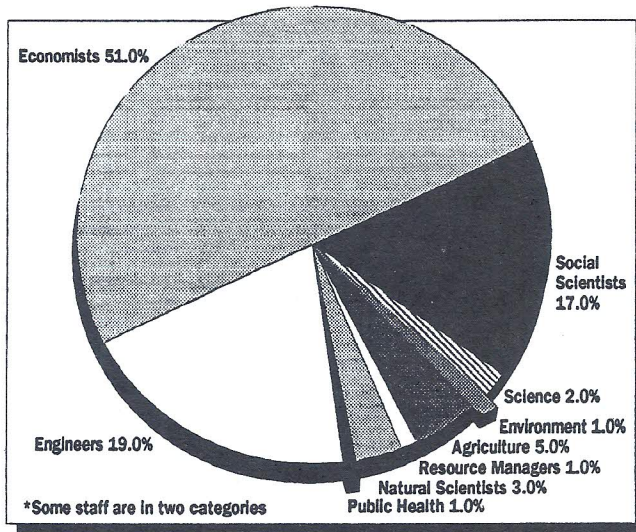
Source: ADB Ready Reference, January 1995

for Asia and the Pacific (ESCAP), Food and Agriculture Organization (FAO), among others. It developed links with the International Fund for Agricultural Development (IFAD) in 1977 and in 1978 co-financed and administered projects financed by IFAD to speed up agricultural development in the region. (ADB, 1992)

Organizational Structure

The Bank's highest policy-making body is the Board of Governors usually composed of Finance ministers from the Bank's member countries. It may delegate its powers to a 12-person Board of Directors (BOD) — eight representing regional countries and four from non-regional countries. The BOD is responsible for the direction of the Bank's general operations including decisions concerning loans, guarantees, investments, borrowing programs, technical assistance and other operations of the Bank. Under the direction of the Board of Directors is the President as elected by the Board of Governors for a term of five years. The ADB President conducts the day-to-day operations and serves as the chief-of-staff and Chair of the BOD.

Figure 3
Asian Development Bank staff expertise



Source: *Bankwatch*, Vol.1, No. 2 (1991)
Based on a review by Chip Fay

The Bank's headquarters is in Manila, Philippines with 28 departments and offices, including a South Pacific Regional Mission in Vanuatu, as well as Resident Missions in Bangladesh, India, Indonesia, Nepal, and Pakistan. As of March 1995, the Bank staff totals 1,938 from 42 nationalities, with 35 percent being professionals and where women make up a mere ten percent.

In 1991, 70 percent of the staff were economists and engineers while only 17 percent were social scientists. In 1995, the staff were 29 percent economists, 16 percent project engineers, and 4.5 percent 'social sector specialists.'

Capital Structure

The authorized capital of the Bank is \$54.2 billion, of which \$35.2 billion are members' total subscription where 90 percent is callable as against 10 percent of actual paid-in capital. To ensure that control of the Bank remained with the regional countries, the Bank's charter mandates that a minimum of 60 percent of total voting strength be reserved for the regional member countries. (*ADB at a Glance*, March 1995.)

The financial resources of the Bank consist of the following: ordinary capital resources (OCR) for "hard" loans, comprised of subscribed capital, and reserves and funds raised through borrowings; and Special Funds made up of contributions by member countries for "soft" or concessional lending and technical assistance activities of the Bank.

Special Funds in the Bank are of three types: (a) Asian Development Fund (ADF), the Bank's soft-loan window, established in June 1974 and already on its sixth replenishment; (b) Technical Assistance Special Fund (TASF), created in 1967 for technical assistance to poorer DMCs; and (c) Japan Special Fund (JSF), established in March 1988.

Governance and Voting Power

The ADB runs like any other corporation. Voting rights are determined by the number of capital shares. It is unlike the UN system of "one nation, one vote". Among the 55 member-countries, Japan currently holds the largest share at 22 percent with the US having only 11 percent. The 19 non-borrowing countries wield 60 percent control over all voting shares. Over the past 28 years, the ADB President has always been a Japanese much as the WB has

Table 3
Country breakdown of total outstanding
OCR loan commitments, 31 December 1994 (\$ million)

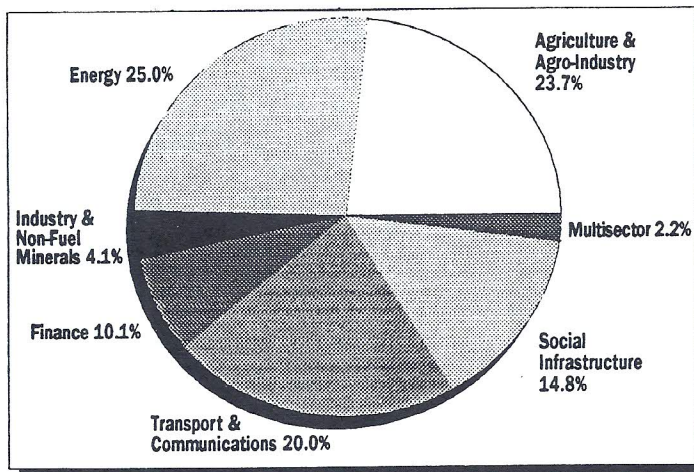
Country	Amount	Per cent
Indonesia	9,594.0	33.1
India	4,908.7	16.9
China, People's Republic of	4,134.4	14.3
Philippines	3,661.9	12.6
Pakistan	2,912.1	10.0
Thailand	1,859.3	6.4
Malaysia	934.8	3.2
Korea, Republic of	644.1	2.2
Others	384.8	1.3
Total	29,034.1	100.0

Source: *Financial Profile*, ADB, 1995.

always been headed by an American and the IMF by a European.

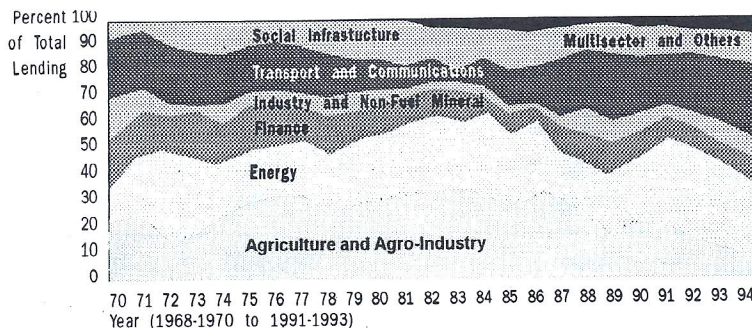
Eighteen developed countries control a total of 54.3 percent as against the remaining 45.7 percent held by 37 DMCs. The 12 seats in the ADB Board of Directors are determined by voting rights, thus, ensuring automatic seats for Japan, the US and China. Others go into pooled votes. Grouping reflect geo-political consideration e.g. India is not pooled with Sri Lanka or Pakistan. Examining the power structure of the ADB, a distinction can be seen between formal voting power and actual influence of Bank operations. Formal voting power is proportional to economic contributions.

Figure 4
Loan Approvals by Sector
Cumulative (1986 to March 1995)



Source: ANGOC, 1995 (Figures from ADB Annual Report 1994)

Figure 5
Loan Approvals by Sector
Three-year Moving Averages



Source: ADB Annual Report 1994

However, this does not reflect the real influence of the Bank's dominant donors since it does not consider Special Fund contributions (which is larger than capital subscription) nor the weight carried by the potential threat of non-renewal of contributions until certain policies are met.

Framework for Bank Assistance

The ADB channels development assistance to the region mainly through loans for specific projects and technical assistance (TA) grants sometimes giving the program, sector and multi-project loans. Income levels of DMCs determine the available type of loans. "Hard" OCR loans are provided to better off DMCs, while ADF concessional loans go to the poorest DMCs, with the lowest per capita GNP. Ineligible countries for ADF lending, thus, include the People's Republic of China, India, Thailand, Malaysia and Fiji. Indonesia, the Philippines, and Papua New Guinea are "blend" countries having access to both OCR and ADF funds.

Indonesia, Malaysia, the Philippines and Thailand have received about 55 percent of all loans from the ADB's OCR. Since its creation in 1966 until December 1994, 69 percent came from the OCR and 31 percent from ADF.

OCR loans have a two-to-eight year grace period and a maturity date of 10 to 30 years. ADF loans are charged one percent service fee and repayable within 40 years with a 10-year grace period. The principal is repayable at two percent interest per year for 10 years after the grace

period elapsed and four percent per year thereafter. (ADB, 1994.)

The loan priorities of the Bank for the region's development are reflected in Figure 5. The largest share has traditionally been allotted to the agriculture/agro-industry sector until recent years when the energy sector took the bulk of it in the region.

Co-Financing Operations

The ADB claims that its loans have a catalytic effect, leading to capital formation within DMCs. For every dollar lent by the Bank, a counterpart fund of \$1.50 is raised by borrowing countries and other co-financiers, such as commercial, bilateral, multilateral and export credit sources. (*ADB Basic Information*, 1994)

These co-financing operations aim to mobilize additional resources from official and private sources. On a cumulative basis (1970-93), 387 projects involved co-financing with an aggregated total of \$17.4 billion provided by co-financiers matched by \$18.8 billion of the Bank's funds. The largest portion of co-financing (63.4 percent) come from official sources, followed by 24.5 percent from export credits, and 11.9 percent from commercial sources. (*Co-Financing*, ADB, 1994)

Bilateral sources with ADB are Australia, Canada, United States, United Kingdom, Japan, the Netherlands, Kuwait and Saudi Arabia. Multilateral sources include the WB, IFAD, UNDP, the European Union, Islamic Development Bank, the Organization of Petroleum Exporting Countries (OPEC) Fund as well as commercial banks and insurance companies from donor countries.

Overall Issues and Questions about the ADB

Accountability: Who's the real boss?

MDBs are created by pooled public funds and built by member governments through congressional allocation representing public entity and multilateral business enterprise. Although they are public institutions, over the years, MDBs work with little or no systems of public accountability and de-personalized bureaucracies that shield officials from the consequences of their actions.

Thus, citizens from both North and South have a real stake in the operations of MDBs. The North will likely ask, "Is taxpayers' money being used wisely?" Meanwhile, the Southern publics must live the consequences of borrowings, social and environmental impacts, as well as the long-term consequences of foreign debt. Moreover, they are also the taxpayers and contributors to the Bank's funding. The Philippines, for instance, currently owns a two percent share in the ADB, meaning each Filipino owned about nine US dollars in subscribed capital investment, and owed the Bank US\$35 in both soft and hard loans (equivalent to a week's wage of an industrial worker).

MDBs enjoy immunity from all suits and legal damages, and are not covered by any international or domestic court. No Bank official may be litigated within "official duty," in spite the damage a project or policy may do to a community's life, property or environment. At best, an official may lose his/her job due to diplomatic pressure, or an offended country may opt to withdraw its membership — yet the Banks' operations will continue. Affected communities meantime have no legal recourse.

Multilateral Banks fall outside the formal jurisdiction of the United Nations. The ADB, created in 1967 under the auspices of the then ECAFE (now the UN-ESCAP), no longer falls under its jurisdiction. The ADB charter entitled *Agreement Establishing the Asian Development Bank* devotes an entire section (Chapter VII, Articles 48-58) outlining the status, immunities, exemptions and privileges of the Bank and its officials. Article 50 states

that "the Bank shall enjoy immunity from every form of legal process." The only exception cited is "in cases arising out of, or in connection with the exercise of its powers to borrow money, to guarantee obligations, or to buy and sell or underwrite the sale of securities..." The Bank may be held legally accountable for its financial transactions with governments, other banks and financing institutions, but not for the impact or consequences of its projects and spending.

Put another way, the ADB's callable capital is always available for the protection of the Bank's creditors (e.g. bondholders and other lenders) and can be called to meet the Bank's obligations in relation to its borrowings. However, no such guarantee exists for the compensation of the Bank's victims, such as communities who may be evicted due to poorly-designed or mismanaged Bank projects.

A glaring illustration is the dumping of toxic "fertilizer" on Bangladeshi farmers financed through a \$1.88 million ADB loan subsidy. In 1991, three South Carolina corporations concocted an elaborate scheme to export hazardous waste, known as "baghouse dust," captured from the smokestack filters of the metal smelting furnaces of the Gaston Copper Recycling Corporation. Hy-tex Marketing, Inc., a hazardous waste broker, transported the waste, which contained toxic levels of lead and cadmium, to a third company, Stoller Chemical Corporation. Stoller then secretly mixed the waste with other materials to make

fertilizer and illegally shipped 6,300 tons of this toxic brew to Bangladesh under an ADB loan. Once in Bangladesh, this tainted fertilizer was widely distributed and spread on fields across the country.

Bangladeshi NGOs and Greenpeace discovered this in 1992 when 55 percent of the shipment had already been used by farmers. Yet, until mid-1993, such toxic fertilizer was still being sold in some shops that held they had trusted the product, being "new and made in the USA."

The issue was raised at the ADB Campaign. Gaston was subsequently indicted by a US court and fined \$1,000,000. Meanwhile, the remaining 2,850 tons of toxic fertilizer are still in Bangladeshi warehouses. Both ADB and the US government refused to take back the toxic fertilizer or fund its disposal. The fines imposed by the US courts went to the US Treasury, and not to Bangladesh. The ADB insists it has no money for this purpose and instead sent a consultant for the disposal and approved a subsequent grant. It seems both the US and the ADB point full responsibility on Bangladesh. The case clearly displayed how MDBs and donors shun responsibility for the impact of their funding. The supreme irony is that Bangladeshi citizens will continue to repay this destructive loan.

Aside from being seen as a "public institution," Article 56 of the ADB Charter exempts its assets, property, income, operations and transactions from all taxes and customs duties. All income and emoluments of Bank employees, including experts on Bank missions, are likewise tax-exempt. ADB enjoys the privileges of an "international public servant," and having immunity from legal suits. Meanwhile, the poor farmers suffer the consequences of sour loans, and burden of paying these debts.

ADB enjoys the privileges of an "international public servant," and has immunity from legal suits while the poor farmers suffer the consequences of sour loans and the burden of paying these debts.

Information: What's going on?

Ordinary citizens have virtually no access to critical Bank information and maintains no systems to guarantee public access to information. Voting patterns within the Board of Directors is "classified." Consultations with communities

affected by projects are nil with the people learning of the project only after approved.

In response to mounting pressure from the ADB Campaign and some donor governments, the Board of Directors recently approved in January 1995 a new Bank Policy on Information Disclosure. Also currently under Board discussion is a proposal to set-up a Bank Inspection Panel to investigate specific cases involving violations of Bank policies and agreements. These two measures are major breakthroughs in establishing greater public accountability by the Bank. However, in an NGO/Bank meeting on 1 February 1995, NGOs do not have a copy of the Draft Inspection Policy proposal. The Bank policy states that all proposals under Board discussion are considered as "internal documents" and "confidential."

Tied Aid: What's the catch?

Officially, the donor objectives in infusing some \$19 billion annually on development assistance in Asia are pronounced as the promotion of their commercial, strategic and political interests of the donor country, as well as support of "development" in recipient countries. ADB serves as a channel for the donor-countries excess domestic capital. Automatically allocating a portion of donor ODA to the purchase of goods and services from their home-based industries. This promotes the growth of their trade and industries, thereby stifling domestic and local initiatives. The exact portion of "tied-aid" ADB project loans is a mystery unknown but contractors

are able to bid in advance before programs are approved. The "tying" status of donor countries varies, that is, Canada spending 65 cents per Canadian ODA dollar in 1992; for Australia, more than 90 cents; and Japan heavily aligning its ODA with its manufacturing and consultancy services industry. (*Corral et al., 1995.*)

Most IBRD and IDA disbursements flow out of borrower countries in the form of procurement contracts on existing projects, with the lion's share going to the richest industrialized nations. In 1993, for instance, out of \$7 billion IBRD/IDA net disbursements to borrower countries, \$6.8 billion were paid out to the 24 rich OECD countries, leaving the Bank's borrowers with exactly \$170 million (or a miniscule 2.5 percent) in net positive flows for that year. (Rich, 1994)

Non-membership of non-regional countries (i.e. US, Canada, etc.) in the Bank forfeits the chance to participate in Asia's vigorous aid industry since bank policy states that hard and soft loans can only be used for purchases from any member country.

Information for international competitive bidding for supplies of goods and services is obtained from the monthly *ADB Business Opportunities*. Another form of "tying" aid is the attachment of policy conditionalities to address issues like the environment, women-in-development, human rights (McCawley, 1993). These can either serve to improve projects approved by the Bank or act as "safety nets" for adverse effects of Bank loans on local communities.

Aggressive pursuit of policy conditionalities by donors usually occurs with pending increases of the Bank's capitalization or negotiations for replenishment of the soft-loan window. In a bid to double the Bank's capital in 1994, the Board even resorted to a straw vote for the first time in its 27-year history mainly because of the linking of policy conditionalities with the proposed General Capital Increase (GCI).

NGOs often note, for instance, that if the Bank is truly serious in reducing poverty, it should impose the conditionality of a strong agrarian reform program in DMCs before any loan is approved. The Bank's clientele is predominantly a rural Asia where some 70 percent of the population live. Industrialization cannot take place unless a strong agrarian base exists. At the heart of Asia and the Pacific, the farmers' rallying cry has always been control and ownership over the land they and their ancestors tilled throughout the ages.

Somehow, this discourse has always been studiously avoided by the Bank. If MDBs in general could convince governments to dispose of their assets in various privatization schemes, then surely it could also convince governments to craft and implement a no-nonsense agrarian reform program for their farmers.

Social and Environmental Impacts of Projects: Who really pays? At what cost?

Numerous cases have been documented on how MDB lending and policies caused massive social displacement and environmental damage to communities. In an internal study on resettlement, WB itself admitted that over 800,000 people in the Indian subcontinent alone were displaced by WB funded projects, turning them into "development refugees." Such social displacement were caused by mega-dam projects, spending over \$50 billion for some 500 dam projects worldwide. Yet more such projects are in the pipeline, the most controversial of which are the Sarvodar Dam in India, and Arun III in Nepal.

In the ADB, NGOs involved in the Campaign documented and presented several cases where local communities have been adversely affected by Bank lending. The ADB-financed timber plantations in South and West Kalimantan threatens to convert 51,000 hectares of forests and agricultural lands into mono-crop rubber plantations. These enabled local elites to acquire fertile agricultural land by reclassifying them as "degraded land," thereby forcing land acquisitions and evictions of entire communities. The 600-megawatt Masinloc Coal-Fired Thermal Plant in Zambales, Philippines, still threatens 106 hectares of prime agricultural land, endangers the livelihood of 3,000 families, and affects the only remaining marine sanctuary in Luzon due to plant discharge. In Sri Lanka, the Bank was forced to review a new proposal in the Kirindi Oya Irrigation Project diverting the Menik Ganga River into a catchment basin, when in 1991, the Sri Lanka Environmental Foundation, pointed out that this would cause massive destruction in one of the country's major national parks. The \$200 million, 4.8 km. Jamuna bridge in Bangladesh, approved in 1994, affects a total area of 2,724 hectares and more than 77,000 persons, of whom, 7,000 will be forcibly relocated.

The Bank often claims that all projects are the responsibility of member-governments, rather than of the Bank itself. Article 38 of the ADB Charter states that Bank officials must not be influenced in their decisions by the political character of

CASE IN POINT: *Conditionalities on governance and participation.*

In donor parlance, "good governance" may define a gamut of concerns from the benign discourse on administrative processes to more controversial human rights issues like the Indonesian policy on East Timor and Chinese policies following the Tiananmen Square episode.

A proposed policy paper on "Good Governance" is currently the subject of heated debate by the ADB Board of Directors being yet another donor policy conditionality. Bitter complaints result from borrower countries concerning donors' intrusion on sovereignty issues. A dilemma is faced by Southern NGO activists in the advocacy for reforms within the ADB. While supporting reforms in the Bank's activities and lending operations, donor conditionalities to DMCs require some allegiance to donor vested interests.

DMC concerns on "good governance" issues are not unfounded. Multilateral institutions like the ADB have evolved toward roles that put greater intervention over governance processes of low-income borrower countries. In this pseudo-governance role, MDBs act as non-elected legislative bodies which are totally without accountability to citizens who bear the consequences of their decisions, as these processes occur at the topmost level of executive agencies, sans public consultation or participation. This increasing influence of MDBs over society reduces the people's countervailing power to control them.

member-countries, and "only economic considerations shall be relevant to their decisions." Whether economic decisions can be separated from political issues is a debatable matter with reality revealing something else. The loan for the Masinloc Coal-Powered Plant was released by the Bank due to increasing pressures from the Philippine government. Although the project did not comply with the Bank's own EIA requirements.

Indeed, Bank staff play a larger role in pushing loans than the Bank itself. Discussions with Bank staff often reveal that they are regularly evaluated by the amounts of loans moved, rather than by the quality of their projects.

These points are confirmed by the Bank itself. The 1994 *Task Force Report on Improving Project Quality*, gave very revealing findings and recommendations regarding the quality of the Bank's portfolio of projects since 1966. Out of 726 ADB-financed projects completed, a non-random sample of 427 projects (or 60 percent) were post-evaluated. The overall ratings indicated that 60 percent of the projects were "generally successful," 30 percent "partly successful," and the remaining 10 percent "unsuccessful." The study defined project quality in terms of development impact — economic or financial viability, social impact, implementability and sustainability. Among the reasons cited for project failure were: (a) the "loan approval culture" of the Bank, (b) lack of "ownership" among projects by developing member countries, and (c) the over-centralization of Bank practices and systems.

Privatization: Private investments, but why public debt?

Over the years, MDBs have emerged as global financial powers in their own right, given the very scope and extent of their project funding. They pour tremendous amounts of resources into borrowing countries, thus influencing (and oftentimes forcing) the development priorities and directions these countries take. Among the key policy thrusts that MDBs promote (or impose) are privatization and the promotion of private sector investments through increased liberalization of markets.

During the past 50 years, the WB lent an estimated \$300 billion for 6,000 plus projects worldwide. The ADB lent some \$50 billion for 1,300 projects across developing countries in 27 years.

However, the total amount that MDBs "move" is actually much greater than is stipulated, for they bring in co-financing and guarantee arrangements with bilateral sources and private banks for their projects. Out of the \$36 billion foreign debt of the Philippines, for instance, only about \$4.5 billion is actually owed to the WB. The rest consists of foreign and domestic borrowings from over 200 bilateral and commercial sources through co-financing arrangements.

MDBs also provide the "beachheads" for the entry of corporate investments. Indochina, now gradually opening up to a market-led economy, has 76 plus major projects now lodged in both the WB and ADB pipelines with a net total of \$14.7 billion for the next two years. Like "commando troopers," these MDB loans will "parachute from the sky" over the next few years to build ports, airports, communications systems and other infrastructure. Co-financing arrangements will further ensure the entry of private banks. In short, public funds are used this way to subsidize not only private, but corporate investments. Yet, this is not merely an incidental, but a deliberate strategy premised on a "growth-at-all-costs" paradigm.

The Bank makes no qualms that it supports private sector investments as one of its main strategies growing into a major objective as well. It provides direct funding to the private sector with government guarantees, and has in its structure a separate Private Sector Department. In recent years, the Bank even provided loans directly to private corporations, even without government guarantees. (ADB, 1992)

The ADB boasts that it, "...has strengthened its efforts to assist DMCs to enlarge the role of the private sector and market forces in economic activities in the region. At the end of 1991, the Bank had approved 112 credit lines totalling some \$4 billion for use by a network of DMC financial intermediaries; this money has been committed to finance nearly 18,500 enterprises mostly in the private sector." (ADB, 1992). Finally, MDBs also provide businesses for the private sector by contracting arrangements for its projects.

The whole idea of "private sector" development needs more careful analysis and discourse. For one, what exactly constitutes the "private sector"? Dominated as they are by traditional economists and conservative planners, the Bank has indeed tilted its resources and lending towards "corporate" investments. They will never likely see, for instance, farmer-households as the private sector, although farmers may constitute the majority population in developing countries.

This raises a fundamental question about whether the ADB is a bank, or a development institution whose primary goal. For in practice, the ADB functions mainly as a banking institution. Its main business is to "sell" loans, premised on its working principle that poor countries need to borrow more money in order to develop.

In developing countries, where wealth and power combine and interact among a privileged few, "economic" decisions about where to place investments can have powerful political and economic implications. Deciding where to place a road can lead to sudden wealth of some, as land prices shoot up. Then communities are forcibly evicted, or their tenanted lands re-taken by their owners.

One key appraisal criteria for all ADB projects, for instance, is "return on investments" (ROI) and "rates of return" (RRs). Hence, the Bank's main lending tends to be in infrastructure and traditional "growth" projects, where returns are easily understood and computed by economic planners. Bank staff and consultants are in project formulation and design based on the amount and not the quality of the loans moved, as annual lending targets are set. Hence, they are interested in a few large-scale projects, than several small loan packages.

The largest debtors today are also those countries which are resource-rich and have large populations or vast, potential markets.

Foreign Debt and SAPs: Why must our children pay?

There is wisdom in the old saying: "He who has his hands in another person's pocket will have to walk around with him wherever he goes."

As MDBs engage in "selling" loans, their operations now raise serious questions about the short and long term impacts of increasing global indebtedness. Indeed, growing debt repayments is causing a continued reverse net flow of resources from South to North since the global balance of payments tilted in 1987.

Foreign debt repayments imply the expatriation of huge resources which indebted countries badly need for domestic development. The Philippines, for instance, spends between 40-60 percent of public expenditures on debt servicing alone. The actual amount paid is not pre-approved by Congress, because of a previous law providing for automatic budgetary allocations for debt-servicing. This law was passed due to mounting pressures from the country's debtors for more guarantees.

Among most poor countries where huge bureaucracies practically eat up the national budgets, proactive development initiatives are financed only through more borrowing. This gives debtors substantial leverage over project designs and domestic policies.

Foreign debt must also be repaid in foreign exchange, mainly by raising the volume of exports. In an increasingly competitive global market, poor countries with little or low-level industries often resort to exporting their raw materials and natural resources (logs, cash crops), often detrimental to the environment. This leads to a gradual domination by Northern countries over Southern economies. Thus, it is not altogether surprising that the largest debtors today are also those countries which are resource-rich (lands, forests, mines which have exploitative potential), and have large populations (or vast, potential markets) such as Brazil and Indonesia.

Increasing exports also means increasing domestic competitiveness. This implies imposing low, competitive wages, longer hours and poor labor conditions, lowering one's environmental standards, and imposing higher taxes on citizens.

Given their vast financial powers, MDBs represent a system of increasing control and domination by the North over the South. Lenders tend to determine the directions of spending, and hence of development itself, among borrowers. Aside from direct loans, there are direct interventions and impositions on domestic policies through structural adjustment programs (SAPs). Among those included are privatization of state enterprises, forex currency adjustments, and removal of state subsidies. These conditionalities are led by the multilaterals such

as the IMF, the World Trade Organization, and the WB that increasingly promoted "sectoral adjustment loans" (SECAL) over recent years.

For the ADB, officials have repeatedly stated that its lending does not include unpopular SAPs. In contrast, the ADB is involved with both the WB and IMF in monitoring macro-economic developments in developing member-countries. In fact, ADB has become recognized as a major partner in the process of restructuring several DMCs where major changes are underway (ADB, 1992). Furthermore, the Japan Special Fund was created specifically to restructure DMC economies and to broaden the scope for new investments, among others.

Finally, substantial amounts of MDB lending continue supporting authoritarian governments. In the Philippines, from 1966, the \$200 million foreign debt rose to over \$28 billion in 20 years under the Marcos government — mostly acquired during the Martial Law period. This raises serious moral questions about the Banks' support for governments which are unaccountable to their citizens but who borrow in their name. For in the end, it is the citizens, not the government, carrying the burden of indebtedness.

Filipino pro-democracy groups in the US and Europe then claimed that the Marcos regime borrowed for projects which it should have financed through government spending. This freed government coffers from substantial spending in areas which donors would not have directly supported or approved — i.e. military operations and acquisition of armaments used for whatever reasons.

Until today, the ADB still has no policy or program

to address the growing problem of indebtedness. Yet, the Bank consistently reached a "high level of earnings" in its ordinary operations since 1967 used to maintain and strengthen its capital base. The Bank does not even have to pay dividends to the members' paid-in capital. In 1991, the Bank realized a rate of return



on average investments and average total earnings of 9.0 percent and 8.4 percent, respectively. (ADB, 1992.)

Growth-Centered Vision: Where are we really going?

These issues are not mere "accidents," but the natural consequence of a flawed development paradigm that MDBs actively subscribe to and promote.

The ADB subscribes to a growth-centered paradigm which equates "development" with economic growth, as measured by the growing pie of what it calls "GNP." In essence, "development" should enlarge the pie by infusing money in key growth areas and benefits, as we are led to believe, will "trickle-down" through more jobs and increased productivity. According to this growth-oriented paradigm, poverty and underdevelopment in the South is a result of inadequate capital investments. This inadequacy can be partially met through the infusion of external assistance from the more affluent North. This monetarist approach places an overriding reliance on the liberalization of market forces and the support for private sector initiatives for development. Growth-centered development sees nature as a resource capital to be mined and extracted, and people as either laborers or consumers in this effort.

But those who decide control power and resources, making them the main beneficiaries of the projects in the process. The extent of poverty, for instance, has not waned over the past decade in Asia, despite its reputation as the fastest growing region in the world.

By 1992, 70.6 percent of global GDP (\$12 trillion out of \$17 trillion) was controlled by the G-7 countries. Much of this "wealth" is now controlled through private and public "corporations." In 1990, the assets of the 10 largest financial groups were worth \$3.6 trillion, equivalent to four times the GDP of 43 least developed countries, and 22.5 percent of OECD countries (composed of the 24 richest countries of the world) (Rich, 1994).

The ADB Campaign

Beginnings of Public Protests

Public awareness and concern over the negative social and environmental impacts of MDB-financed projects began mainly in the mid-1970s with growing local protests against mega-projects financed mainly by the WB. In Northern Philippines, thousands of Bontoc and Kalinga tribal families engaged the Marcos regime in a life-and-death struggle against the building of a giant hydroelectric dam in Chico Valley. Faced with the loss of livelihood and ancestral lands, the communities fiercely resisted generating substantial international support. Eventually, the Bank was forced to withdraw its involvement halting the project.

Throughout the 1980s, other destructive WB-funded projects were opposed by local peoples and NGOs. A celebrated case was the Polonoroeste Project in Northeastern Brazil, a massive integrated development project seen as a colonization scheme. This project destroyed huge tracts of primary rainforest and brought sickness and death to numerous, previously uncontacted Indian communities. A massive local and international uproar forced the WB to temporarily halt disbursements. The campaign stirred opposition against other WB-funded debacles. Indonesians protested against the WB-led Transmigration Program, a so-called colonization program with huge social and environmental costs not

unlike those in the Polonoestre Project. These protests continue to this day.

Gradually, these campaigns became more focused upon the WB and the multilateral banking system itself, with demands for greater public transparency and accountability of said institutions. In the US –where 20 percent of the WB's annual funding come from – NGOs heightened political pressure upon the US Congress approving such funds. Similar pressures from the public were generated in Canada, Western Europe and in other developing member-countries. These efforts marked the beginning of the Multilateral Development Banks (MDB) Campaign.

Early efforts on the ADB Campaign

The ADB in its first 20 years went along its business unchallenged. It was in early 1988 when lawyer Jim Barnes of the Environmental Policy Institute (EPI) visited Manila and met with ANGOB Chairman Dr. D.L. Umali and then ANGOB Deputy Director Antonio B. Quizon to explore possible working relations on the MDB campaign. EPI had experience working with a host of Washington-based NGOs on lobbying activities with the US Congress and the WB, and wanted to encourage the ADB to become involved in promoting "debt-for-nature" swaps. EPI then set up a one-person office in Manila, under Chip Fay, an American who had worked seven years in the Philippines.

The "debt-for-nature swap" is an innovative financing mechanism wherein part of a country's foreign debt papers are re-purchased or re-financed at discounted international

NGO presence at ADB Annual meetings has highlighted different interests posed by the Bank's "stockholders" versus the "stakeholders," represented by NGOs and other public interest groups.

market rates, in exchange for a government commitment to channel local resources towards environmental protection and nature conservation. Resource-poor countries can only pay their foreign debts by accelerating the pace of extracting and exporting their natural resources, thus leading to increasing destruction of their own environments.

At that time, there was very little public awareness of the ADB, and practically no linkages. In September 1988, EPI invited Quizon to participate in the WB Annual Meeting in Berlin allowing ANGOB to become familiar with the international MDB Campaign and meet many of the MDB Campaign players. Thereafter, ANGOB and EPI/FoE began working more closely to bring about Bank reforms.

Initial discussions with the ADB begun by "selling" the idea of a debt-for-nature swap. Contact was first made with ADB's Environment Unit,

and other concerns emerged. For one, the Environment Unit played only an advisory role on projects. With only three professional staff, it faced the daunting task of reviewing and monitoring over 50 new projects a year. Hence, the strengthening of ADB's environmental review process, and stricter Environmental Impact Assessment (EIA) guidelines was advocated. Issues were also raised on the Bank's target priorities and role in addressing both poverty and environmental problems of the region. These concerns, expressed mainly by NGOs and shared by some member-governments, received growing attention by Bank management.

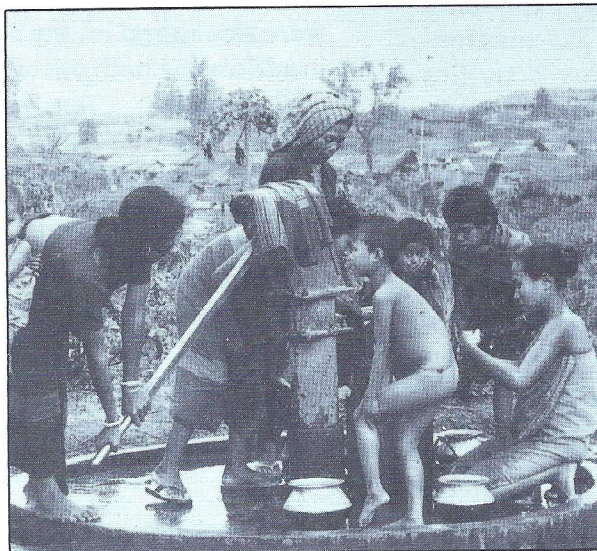
Meanwhile, the ADB Board had just passed its new policy on *The Bank's Cooperation with NGOs* (1987), and was exploring ways for collaboration with NGOs. The Bank commissioned ANGOB to prepare eight country studies and two regional studies to seek NGO inputs for implementing the policy framework on ADB-NGO relations on NGO institutional strengthening on environment and natural resource management.

Defining the Overall Campaign Objectives

These initial interactions with Bank officials also helped NGOs articulate clearer ADB Campaign objectives. The central theme of the ADB Campaign would be: (a) to challenge the Bank's overall development priorities based on a centralized, economic growth model, and (b) to open up greater public accountability, transparency and participation in the Bank's processes. Within this broad agenda, specific issues would be examined and addressed like sectoral lending policies in forestry, energy and agriculture; social and environmental policies and guidelines; monitoring the impact of selected in-country projects; and institutional reforms towards greater information access, popular participation, and a more open policy environment for conducting ADB/ NGO / DMC relations. First to establish more systematic and open dialogue with the Bank and member-governments was needed. There would also be a need to promote greater public awareness (and interest) among Asian NGOs on the ADB Campaign.

Initially, major lobbying activities was the focus during the ADB Annual Board of Governors Meetings. ADB Annual Meetings, held in the first week of May each year, are the Bank's "corporate stockholder meetings" gathering some 2,000 people in one huge "marketplace" — the powerful finance and economic planning ministers of all member-countries, ADB Board of Directors and Bank officials, bilateral aid agencies, commercial and investment banks, prospective bidders and contractors for Bank projects, and the international media.

Although the three-day official program consists mainly of speeches, the usual formalities on reports and budgets, and non-stop reception lines, it nevertheless provides extensive opportunities for backroom lobby work, side negotiations and media exposure. Also, there is an opportunity for influencing the official statements presented by each member-government which broadly define their policies on



borrowing priorities and funding conditionalities, since most delegations usually rush their statements at the last minute.

NGO presence at ADB Annual meetings has highlighted different interests posed by the Bank's "stockholders" versus the "stakeholders," represented by NGOs and other public interest groups.

The Beijing Meeting, 1989

At the 1989 ADB Annual Meeting held in Beijing, China, ANGOC and EPI/FoE were joined by Agus Purnomo of WALHI (Indonesia) and Yukio Tanaka of JATAN (Japan) for the lobbying activities. Prior to this meeting, the ADB Board upgraded the status of the Environment Unit to that of a Division, giving it more direct access to the Department Head and in theory, greater input into the policy-making process. Also, the ADB "Blue Ribbon" panel chaired by Saburo Okita, released what is better-known as the "Okita Report" which recommended that poverty alleviation and the environment become new ADB priorities. This marked the

beginning of a substantial shift in the way ADB described its mission, and gave the Campaign a "handle" by which to push for Bank reforms.

Meetings were held with then ADB President Fujioka, the Vice-Presidents, the Executive Directors, and some

10 country delegations, particularly the US, Germany and Japan through office walk-ins and "ambush interviews" at corridors and receptions. Questions centered to the Bank's sectoral lending in energy, forestry and agriculture; the need to strengthen the environmental staff and review process; and the need to open up access and modes for public participation. Two issues of the newsletter *Eco* were prepared on-the-spot and some 200 photocopies of each were distributed to delegates. This displeased some over-eager Bank bureaucrats who were quick to claim that their NGO "guests" violated the Bank's official diplomatic protocol.

In discussions, the NGOs criticized ADB's "master forestry plans" that emphasize traditional bias toward forest management for production rather than environmental protection. The Bank failed to leverage its loans and place safeguards to protect old growth forests. Instead, the Bank was seen emphasizing reforestation and industrial tree plantations, rather than some law enforcement and community-based schemes. It failed to address key questions of land tenure security, ancestral land rights, and popular participation. Similarly, the issues raised against the ADB's agriculture sector (then the ADB's largest loan sector) were that it continued emphasizing production for export through expensive and environmentally harmful petrochemical inputs, with very little progress made on sustainable practices, crop diversification, promotion of land use planning favoring small holders, and promotion of land tenure security.

The NGOs also presented a critique of ADB's energy sector lending.

Energy (read: *power*) projects are usually the most environmentally-sensitive and prone to cause negative social impacts. NGOs noted that the bulk of ADB's energy loans still went to large, capital-intensive energy projects and system improvements, with little emphasis on energy alternatives and conservation such as the Mt. Apo Geothermal Plant in the Philippines. The plant, located within a national park and on Bagobo ancestral land, was opposed by local groups and NGOs.

Interestingly, the first NGO-participated ADB Meeting in Beijing coincided with the of the pro-democracy movement being held one month before the infamous "Tiananmen Square Massacre." The NGOs also took this occasion to meet with donor-country delegations in order to inquire and register their opposition against China's WB-financed Three Gorges Dam Project.

In June 1989, the ADB hosted the annual meeting of the Committee of International Development Institutions on the Environment (CIDIE). CIDIE is composed of the environment departments of all MDBs and specialized UN institutions such as UNDP and the United Nations Environmental Programme (UNEP). Since a group of environmental NGOs from the region were to be invited at the Bank's expense, ANGOC and EPI worked with the ADB Environment Division to organize a one-day ADB/NGO dialogue, the first in the Bank's 22-year history.

In preparation for the CIDIE and ADB/NGO meetings, ANGOC and EPI conducted for ADB a five-country study identifying potentials and constraints to ADB/NGO relations on the environment. The meeting drew up a nine-point set of practical recommendations.

At the same time, ANGOC and the Environment Liaison Centre International based in Nairobi were also organizing an international conference in Manila, in preparation for UNCED. Another half-day open dialogue meeting was held at the Bank between CIDIE and some 24 NGOs from around the world. The NGOs presented a consensus statement, now better known as the *Manila Declaration*.

The Initial Years, 1990-91

NGOs attended the subsequent ADB Annual Meetings in New Delhi (1990) and Vancouver (1991).

To broaden NGO involvement in the Campaign, a survey form was sent to some 200 groups in the Asian region, of which about 70 responded. This group became the first ones to receive *Bankwatch* for continued information and updates on pipeline Bank projects and issues. The newsletter became the regular NGO information bulletin.

As the dialogue with the Bank progressed, other issues emerged, and the campaign began to take clearer shape. To prepare for Bank debates, case studies of problematic ADB projects were documented at country level. These led to several further realizations.

First, ADB also lacked systematic analysis during appraisal of the social (not just environmental) impacts of projects. Second, the ADB lacked definitive policies on issues concerning forestry, energy, indigenous peoples' rights, agrarian and land rights. In light of these issues, the NGOs decided to "challenge" the ADB with the question: "What is the Bank's response to the emerging global environmental imperatives?" Global discourse was taking place at that time in preparation for UNCED, and environment was a "hot" issue.

Furthermore, the NGOs surmised that bad projects were due to inherent institutional and procedural weaknesses in the ADB project process. In the absence of clear lending policies directions, Bank staff performance, as mentioned, was gauged on the amounts not the quality of project loans moved. Concrete cases of problematic projects presented to the Bank included: the Kirindi Oya Irrigation and Settlement Project (Sri Lanka), and the Forestry Sector Loan (Philippines).

NGOs also prepared two types of review papers: (a) on institutional staffing; and (b) on sectoral lending. On staffing, the study noted that, while the Bank had increased its lending by 25 percent in the past two years, no corresponding staff increase vis-a-vis monitoring and evaluation. About half of the the Bank's 660 professionals were economists, about one-fifth engineers, and less than one percent had training in environmental concerns. Also, while women-in-development was one of the Bank's three major priority thrusts (the others being poverty alleviation and the

ADB lacked systematic analysis during appraisal of the social (not just environmental) impacts of projects.

environment), only had one staff. Merely three percent of all professional Bank staff were women — an issue that had caused the Bank the most embarrassment.

Sectoral review studies meanwhile were presented on forestry and energy. Issues regarding access to information and public accountability were also raised and became a recurring theme in succeeding Bank/NGO dialogues. Country-focused reviews of Bank lending were also presented for Indonesia, the Philippines and Sri Lanka.

At the Vancouver ADB Annual Meeting in May 1991, strong backstopping support was provided by Canadian and US NGOs. The ADB Campaign gained Canadian news television coverage and a well-attended press conference. Media attention was also captivated when ANGOC and FoE-US invited a former ADB Director for Information to join the Vancouver meeting. The said personality later joined the Philippine NGO sector since his retirement.

Strategy for NGO Intervention

As more and more NGOs join the Campaign, work was strengthened particularly in the Philippines, Indonesia and Sri Lanka. From the start, it was clear to ANGOC and FOE-US (EPI) that they were setting up a campaign rather than an organization, thus, inclusive strategies were necessary with a broader framework was needed.

The Campaign focused on: (a) NGO participation at ADB Annual Meetings;

(b) regular information; (c) ongoing liaison and dialogue with the ADB in Manila; and (d) policy researches and project case studies. Also, every year, there would be a meeting with the ADB President during the Annual Meeting, and an NGO letter formally presented to air collective concerns.

A multi-pronged approach was to characterize the NGO campaign on the ADB. These key strategies include the following policy intervention, information dissemination, research and documentation.

Creating public awareness. Much of Asian NGO work with MDBs would focus on building greater public awareness and on stimulating public debate on the social and environmental impacts of Bank lending. This should lead to constituency-building. Included as activities were the publication of *Bankwatch* and in-country newsletters, the conduct of news conferences, and building access and relations with mass media.

Network-building. Efforts would be made on an inclusive strategy, making linkages with all public interest groups (including community action groups) interested in joining/contributing to the Bank lobby. This requires a continuous flow of information. It was foreseen that NGOs and networks based in Manila would have to play a key role in such endeavor.

Policy intervention. The ADB Annual Board of Governors Meeting would continue to be a regular focal point for NGO policy intervention. Immediately prior to the ADB Meeting, a two-day NGO Strategy Session would be organized at the venue to allow the building of consensus positions, and to map-out concrete strategies. It would also help

brief participants on previous work done, and serve as a session for sharing practical skills. Appointments would be arranged with key Bank officials and country delegations. Prior documentations would be prepared, and media relations, including press conferences, organized.

Research and documentation. The ultimate objective of the Campaign would be to echo the "voices" of affected communities in the dialogue and debates with the Bank. Unlike other global advocacy campaigns, and as the Asian voluntary sector remains largely constituency-based, the approach would focus on practical actions that link-up policy-level work with grassroots action.

For one, specific field documentation of ADB projects would be brought to strengthen policy discussions with the Bank and member-governments formally recognizing them for the first time. Where possible, the Campaign would facilitate the direct participation of the local people from affected communities.

Growth of the Campaign - 1992

During the ADB Annual Meeting in Hongkong in 1992, the Bank appointed the Environment Office as the focal point for NGOs, formally recognizing them for the first time. Serious questions, however, arose when some members of the NGO delegation were refused formal accreditation by their respective governments (particularly in Malaysia, Indonesia and Bangladesh) and consequently, by the Bank. However, their participation was eventually arranged through compromise on some "creative" approaches.

The Hongkong meeting registered several "firsts" in the Campaign efforts. The more macro and fundamental issues about debt and structural adjustments were raised. Besides the NGOs gathered the largest delegation (25 NGO representatives) ever since the Campaign started, with the "South-North Project." Many of the NGOs present were also recognized technical experts in their respective fields, and thus were able to hold high-level debates with Bank experts.

Significant policy changes within the Bank then included the imposition of a 120-day rule on public disclosure of all projects that are pending Bank approval, and the rising prominence of the Social Dimensions Unit (then lodged within the Agriculture Division) as the Bank's response to NGO issues raised

on the negative social impacts of several Bank projects.

Among the several project critiques that helped clarify the Campaign message were: the Madhupur Forest and Agri-aqua Project (Bangladesh); Timber Plantations in South and West Kalimantan and in South Sulawesi (Indonesia); Artificial Reefs (Malaysia); Masinloc Coal-powered Plant (Philippines); and the Road Improvement Project and Export Promotions Zones (Sri Lanka). Critiques of ADB's sectoral lending were also presented for Agriculture and Forestry.

The NGOs present decided to create a Working Group, composed of four Manila-based networks, to oversee the Campaign. Since there was lack of funding, such arrangement was most feasible, since Manila is also the site of the ADB Headquarters and the next ADB meeting.

As part of the Hongkong meeting follow-up, the Second ADB/NGO Consultative Meeting on the Environment and Natural Resources was organized by the Bank in Manila in October 1992. It hired an Australian consulting firm, the International Development Support Services (IDSS), as its international consultant, and ANGOC its local consultant. The Bank, however, bungled the affair, when it insisted on a narrow agenda focused solely on the "implementation issues" which NGOs experience in Bank-financed projects — despite earlier protests from the NGO Working Group. The NGOs had hoped the Meeting would provide the opportunity to openly discuss broader policy issues. Stand-off in the final session arose, when fundamental NGO critiques about Bank policies were eventually brought up. The meeting ended on an embarrassing note, with NGOs presenting a set of 22 recommendations, and the Bank Vice-President unable to respond. At the Meeting, the appointment of the Bank's first NGO Coordinator was announced.

The Current Campaign, 1992-1995

The 1993 ADB Annual Meeting in Manila provided the Campaign with the rare opportunity to bring in people from affected communities into direct dialogue with Bank officials for the first time. The Campaign also combined its "soft" with a "hard" approach — when some 150 people from Masinloc, together with support NGOs, held a "lightning rally" at the Bank's opening session which was formally opened by no less than

Philippine President Fidel V. Ramos. The event brought significant local and international media coverage.

Perhaps the most significant session was the meeting convened with ADB Vice-President In Yong Cheung who brought in some 28 Department Heads and top Bank officials in one grand dialogue with NGOs. A meeting was also held with ADB President Tarumizu, several country delegations and, for the first time, with the Private Sector Department and Strategic Planning Unit.

Case studies raised at the 1992 Bank Meetings included the Masinloc and Pagbilao Power Plants (Philippines); the Koggala Export Processing Zone (Sri Lanka); the Rayalaseema Thermal Power Plant (India); Tropical Forest Plantations (Indonesia); and the Arun Dam project (Nepal). A most dramatic case presented catching the attention of top Bank officials was the Toxic Fertilizer Case (Bangladesh), wherein a Bank loan was used to finance the dumping of toxic waste in the guise of fertilizers, from the US onto Bangladesh.

In the year that followed, the focus of the Campaign settled on the ADB's proposed GCI, which sought a doubling of the Bank's capitalization (from member-government contributions) over a span of five years. As a consequence of inter-member politics and internal Bank negotiations, the Bank was pressured to draw up some eight policy papers, as part of GCI "conditionalities" — led mainly by the US government. The NGO Working Group thus convened a Regional NGO Strategy Meeting in Manila, with some 20 participants,

one month prior to the ADB Annual Meeting.

At this meeting, critiques were prepared on each of the proposed ADB policy papers which were subsequently forwarded to the Bank. The group also drew up a consensus position of "No to GCI," citing that any capital increase must be hinged upon specific reforms which the NGOs outlined. Eventually, the Bank's General Capital Increase was approved at the 1994 ADB Annual Meeting in Nice, France. But by then, the draft policies had already taken on a momentum of their own.

The NGO campaign in Auckland (1995) continued monitoring the progress of policy reforms within the Bank. NGOs evaluated the extent to which their comments on draft papers were incorporated, if at all, into the final policies or later versions of the papers. Summing up, the NGO delegation assessed that the language of reform has indeed entered the Bank, but that these reforms need to be implemented in communities all over Asia and the Pacific.



Impact: Seven-year Changes in the ADB

Much was achieved by NGOs over the past seven years, in broadening public awareness on the social and environmental impacts of Bank policies and development approaches. The Bank now increasingly appreciates sustained NGO efforts at constructive dialogue to narrow down basic gaps in development outlook, as well as to translate common agenda into action. This continuing dialogue between the Bank and the NGOs over the past seven years played a significant role in catalyzing the process of instituting policy reforms within the Bank. Some of these changes, however, do not necessarily lead towards improved Bank lending practice. NGOs involved in the campaign generally believe that though the rhetorics of reform has entered the language of the Bank, its reality has yet to take root in the attitudes among the staff and decision-makers, as well as in actual field practice. The following section outlines some significant changes within the Bank which NGOs have taken note of over the years.

Shift in Bank-wide Lending Priorities

The ADB's "Okita Report" in 1989 called for a new set of Bank-wide medium-term priorities and systems for internal review. Subsequently, the Bank outlined its priorities as environment, women-in-development, and poverty reduction in *The Bank's Medium-Term Strategic Framework* ('92-'95).

NGOS have repeatedly called the Bank's attention to its flawed development model which has no consideration for equity issues. In their letter to then ADB President Kimimaza Tatumizu (dated 5 May 1992), NGOs emphasized that:

In the whole of Asia, despite positive growth in many countries, the overwhelming majority of the people remain in abject poverty. After a quarter of a century of promoting this (growth) model, poverty has increased rather than decreased in many countries in the region... The ADB's investment and lending policies must first of all consider the interest of communities and the finite nature of regional as well

as global resources. We would like to see a fundamental shift in terms of policy and budget support towards projects that promote equity, increase household and community incomes, and improve basic social and economic services.

In 1993, the Bank targeted 50 percent of the total portfolio lending for social impact projects (versus infrastructure projects), in terms of number. This is unprecedented among MDBs, as other multilaterals have never set a numerical target for social and environmental lending. With sustained pressure from Bank donors and NGOs during the deliberations on GCI IV in 1994, a 40 percent soft sector lending by dollar value conditionality was sought on top of the numbers mix. By May 1995, President Sato announced that the Bank already met the 50-50 mix by number. In terms of dollar value, some 40 percent of Bank lending has been shifted towards the social and environment sector.

The Bank's categorization of what is "social" and "environmental," however, is another matter. NGOs have learned to take in stride such Bank pronouncements on its accomplishments, as they are well aware that the paradigm battle has yet to be won. In his response to the NGO letter in Auckland, current Bank President Mitsuo Sato stated that:

The Asian experience made clear that broad-based economic growth is essential in improving social conditions, especially to the poor. It is true that economic growth may not translate directly into the reduction of poverty, but that it cannot be successful and sustainable without economic growth. Economic growth is ... not independently sufficient, condition for poverty reduction... At the same time, while the Bank is deeply committed to the equity aspect of economic growth and development, it must be recognized that in the final analysis, redistribution of income and wealth within a given country is a highly political matter. Decisions with regard to these aspects ultimately are the responsibility of the sovereign state. (Personal communication, 25 July 1995)

Despite this gloomy forecast, however, there exists some ray of hope. When queried by NGOs during a Bank-NGO meeting in October 1994 about what to expect from the Bank between Nice and Auckland (1995 ADB Annual Meeting), US Executive Director Linda Tsao-Yang replied that for 1995, there is a commitment

see a number of significant policies approved, tools drafted as a check and balance, and greater emphasis on loans and project assistance that address poverty alleviation efforts.

Debt and Structural Adjustments

Third World debt and SAPs heavily affect the most vulnerable groups. Thus, over the past years, NGOs urged the ADB to examine more closely its role in easing indebtedness and the effects of SAPs. In 1994, NGOs urged the Bank to write off debt as part of the Bank's spring cleaning exercise. In the following year, NGOs reiterated the idea of writing off bad loans attributable to ADB mismanagement.

Until today, the ADB has not identified the debt of borrowing nations as a primary barrier to development and has not developed a plan for debt relief, nor a position on the debt issue. Some borrowing nations devote between 40 to 60 percent of governmental expenditures to debt servicing, and the ADB can only propose increased borrowing for growth, leading to more debt.

Social and Environmental Dimensions

NGOs have prodded the Bank to increase its social and environmental staff expertise, particularly on forest ecology, land reform, natural resource economics, natural resource management, environmental protection, energy conservation, sociology, anthropology, and women-in-development. At the Nice Meeting, President Sato agreed with the NGO delegates that the incentive structure

for Bank staff needed to change to promote high-quality projects.

With the Bank's reorganization in January 1995, the Office of the Environment (OENV) and Social Dimensions Unit (SDU) were fused into an Office of Environment and Social Development (OESD) that reports directly to the ADB President. This is perceived to add more prestige and clout to both units and sends a strong message to Bank management and staff to stress social and environmental aspects of Bank operations. The OESD acts as the focal point and clearinghouse for Bankwide cooperation with NGOs. A more thorough environmental appraisal and monitoring system has been instituted within the regular project cycle and a system of project categorization formulated.

The Bank also steadily beefed up the SDU staffing to monitor the social effects of Bank projects. This responds to the numerous field-base case studies brought by NGOs to the Bank over recent years, highlighting the negative effects of even well-intentioned projects on vulnerable groups.

In October 1993, the SDU issued the new *Guidelines to Incorporate Social Dimensions in Bank Operations*, addressing the question of Bank definitions and mechanisms for determining "social acceptability" as a pre-condition for loan approval. In May 1994, the SDU came out with a *Handbook for Incorporation of Social Dimensions in Projects* to provide Bank staff with concrete and practical steps. Bank studies are currently undertaken on effective measures for mitigating the social effects of Bank projects.

"Environmental" projects (i.e. reforestation) which formerly did not

require environmental review, have been re-categorized. In January 1993, the Bank included the environmental category of each proposed loan project in its monthly ADB Business Opportunities.

A 120-day rule on public disclosure for all projects for Board approval has also been instituted. Participation of NGOs and local communities are required and their views and suggestions are sought in the preparation of the Environmental Impact Assessment or EIA. There were also previous exploratory talks for NGO environmental monitoring of Bank projects.

Issues on Transparency, Participation, Accountability

Access to information. Recently, the Bank has become more aware of the need to ensure transparency and accountability. A new information policy took effect in January 1995 that aims to provide the fullest degree of transparency and disclosure in all areas of Bank operations.

In addition, Bank staff will now have to prepare a Project or Program Profile (PP) early on to ensure adequate debate, dialogue and participation by concerned parties, including affected populations. The Report and Recommendation of the President (RRP) for Projects and Programs (Public Sector), Country Operational Strategy Study (COSS), Economic Review and Bank Operations Paper (ERBOP), and Public Sector Policy Papers will be declassified and can be obtained by the general public. All requests for information should be answered within 22 working days of receipt.

A major limitation of the new information policy, however, is that documents deemed restricted and confidential before January 1995 are not covered. Furthermore, the policy still holds that, "The proceedings of the Board are confidential and shall not be published except when the Board decides to authorize the President to arrange suitable publicity on any matter relating thereto." (Sato, *personal communication*, 25 July 1995)

Yet, NGOs generally concede that the new disclosure policy has expanded the categories of documents made available. Next steps for NGOs include monitoring the extent of implementation and compliance of the new policy among Bank staff as well

as the resident missions in the region.

The Bank has also initiated a Depository Library Program launched in January 1994 for wider public dissemination of Bank publications and information materials on the Bank's activities. The Bank provides the depository libraries with books published by or for the Bank, selected country and economic studies, technical papers, annual reports, statistical publications, summary environment impact assessment reports, and public information materials. All depository libraries should receive monthly issues of *Loan, Technical Assistance and Private Sector Operations Approvals*, and *ADB Business Opportunities*.

Currently, 81 libraries from 34 countries are included in the program. Discussion is also ongoing on the possibility of an NGO library depository in the region. However, some depository libraries in the Philippines and Indonesia are not yet fully functional.

Participatory development. In many of the ADB's official documents, people were viewed as the center of development and that popular participation is critical for successful and sustainable development. However, the Bank does not yet have a coherent and separate policy on participation, although stakeholder participation has increasingly been perceived as an end in itself. (Rao, 1994)

The SDU reports approximately one-half or more of all projects approved since 1992 are likely to have data on beneficiaries and their characteristics. Also, conscious efforts were recently made by concerned Bank staff in incorporating consultations with beneficiaries and affected people in project design. (Rao, 1994) The SDU has initiated internal Bank staff workshops on incorporation of participatory approaches in Bank operations to increase staff awareness and skills on participatory development approaches.

On the part of NGOs, the regional Working Group on the ADB submitted a working paper on *Practical Application of Guidelines on Access to Information and Public Participation* in the EIA process in January 1995. These practical steps would have helped ensure effective public participation in Bank operations but the Bank's response to the proposals was lukewarm.

For instance, the NGO Working Group proposed that there be increased public involvement in project preparatory technical assistance (PPTA) missions. The

Bank replied that "given time constraints and other limitations they often operate with, PPTA missions may not be in a position to meaningfully receive direct public input." Furthermore, the NGOs suggested that project documents be translated into local languages which the Bank nixed due to presumably cost-related and technical difficulties. (Jalal, personal communication, 7 April 1995)

Creation of an inspection function. To institute accountability within the Bank to take responsibility for its actions on the potential negative impacts of their projects, NGOs proposed for the ADB to:

"establish an inspection and appeals mechanism allowing people intervention at such points, starting with access to feasibility studies, involvement in environmental assessments and appraisal reports and their right to be informed about and consulted concerning projects."
(NGO letter to President Sato dated 2 May 1994).

This proposed function was to have a similar one as the newly created Inspection Panel of the World Bank.

Board discussions on an inspection function within the ADB started in October 1994 to provide for an independent review of complaints of the Bank's compliance with its operational policies and procedures with Bank-financed projects. At the Nice Meeting, President Sato promised that such an independent appeals panel would be set up within a few months after Nice but still has yet to be approved by the Board a year later.

Improving Project Quality

A Task Force under Bank Vice-President George Schultz was created in April 1993 to improve project quality. In January 1994, the *Task Force Report on Improving Project Quality* defines project quality as a set of attributes that capture the development impact of the project — economic/financial viability, social impact, implementability and sustainability. Among the reasons cited for project failures were the “loan approval culture” of the Bank, a lack of “ownership” of projects by DMCs, and the over-centralization of Bank practices and systems.

The major recommendations of the Report included a formal affirmation by Bank President Sato of the primacy of development impact rather than loan approval, and the equal importance of project administration and project processing in the project cycle. The Report also addressed the so-called “bunching” problem within the Bank, i.e., the convergence of a disproportionate number of loans for Board consideration late in the year, again due to the pressure on Bank staff to meet loan targets.

The Task Force recommended a one-time “spring cleaning” of the projects portfolio, in partnership with DMCs to weed out inactive and slow-moving projects. One year after the Report’s release, spring-cleaning remained a vague and elusive buzzword to people both inside and outside the Bank.

As far as the Bank was concerned, the one-time spring cleaning was purely an administrative function that only covered mostly laggard Bank-funded projects. Largely done by the Programs and Projects Departments with no significant input from the

Social Dimensions or Environment offices of the Bank, it simply identified existing problematic projects for loan cancellation or reduction. It did not heed the NGOs’ call to include controversial projects like Masinloc and Bangladesh toxic fertilizer in spring cleaning.

According to President Sato, the spring cleaning exercise (now called Country Program and Portfolio Review) was a single-event exercise that was “*never intended as a substitute for effective monitoring of individual projects during implementation...Some 100 projects were identified for possible restructuring, with an associated potential loan saving of US\$639 million.*” (*Personal communication*, 25 July 1995)

NGO Lobby on the GCI

The Fourth General Capital Increase (GCI IV), approved by the ADB’s Board of Governors in 22 May 1994, is a replenishment of the Bank’s authorized capital from \$23.2 billion to \$48 billion. To ensure approval of the proposed GCI, the ADB announced a plethora of new policy papers, ostensibly to improve the quality of its loan portfolio. NGO participants in the April 1994 Manila Regional Consultation objected to the increase, arguing that unless the Bank change its loan approval culture to focus on quality and sustainability of projects, GCI IV approval would only mean wasting good money.

The Bank still went ahead with the increase, in what was perceived as a largely done deal. The DMCs were not opposed to the GCI per se, but only to attempts by donors like the United States with support from Canada and the Scandinavian countries, to link the capital increase to measurable policy targets for ADB lending: 40 percent by dollar value of Bank portfolio towards social projects. The approval of GCI IV resulted in a drastic realignment of voting power in the Bank, with Japan ranking first at 22 percent, and the US tailing at 11 percent.

Sectoral Approach to Development

The rhetoric of reforms has reached policy level within the Bank. 1994 was indeed “ADB’s year of reforms” when it instituted eight policy papers on a wide range of sector-related issues also reflecting the Bank’s sectoral thinking and approach to development. These draft policies were on information strategy,

confidentiality and disclosure of information, inspection function, forestry, energy, indigenous peoples, involuntary resettlement, and population.

The papers were extensively critiqued by Asian NGOs during the April 1994 NGO Consultation. A 10-point set of recommendations given to President Sato by NGO delegates in the Nice Annual Meeting assessed that although the papers included packets of progressive language, they remained subsumed under the Bank's traditional growth framework.

Out of the eight draft policies discussed by the Board in 1994, only Population, Information Policy and Strategy, Confidentiality and Disclosure of Information, and Forestry have been approved thus far.

Forestry sector. ADB substantially increased its "forest sector" lending in recent years. NGOs relentlessly encouraged the Bank to refrain from looking at forestry as a mere economic sector geared towards timber production, and to develop more holistic approaches to forest zone development.

NGO case studies on forest sector loans to the Philippines, Indonesia, and Bangladesh highlight questions related to land and resource tenure issues, environmental protection, debt questions, and law enforcement. NGOs also noted that the ADB still has no official policy regarding indigenous people's rights.

With its new policy on forestry approved in March 1994, social assessment and necessary social design studies will be carried out together with governments. These will involve "appropriate" levels of beneficiary consultation and participation at all stages of project identification, preparation and implementation.

According to the Bank, it will not support any commercial logging in old-growth forests. In second-growth forests, the Bank will have wasteful

and destructive logging practices replaced with sustainable and environmentally sound ones. (Sato, *Personal communication*, 25 July 1995)

Involuntary resettlement. The working paper on

NGO delegates ... assessed that although the [ADB policy] papers included packets of progressive language, they remained subsumed under the Bank's traditional growth framework.

Involuntary Resettlement is still under review by the Board. It deals with proposed approaches to address involuntary resettlement, compensation and rehabilitation of people displaced by development projects. NGOs contend that all resettlement should be voluntary and no projects involving involuntary resettlement be considered.

However, the Bank regrettably states that avoidance of involuntary resettlement in the densely populated countries of the region is not always possible. For communities affected by involuntary resettlement, compensation will be provided such that those affected would have a standard of living that is comparable or better than before resettlement.

Indigenous peoples (IP). The working paper on IP was discussed by the Board in November 1994 which basically states that development strategy should avoid extremes of total forced isolation and complete and rapid assimilation. Key issues identified by NGOs include legal recognition of ancestral domain, recognition of their traditional social and legal institutions, and formation of a strong, well-qualified national-level institution responsible for all matters concerning indigenous peoples and their development.

At the *Regional NGO Consultation on ADB Policies and Issues* in April 1995, the NGO participants strongly objected to the language used in the draft paper. In a letter to President Sato, they stated that:

The working paper as it stands hints at forcible integration of widely diverse cultures and is unacceptable. The paper itself was not distributed (let alone made available in local languages) to the peoples subject to the policy. It is difficult to accept how the paper can be fully sensitive to indigenous peoples when there has been no process of informed consultation.

Hence, the NGOs urged the Bank not to submit the paper for formal Board approval until a "full and proper consultative exchange with indigenous peoples and their representative bodies have been made." They also called for a moratorium on Bank-financed projects with detrimental impact on indigenous peoples. In effect, the Bank deferred approval of the IP paper pending further consultation with IP representatives. In November 1995, the Bank will be hosting a three-day *Regional Forum on IP Policy for Development in Asia*, to be attended by IP groups, government officials, and other development institutions in the region. The objectives of the forum will be to review various policies, papers and statements related to IPs and development in the region.

Agricultural sector. The ADB has made heavy lending in the agriculture sector focused on intensifying field production. Early on, much public investments were made, for instance, on irrigation infrastructure and production subsidies. Yet, irrigation projects could have had stronger components for watershed management showing the limitedness of a highly sectoralized approach to projects.

In recent years the ADB begun to take interest in resource management and the sustainability of agriculture. Bank-NGO dialogues initially focused

on the ADB's pesticide policy with NGOs calling for a delinking of chemical pesticides from the Bank's agricultural loans. The loans should no longer support the production of genetically uniform, high-yielding seed varieties that displace indigenous seeds cultivated in many farmers' fields.

NGOs in the 1995 Regional Consultation coaxed the Bank to formulate an agriculture and natural resource policy, specifically for the fisheries sector, to be drafted in a participatory process. This should incorporate an agrarian/aquatic resource reform program and community-based natural resource management framework. In response, the Bank is currently drafting a fisheries policy which should be made available for discussion by the third quarter of 1995. The Bank also announced that a comprehensive strategy for agriculture has already been prepared and country-specific agricultural strategies already in place.

In terms of promoting alternatives to chemical-intensive pest control, the Bank recently published the *Handbook for Incorporation of Integrated Pest Management in Agricultural Projects*, which it claims is the first publication of its kind. According to the ADB, the publication of this volume demonstrates its commitment and "leading role in pesticide management." On high-yielding crop varieties, the Bank will continue to support the development of new varieties requiring fewer inputs. (Sato, *Personal communication*, 25 July 1995)

A working paper on *Agricultural and Natural Resources Research* was reportedly at an early stage in 1994; no more has been heard of the paper since then.

Energy sector. With the World Bank, the ADB generally directs most of Asia's energy development policies. Previously, NGOs challenged the ADB to move beyond traditional energy strategies which promote new energy capacities and line transmissions, towards closer work with DMCs in developing energy strategies and programs having conservation, sustainability and end-user capacity as clear priorities. A policy paper on the energy sector (drafted in February 1994) which clarifies the Bank's position on the energy sector, was unfavorably critiqued by NGOs in April of the same year.

The NGOs argued that the paper did not touch social issues, displacement of people and resettlement, and did not clarify the role of community-based small-scale energy systems such as hydroelectric systems. The policy

also lacked benchmarks for implementation, which should include least-cost analysis, a change in the skills mix within the Bank's Energy and Industry Department for people with backgrounds in environmental and social impact assessment, or trained in demand-side management. The policy did not cover projects already in the pipeline.

Despite the negative feedback, the Bank reiterated that a major portion of its lending and technical assistance will be geared towards DMCs who are willing to restructure their power sectors to increase efficiency and mobilize additional investment from the private sector. The Bank would assist in the provision of commercial energy sources to rural areas only when it is deemed economically and financially viable. (Sato, *personal communication*, 25 July 1995)

Fortunately, the Bank announced that it will provide technical assistance to DMCs to assess the economic viability of solar, mini-hydro and wind energy options. At least one Bank Technical Assistance is geared towards projects with a demand-side management component.

Upon being repeatedly harassed by NGOs on the Bank's position on nuclear energy, the Bank finally stated that the "*Bank has not been involved in the financing of nuclear power generation projects and will maintain this policy of non-involvement in the financing of nuclear power generation.*" (Sato, *personal communication*, 25 July 1995)

Women in development (WID). The Bank's *Policy on Women in Development* recognizes the important role women play within and outside the household and emphasizes the need to facilitate the participation of women in all development activities. NGOs critiqued that the WID policy was limited by the Bank's perspective of underdevelopment being a mere administrative problem, and its simplistic solution requiring the transfer of vast amounts of money and technological resources. (*Bankwatch*, 1991)

Moreover, only one WID Project Specialist was hired in 1987 to address these needs plus 22 WID Liaison Coordinators appointed in November 1990. They were primarily responsible for incorporating WID concerns into country programming and country strategy studies for each DMC.

Generally, the WID component was not integrated into the overall evaluation/assessment design of the projects. The policy framework itself does not

acknowledge the structural factors that contribute to the subordination of women. It also ignored the reproductive side of women's lives, which affect women's ability to participate in the productive sphere. Efforts should be made to transform and empower women, and not merely integrate them into on-going, export-oriented, capital-intensive development approaches.

In its *Operational Agenda for the 1990s*, the Bank expressed several WID commitments. First, it will increase its attention to WID activities by incorporating WID concerns into country operational strategies and country operational programs. Second, the President will also issue a policy statement to ensure equal access and opportunity for women professional staff in the Bank. Third, the Bank President will increase the total number of women professional staff to 100 for the next 36 months 100, including appointments at the senior level. An audit of its 10-year WID program was sought by NGO delegates at the Auckland meeting. President Sato promised to look into the matter when the NGOs had an audience with

Population policy. The population policy was the first paper approved after the Nice Meeting. The NGOs' basic objection to the paper was, in justifying the need for a population policy, the Bank argued that population growth is the cause of increasing poverty and hinders economic development. It failed to acknowledge that the real cause of poverty is the highly skewed distribution of resources in these countries. Overconsumption in the North and the increasingly unequal

terms of trade between North and South were as much to blame.

In his latest letter to NGOs, President Sato has maintained that population programs are sound when accompanied by appropriate economic policies and macroeconomic management, among other things. He reiterated that *"respect for women's reproductive rights and a focus on women's overall reproductive health are at the center of the Bank's population policy."* (Personal communication, 25 July 1995)

ADB Policies on NGOs

ADB was a latecomer in recognizing NGOs, with a single policy paper entitled *ADB Collaboration with NGOs* passed by the Board in 1987. Since then, NGOs have challenged the Bank to meet this policy with more concrete measures. In 1989-90 and 1992, NGO sector studies for eight Asian countries were prepared, and two consultations with NGOs were organized by the Bank.

In 1992, the Social Dimensions Unit was designated as focal point for NGOs and the first-ever NGO Coordinator was appointed. Increasingly, NGOs are being involved in field projects, albeit on a limited scale. These include sub-contracting arrangements on projects related to fisheries, micro-enterprise credit, and reforestation.

A yearly imbroglio between the Bank and NGOs centers around NGO accreditation at Bank Annual Meeting, which to the NGOs' view is discriminatory, as no such requisite is asked of other Meeting guests from the commercial banking and corporate sector. Several NGOs were refused by their governments' to attend.

NGOs have always belabored this issue at every Annual Meeting, but to no avail. The Bank's best efforts only resulted in the granting of automatic accreditation to those NGOs already attending past Bank meetings. The Bank, however, has made up for this "inconvenience" by making the NGO lobby work during Annual Bank Meetings as smooth as possible. Beginning in 1992, an NGO room was provided where NGOs can regroup and strategize after holding dialogue-meetings with the Bank. In subsequent years, a secretariat support staff was also provided to facilitate meetings, and other logistical errands. Photocopying services were also given free of charge.

Seemingly, the process of facilitating Bank-NGO policy dialogues in Annual Meetings is slowly being institutionalized, as more Bank delegates have come to increasingly expect to engage NGOs in constructive debates over Bank policies and programs. The NGOs, in turn, have increasingly prepared for these meetings, through region-wide consultations prior to the annual audience with the Bank President has been "ritualized" over the years, with the perceptibly lengthier sessions year after year.

If these small tell-tale signs are any indication at all, it would be to indicate that both the Bank and NGOs do look forward to such frank exchange of ideas, and that these exchanges do produce results, and that more of these dialogues should take place where they would matter most, i.e., in local communities with peoples directly affected by Bank-financed projects. □

The Bank and the NGOs do look forward to such frank exchange of ideas...and that more of these dialogues should take place...in local communities with peoples directly affected by Bank-financed projects.

REFERENCES

ASIAN DEVELOPMENT BANK OFFICIAL DOCUMENTS

- ADB Annual Report. 1993.
 ADB Annual Report. 1994.
 ADB at a Glance. 30 September 1994.
 ADB at a Glance. 31 March 1995.
 ADB - The First 25 Years. 1992
 ADB Basic Information. January 1993.
 ADB Questions and Answers. January 1992.
 ADB Ready Reference. January 1995.
 ADB - What it Is, What it Does, How it Works. January 1993.
 ADF VI: Progress Report. February 1994.
 Agreement Establishing the Asian Development Bank. 1967.
 Bank Policy Initiatives for the Energy Sector. February 1994.
 Co-Financing. 1994.
 Confidentiality and Information Disclosure Policy. Effective 1 January 1995.
 Environmental Assessment Requirements and Environmental Review Procedures of the Asian Development Bank. Office of the Environment, March 1993
 Financial Profile. 1995.
 Guidelines for Incorporation of Social Dimensions in Bank Operations. Social Dimensions Unit, October 1993.
 Population Displacement and Involuntary Resettlement (Working Paper). March 1994.
 Population Policy Paper. December 1993.
 Rao, Masunuru (1994). Asian Development Bank's Policies and Practices in Regard to Participation. Paper prepared for a Workshop on Incorporating Participatory Approaches in Bank Operations, Asian Development Bank, 8-9 November 1994.
 Report on the Task Force on Improving Project Quality. January 1994.
 Skull, Lee and Colin Soskolne. ADB Consultants' Report: Evaluation of Zinc Oxysulphate Fertilizer Containing Hazardous Waste in Bangladesh. Asian Development Bank, Manila. December 1993.
 The Bank's Cooperation with Non-Governmental Organizations. 1987.
 The Bank's Future Direction and Operational Agenda for the 1990s. 22 December 1993.
 The Bank's Medium-Term Strategic Framework (1993-1996). The President's Office, March 1993.
 The Bank's Medium-Term Strategic Framework (1994-1997). The President's Office, March 1994.
 The Bank's Medium-Term Strategic Framework (1995-1998). The President's Office, March 1995.
 The Bank's Policy on Forestry. October 1993 and March 1995 editions.
 Women in Development: Issues, Challenges and Strategies in Asia and the Pacific. April 1994
 Working Paper on Indigenous People. 25 October 1994.
 Working Paper on Involuntary Resettlement. 10 October 1994.

PUBLISHED

- Abraham, Nora Sy. "Even Fish Don't Buy". *Bankwatch*. Manila: Vol. 2 No. 4, 1992.
 "A Critique of the ADB's Medium-Term Strategic Framework". *Bankwatch*. Manila: Vol. 3 No. 4, 6 May 1993.
 "A Critique on the ADB's Women in Development Program". *Bankwatch*. Manila: Vol. 1 No. 3, July-September 1991.
 "ADB and the Environment: Preliminary Notes on ADB Environmental Assessment Requirements and Environmental Procedures". *Bankwatch*. Manila: Vol. 3 No. 4. 6 May 1993.
 "ADB Extends the Masinloc Loan Effectivity for the 4th Time, Japan Ex-Im Bank for the 2nd Time". *Bantay Bangko*, Legal Rights and Natural Resources Center. Manila: UA 1-94 March 1994.

- Algama, Ravi. "ADB Debacles in Sri Lanka". *Bankwatch*. Manila: Vol. 1 No. 1, January 1991.
 "ANGOC and EPI on the Asian Development Bank Campaign". *Bankwatch*. Manila: Vol.1 No.1, January 1991.
 "Another Mistaken Plantation in Indonesia Tropical Forests (The Case Continued)". *Bankwatch*. France: Vol. 4 No. 2, 3 May 1994.
 Bamba, John et.al. "Another Mistaken Plantation in Indonesia Tropical Forests". *Bankwatch*. Manila: Vol. 3 No. 3, 5 May 1993.
 Barnes, Jim. "The Arun III Hydroelectric Project (Nepal)". *Bankwatch*. France: Vol. 4 No. 3, 3 May 1994.
 "Battle for Masinloc Continues: Masinloc Thermal Power Plant, Philippines". *Bankwatch*. Manila: Vol. 5 No. 4, July 1995.
 Bello, W., Kinley, D. and Elinson, E. (1982). *Development Debacle: The World Bank in the Philippines*. San Francisco: Institute for Food and Development Policy.
 "Biggest NGO Turnout in 1992 Annual ADB Meeting". *Bankwatch*. Manila: Vol. 2 No. 4, 1992.
 Corral, Violeta, Roel Ravanera and Antonio Quizon. "Aid in Support of People's Initiatives: An Asian NGO Perspective". In *People's Initiatives for Sustainable Development: Lessons from Experience*, Edited by Samad et al. Asian and Pacific Development Centre. Kuala Lumpur: 1995.
 Gain, Philip. "Farmers worried, traders bullying: Toxic fertilizer case". *Dhaka Courier*, 2 December 1994.
 Guneratne, Camena. "Where does the Buck Stop?". *Bankwatch*. Manila: Vol.2 No.4, 1992.
 ICVA, EUROSTEP & ACTIONAID. *The Reality of Aid 1994: An Independent Review of International Aid*. London: May 1994.
 Khan, Mafruz. "High Yields, Higher Risks". *Bankwatch*. Manila: Vol. 2 No. 4, 1992.
 Leonard, Ann (1993). "Poison Fields: Dumping Toxic 'Fertilizer' on Bangladeshi Farmers," *Multinational Monitor*, April 1993.
 McCawley, Peter (1993). "Development Assistance in Asia". *Asia Pacific Economic Literature*, Vol. 7 No. 2, November 1993.
 Moniaga, Sandra and Irwansyah Hasibuan. "Sorry, Wrong Lumber". *Bankwatch*. Manila: Vol. 2 No. 4, 1992.
 "Multilateral Development Banks Campaign: Focus on the Asian Development Bank". *Bankwatch*. Manila: Vol. 1 No. 1, January 1991.
 "NGOs Propose Policy Reforms to ADB". *Bankwatch*. Manila: Vol. 1 No. 2, Second Quarter 1991.
 Perlas, Nicanor. "ADB's Pesticide Policy: Outdated, Scientifically Flawed, and Destructive." *Bankwatch*. Manila: Vol. 2 No. 2, May 1992.
 Perlas, Nicanor. "ADB's Green Revolution a Failure: Hunger and Malnutrition Persists throughout Asia." *Bankwatch*. Manila: Vol. 2 No.2, May 1992.
 Pinauin, Robert. "Masinloc: Development for Whom?" *Bankwatch*. Manila: Vol. 3 No. 2, 4 May 1993.
 "Poisoned Lands: Toxic Fertilizer, Bangladesh". *Bankwatch*. Manila: Vol. 5 No. 4, July 1995.
 Ramana, P.V. "Rayalaseema Thermal Power Plant". *Bankwatch*. Manila: May 1993.
 "Report of the NGO Delegation Attending the 24th ADB Annual Board of Governors Meeting". *Bankwatch*. Manila: Vol. 1 No. 2, April-June 1991.
 Ronquillo, Athena and Ballesteros, Andre. "Masinloc...will they ever learn?" *Bankwatch*. Manila: Vol. 5 No. 3, 4 May 1995.
 Ronquillo, Athena. "The High Cost of Energy". *Bankwatch*. Manila: Vol. 2 No. 4, 1992.
 Ronquillo, Athena. "ADB Extends Loan for Fifth Time; NGOs Call for Cancellation of Philippine Coal Project". *Bankwatch*. France: Vol. 4 No. 4, 3 May 1994.
 Social Development Research Center. *Low-Income Upland Communities Project (LIUCP): A Case for Development Management*. Manila: October 1994.

- "Social Dimensions: On ADB's Guidelines for Incorporation of Social Dimensions in Bank Operations". *Bankwatch*. Manila: Vol. 3 No. 4. 6 May 1993.
- Sta. Ana, Filomeno III. "Pulling the Plug on the ADB". *Bankwatch*. Manila: Vol. 2 No. 4, 1992.
- "Structural Adjustment: Let's Start with the ADB Itself". *Bankwatch*. Manila: Vol. 3 No. 4. 6 May 1993.
- "Terminate the Masinloc Coal-Fired Thermal Power Project". *Bantay Bangko*, Legal Rights and Natural Resources Center, UA #2 January 1993.
- "The Kirindi Oya Irrigation and Settlement Project in Sri Lanka". *Bankwatch*. Manila: Vol. 1 No. 3, July-September 1991.
- Timm, Fr. Dick, C.S.C. "All that is Left of our Forests is the Forest Department". *Bankwatch*. Manila: Vol. 2, No. 4, 1992.
- "Toxic Waste Shipped as Fertilizer to Bangladesh under ADB Loan, ADB Initiates Technical Assistance Grant for Prevention". *Bankwatch*. France: Vol. 4 No. 2, 3 May 1994.
- Wihtol, Robert. *The Asian Development Bank and Rural Development: Policy and Practice*. Hampshire, England: Macmillan Press, 1988.
- World Bank. *The World Bank Annual Report 1994*.
- UNPUBLISHED**
- Angeles, Brenda Jay. "The Masinloc Coal-Fired Thermal Power Plant Project: A Case Presentation". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995, Manila, Philippines.
- Asian NGO Coalition. (Various office files, memos and reports, 1987-95).
- Asian NGO Coalition and Environmental Policy Institute. "ANGOC/EPI and the Asian Development Bank Work". 1990.
- Corral, Violeta and Mira Ofreneo. A Report on the Proceedings of the Regional Strategy Meeting of the NGO Working Group on the ADB, 30 January - 1 February 1995. February 1995
- Freedom From Debt Coalition. "Carving the NGO's Niche: The Asian Development Fund VI". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995. (Draft)
- Gain, Philip. "ADB and Bangladesh Forestry Sector". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995.
- Gain, Philip. "Madhupur Tract Forest Still Generates Debate". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995.
- Gain, Philip. "Trade Disaster with Toxic Fertilizer". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995.
- Garcia, Geicelle Ginette. "ADB and Agriculture: Issues and Policy Options". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995.
- Manaog, Larry. "Some Notes on NACFAR's Views/Criticisms on the Philippine Fisheries Sector Program". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995. (Draft)
- "NGO Commentaries on Various ADB Policy Papers". Prepared by NGO participants of the First Asian NGO Regional Consultation on ADB Policies and Issues, 4-8 April, 1994.
- NGO Letter to ADB President Tarumizu on the occasion of the 24th ADB Annual Board of Governors Meeting, Vancouver, Canada, May 1991.
- NGO Letter to ADB President Tarumizu on the occasion of the 25th ADB Annual Board of Governors Meeting, Hongkong, May 1992.
- NGO Letter to ADB President Tarumizu on the occasion of during the 26th ADB Annual Board of Governors Meeting, Manila, Philippines, May 1993.
- NGO Letter to ADB President Mitsuo Sato on the occasion of the 27th ADB Annual Board of Governors Meeting, Nice, France, May 1994.
- NGO Letter to ADB President Mitsuo Sato on the occasion of the 28th ADB Annual Board of Governors Meeting, Auckland, New Zealand, May 1995.
- "NGOs Say No to GCI". Prepared by the participants of the First Asian Regional Consultation on ADB Policies and Issues, 5-8 April 1994, Manila.
- Ofreneo, Mira. "ADB and Agriculture - A Briefing Paper". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995, Manila, Philippines.
- Ofreneo, Mira. "A Graphical Look at the ADB". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995, Manila, Philippines.
- Personal communication*. Asian Development Bank President Mitsuo Sato, 25 July 1995.
- Personal communication*. ADB Office of Environment and Social Development Chief Kazi Jalal, 7 April 1995.
- Pradhan, Gauri. "The Arun III Hydroelectric Project: Facts and Fantasy". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995.
- Quizon, Antonio and Violeta Corral. "The NGO Campaign on the ADB: An Asian NGO Perspective". Paper presented at the Asian Regional Consultation on ADB Policies and Issues, 5-8 April 1994, Quezon City, Philippines.
- Quizon, Antonio. "The Asian Development Bank Campaign: Practical Lessons for Social Activists". Paper presented at the Skillshare Session on MDB Advocacy, 2 February 1995, Quezon City, Philippines.
- Ramana, P.V. and R. Paul Bhaskar. "East Coast Road Project of Tamil Nadu". Paper prepared for the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995.
- Rich, Bruce (1994). "Public International Financial Institutions". Statement on behalf of the Environmental Defense Fund, Friends of the Earth, National Audobon Society, National Wildlife Federation, and Sierra Club before the US Sub-Committee on International Economic Policy, Trade, Oceans and Environment, United States Senate, 3 March 1994.
- Sahabat Alam-Malaysia. "Preliminary Report on Batang Ai Resettlement Scheme". Paper presented at the Second Asian NGO Regional Consultation on ADB Policies and Issues, 3-7 April 1995.
- Serrano, Isagani. "A Report on the NGO Lobby in Nice." Prepared by South-North Asia/Philippine Rural Reconstruction Movement (PRRM) for the NGO Working Group on the ADB, 3 May 1994.
- Serrano, Isagani. "ADB Lobby Strategy Paper". 16 August 1994.
- Serrano, Isagani. "ADB's Year of Results". Philippine Rural Reconstruction Movement (PRRM), June 1995.
- Sherman, Carol. "A Look inside the World Bank". Office of Senator Jo Vallentine. Canberra, Australia, June 1990.
- "US-manufactured toxic fertilizer must go back to USA". Press Release from UBINIG, SEHD, and ALRD. Dhaka, 18 April 1994.

GATT *and*

ASIAN

GRASSROOTS

COMMUNITIES

Walden Bello

Walden Bello is currently a professor of Sociology and Public Administration at the University of the Philippines in Diliman, Quezon City, Philippines. The former executive director of Food First (Institute for Food and Development Policy) based in San Francisco, he is the author of several books on development issues, including Dark Victory: The U.S., Structural Adjustment and Global Poverty (London: Pluto Press, 1994), Dragons in Distress: Asia's Miracle Economies in Crisis (London: Penguin, 1991), and Development Debacle: The World Bank in the Philippines (San Francisco: Food First, 1982).

He was one of the leaders of the opposition to GATT in the Philippines during the ratification debate that extended from August to December 1994.

In the last few months, the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) marched triumphantly throughout Asia, clinching ratification in one country after another.

GATT proponents say it is the best thing that happened to Asia's economy, claiming the trade liberalization it will bring about will serve as a powerful engine of regional economic growth into the 21st century.

The GATT Uruguay Round is indeed revolutionary for it brings into one global regime not only trade in manufactures but also trade in textile and garments, trade in agricultural goods, and trade in services. Moreover, it brings into GATT surveillance "trade-related investment measures" (TRIMs) and also "trade-related intellectual property rights" (TRIPs). But whether this revolutionary trade regime is good for Asia and the South as a whole is open to question.

Indeed the GATT agricultural regime, far from being benign in its effects, is more likely to sweep the Asian countryside like a typhoon, transforming it, but in ways more destructive than constructive. Among other things, it will mean the end of food self-sufficiency, even at the level of rural communities. It will toll the death knell of aspirations for food security through minimal dependence on food imports. It will usher closer integration of Asian agriculture, including the food crop sector, into the global market where prosperity or bankruptcy will be determined by impersonal market forces; by how well the Asian farmer adopts his production to the narrow criteria of "efficiency" and profitability. And it will

mean the end to the sense of farming as both livelihood and service to community and to the nation.

In ratifying GATT, Asian and Third World governments agreed to give up quantitative restrictions on quotas on the imports of agricultural goods, except on one staple product like rice. For most agricultural commodities, governments are required to give "minimum access," which is seen as a transition to "full tariffication." Providing minimum access to imports of a commodity means allowing the entry at low tariffs equivalent to three percent of domestic consumption of a commodity, rising to six percent in ten years. Beyond these amounts, imports of a commodity can be taxed at higher levels, like 100 percent. While quotas are retained for one staple product, governments are required to give minimum access to imports of that commodity, which means allowing the entry, at low tariffs, of one percent of the domestic consumption of the staple in the first year, rising to four percent in 10 years.

This is not a unilateral process of liberalization. This is a mandated, obligatory opening up. And there is no going back. Should a country try to renege on its agreed upon obligations to liberalize, it does so at the risk of incurring World Trade Organization (WTO)-sanctioned trade retaliation from its trading partners directed at any product the country exports.

The Nail in the Coffin of Korean Agriculture

The GATT regime is likely to be the nail in the coffin of agricultural systems, such as that of Korea, which have long been subjected to strong bilateral pressures to liberalize from dominant agricultural economies like the United

States (US). It will serve as the breach of a process of mandated deprotectionization for agricultural systems, like Philippine agriculture, that have so far escaped significant pressure from the agricultural superpowers.

Agriculture today is on its last legs in Korea. And GATT is likely to deliver the fatal blow. GATT appears to be the terminal stop of a tragic journey that took the country from virtual self-sufficiency in the production of essential agricultural commodities 40 years ago to massive dependence on imports today. It is a story worth telling, for what happened in Korea is likely to be the future faced by agricultural producers in the rest of Asia.

For most Korean farmers, GATT is nothing new. It is simply the latest, albeit most dangerous, manifestation of what farmers consider to be essentially a US-managed trade offensive aimed at completely opening up the Korean agricultural market and destroying Korean food self-sufficiency.

GATT comes on the heels of three decades of US agricultural penetration through such programs as Public Law (PL) 480, which is a massive grain dumping program masquerading as a foreign aid program. Between 1973 and 1983 for instance, grain imports — particularly wheat, corn, and beans — skyrocketed by almost 300 percent.¹ The lower prices triggered by these imports discouraged domestic production and led to the droop in the food self-sufficiency ratio to six percent in 1983 from 27 percent in 1965 for wheat; to 2.7 percent from 36 percent for corn; and to 25.7 percent from 100 percent for beans. Indeed, as one analyst claims, "imports of wheat and cotton from the US have already resulted in the disappearance of Korean farms growing those crops."²

Korea is now the third largest importer of US agricultural products, with imports rising to \$5 billion by the end of 1991 from only \$1.8 billion in 1986. Indeed, on a per capita basis, Korea consumes more US farm products than any other foreign nation. Half of Korea's food imports and 60 percent of its grain imports come from the US. When it comes to certain strategic commodities, US trade dominance is even more marked: 95 percent to 100 percent of soybean imports, 74 percent of wheat imports, and 70 percent of cotton.³

Renewed US trade pressure in the mid-1980's threatened to cut off the Korean farmers' last avenues of retreat. This was illustrated forcefully by the opening up of the tobacco market in 1988. Upon reducing trade barriers to US cigarettes, the government encouraged farmers to shift production to other crops, like red peppers. But an almost 10 percent increase in fields planted to pepper drastically lowered the market price, resulting in vast unsold stocks and bankruptcy for many farmers.⁴

The US, however, was unrelenting. From tobacco, its attention shifted to beef. Under pressure, the government first allowed the importation of 14,500 tons of beef to meet 10 percent of domestic demand in 1988, then raised the quota to 50,000 tons in 1989 and 58,000 tons in 1990. These concessions resulted in imports accounting for 60 percent of all beef consumed in Korea.⁵ Still, the US was far from placated, and it pressed for a fixed increase in beef imports at the rate of 20 percent of the previous year's imports between 1993 and 1997. Then the US Commerce Department issued what is tantamount to an ultimatum: "In 1997 Korea should have a tariff-only regime for beef."⁶

A dislocation greater than that experienced by tobacco farmers is likely to ensue with the deprotectionization of beef. Since foreign beef can be sold for as low as a quarter of the domestic price, liberalization is likely to impoverish a substantial number of the almost 50 percent of Korean farmers who depend in varying degrees on cattle raising.⁷

The conclusion of the GATT negotiations in December 1993 gave the US and the big agricultural powers a more potent weapon to open up the Korean agricultural market. GATT became the prime instrument used to open up the ultimate prize of the Northern agricultural lobby — rice. Under severe

GATT is not a unilateral process of liberalization. This is a mandated, obligatory opening up. And there is no turning back.

pressure, the Korean government deserted its farmers and ratified GATT a year later, thereby agreeing to open up rice and a whole range of commodities to minimum access arrangements.

The grim future unleashed by this act is underlined by one report:⁸

With 4 percent of domestic consumption supposed to be brought in from foreign countries by 2004, it is predicted that the price competitiveness of domestically produced rice will fall dramatically, dealing a serious blow to farmers dependent on rice cultivation.

Under GATT, warns the report, Korea confronts no less than the "disintegration of the rice farming household."⁹ This is no exaggeration. The 92 percent of the agricultural work force derive more than half of their income from producing rice that costs five to seven times more than the price of foreign rice.¹⁰

The defensive line linking farmers' survival, rice self-sufficiency, and protection has been breached, leading to the almost certain demise of both agriculture and rural society in the not-too-distant future.

Writing off Traditional Agriculture in the Philippines

The crisis of agriculture is serious in the Philippines, though probably not as critical as in Korea, where only 16 percent of the work force remains on the land, compared to over 50 percent in the Southeast Asian country. But the Philippine Senate's ratification of the GATT accord will lead only to one thing: a deepening crisis of the countryside similar to the Korean tragedy.

It is worthwhile to look at the dynamics of the GATT ratification process in the Philippines for it illustrates the workings of an alliance that occurred in other parts of Asia: a coalition between external

agricultural interests intent on penetrating the country's markets and agricultural technocrats intent on "modernizing" agriculture by pushing it along export-oriented lines.

Even before GATT became an issue in the Philippines, the agricultural bureaucracy had become dominated by technocrats and economists who felt that the main problem of Philippine agriculture was its highly protected character. They believed the path to dynamism lay in eliminating protection, deregulation, and radically reducing the weight of traditional mainstays like rice and corn, which also happens to employ the bulk of rural producers. Department of Agriculture Secretary Roberto Sebastian, for instance, has sought to take two million out of a total 3.5 million hectares of land from rice production and convert them over to raising cattle.¹¹ Other actors in the agricultural bureaucracy became proponents of *export-oriented high-value added agriculture*, presenting cutflowers, asparagus, and other high-value added crops as Philippine agriculture's passport to the 21st century.

This view clashed directly with what most farming groups regarded as the causes of the country's agricultural malaise. Farmers pointed out that one of the greatest disincentives to production was the depression of the price of

The defensive line thinking farmers', survival, rice self-sufficiency, and protection has been breached leading to the almost certain demise of both agriculture and rural society in the not-too-distant future.

agricultural goods relative to manufactured goods. Moreover, investment in infrastructure, extension, and research and development has been niggardly. And one of the most effective incentives for efficient production — land reform — has been systematically derailed, despite the

fact that the Philippines now has more land reform laws in the books than most other countries.

When GATT arrived for ratification the agricultural modernizers leaped on it as the instrument of their mission on agricultural transformation, using words such as "globalization," "competitiveness," "efficiency," and "prosperity." Statistical calculations were presented showing that signing on to the WTO would result in the creation of 500,000 jobs annually in agriculture.¹² Pressed for specifics, the pro-GATT technocrats admitted the estimate was a net figure that included 350,000 lost jobs annually, mainly in the labor-intensive, traditional crops like corn, sugar, and rice. In the corn sector, the Department of Agriculture (DA) admitted, an estimated 45,000 farmers were going to be displaced annually. In the rice sector, according to one NGO, the minimum access requirement of 59,000 metric tons of rice would translate to the displacement of 15,000 farming families annually.¹³

Where would the job gains come from? From the spread of the cultivation of high-value crops like cut flowers and asparagus owing to export demand. It was not difficult for the GATT critics to prove there is one thing wrong in this scenario — and that is realism. To be competitive in high-value crops, they pointed out, one needs years of investment in research and development. Moreover, these crops were still in an embryonic state in the Philippines, with cutflower producers of export quality being a mere handful. Also, the labor absorption of high-value crops is much lower than traditional field crops so that higher agricultural production rates may in fact be accompanied by higher rural unemployment and underemployment rates. In

short, the DA calculations on the employment effects of GATT were based on trading sure job losses in the traditional crop sector for speculative job gains in the still-to-be-created high-value crop sector.

Coming under criticism for their easy writing off of millions of workers in the traditional crops and their naive belief in the millions of jobs to be generated by cutflower and asparagus industries, the pro-GATT lobbyists beat an inglorious retreat. In the end they had to assure angry farmers that, contrary to their earlier calculations, 350,000 rural jobs would not be lost and that the 45,000 corn farmers they initially predicted to be displaced annually would actually stay on the land since they would simply shift from raising corn to growing silage for cattle.¹⁴ But they failed to explain the contradiction that most farmers immediately picked up: how the demand for silage would grow when the Philippine cattle industry is actually contracting!

In any event, the pro-GATT lobby may have won the Senate vote, but they bungled so badly in the public debate. By the end of the debate in December, the general public was sure of one thing: that GATT was going to be disastrous for farming communities.

Who Benefits from the GATT Agricultural Regime?

Throughout the ratification process in Korea, Philippines, and most other Asian countries, the focus of the debate was whether the adjustments induced by joining GATT would be beneficial or detrimental to the nation. For the most part, governments failed to inform farmers that the agreement they were being asked to adhere to was, in the first place, fundamentally inequitable. And it is not surprising that they did not inform farmers, for that would have complicated an already problematic ratification process.

Instead of promoting free trade, the GATT agricultural deal actually promotes monopoly of the agricultural trade by the North. This is not surprising since the deal was actually negotiated only by two parties, the European Union and US, in order to regulate their competition in third-country markets. This *fait accompli*, also known as the Blair House Accord, was then tossed to the rest of the GATT membership for consideration on a take-it-or-leave-it-basis.

GATT, it is claimed, reduces agricultural subsidies, with the end of eventually doing away with them. But

what GATT has actually done is to swap one form of subsidization for another. It is, as economist Brian Gardner points out, "taking away direct support of markets and replacing it with direct subsidization of [Northern] farmers."¹⁵

Direct income subsidies to farmers, such as the so-called "income support payments" made to European farmers and the "deficiency payments" made to American farmers, are exempted from the GATT injunctions against trade subsidies, despite the fact that they are trade-related. These payments, in fact, allow the US and European Union to subsidize their agriculture to the tune of 49 percent and 30 percent respectively, thus creating the Euro-American overproduction problem to which the current GATT regime is the solution.¹⁶

But it was the US, in fact, that got the better of the deal. The US was able to get its PL-480 program exempted from GATT coverage on the grounds that it is a food aid program and not a trade enterprise. Now, as we noted earlier in our discussion on Korea, any serious student of development aid knows PL-480 is a massive dumping program that has been parading as a foreign aid program.

The GATT agricultural regime, in short, perpetuates state-subsidized American and European domination of the world agricultural trade while abolishing what little subsidies and protective mechanisms there are for Asian agriculture. The consequence, as economist Kevin Watkins points out, is that the US and the European Union will be able to preserve agricultural systems

permanently geared to overproduction by institutionalizing their ability to subsidize and dump around a third of their total cereal production on world markets.¹⁷

Yet, to be fair, the US agricultural lobby has always been transparent about its intentions under GATT and has never denied that its aim is to wipe out agricultural producers in the NICs ("newly industrializing countries") and Third World countries. As then US Secretary of Agriculture John Block stated at the outset of the Uruguay Round in 1986: "The idea that developing countries should feed themselves is an anachronism from a bygone era. They could better ensure their food security by relying on US agricultural products which are available, in most cases, at lower cost."¹⁸ In one sentence, this is the essence of the GATT agricultural agreement.

GATT and the Rural Environment

Decreased food self-sufficiency and the marginalization of millions of food producers are two likely effects of GATT. Also likely is the greater environmental destruction of the countryside owing to the intensified use of ecologically unfriendly methods of production.

In recent years, the damaging environmental impact of Green Revolution technology based on massive inputs of fertilizer and pesticides has become a matter of great concern to farmers. Indeed, even the Food and Agriculture Organization (FAO), long a champion of the Green Revolution, has recently called attention to the negative side of chemical-intensive technology.

In many countries throughout Asia, there are now many initiatives in alternative, chemical-free farming. GATT is now likely to reverse this

healthy trend, for in their efforts to stay afloat and compete with subsidized Northern farming interests using chemical-intensive technology, food producers in the South who have capital and land to compete will be forced to adopt the same environmentally destructive but economically profitable methods. The dilemma of Third World producers under GATT is aptly captured by a prominent Asian ecologist:¹⁹

... [C]ountries wanting their producers to internalize ecological and social costs will be priced out of competitive markets under GATT. Thus the cost-reduction driven model of GATT economic will most likely not allow countries to internalize their environmental and social costs. *GATT will, thus, actually become a further incentive to destroy the environment.*

IPR's and Rural Livelihoods

Threats to the self-reliance and existence of rural communities come not only from the GATT Agricultural Regime but from the GATT TRIPs regime. Because it considerably strengthens the access to and monopoly over intellectual property by corporate patentholders, the GATT TRIPs system threatens to privatize plant varieties and technological processes to extract the desirable qualities of these plants that have been, traditionally, the common property of communities in Asia and other parts of the South.

This concern is not alarmist. In India, for instance, the neem tree is known for its wide variety of uses: its twigs act as natural toothbrushes while

In their efforts to stay afloat and compete with subsidized Northern farming interests using chemical-intensive technology, food producers in the South who have capital and land to compete will be forced to adopt the same environmentally destructive but economically profitable methods.

its leaves repel insects and other pests. Also, an extract of its active ingredient, Azadirachtin, is used in soaps and contraceptives. In recent years, a US company, W.R. Grace, has applied for and received a US patent for the extraction process, whereas an earlier attempt to patent the process in India was rejected on the grounds that it was common knowledge.²⁰ Indeed, there are now close to 35 patents and patent applications filed for different use of neem, mainly by multinational corporations.²¹ Under GATT-WTO rules, it may well happen that no Indian or Third World company or community may use these technologies derived from common practices — or the common practices themselves if they are now patented — without paying royalties to W.R. Grace and other corporations.

There are other examples of what some scholars from the South have labelled "biopiracy" parading as intellectual property rights. One US pharmaceutical company stands to make millions of dollars from two drugs, an anti-carcinogenic and an anti-leukemia agent, whose source is Madagascar.²² Merck, a leading western pharmaceutical firm, is also likely to profit from the anti-coagulant it is developing from the *tikluba* plant, which has long been used by indigenous people in the Amazon.²³ Some 11 patents have already been filed in the United States and Japan covering the extraction and use of nata de coco from the coconut, a major cottage industry in the Philippines. Also, patents by foreign entities and individuals are reported to have been filed on *lagundi* and *banaba*, two Philippine plants with medicinal qualities.²⁴

One analyst has cogently summed up the issue posed by the GATT TRIPs regime to rural communities:²⁵

Once modified, no matter how slightly, such genetic material can be patented by corporations or individuals who thus appropriate all financial benefits. As it stands now, an individual or company can collect a plant from a developing country, modify it or isolate a useful gene and patent a new plant variety or product that contains it, without having to make any payment whatsoever to the communities whose traditional knowledge enabled the plant to be identified in the first place. The GATT agreement recognizes only private rights and makes no provision for the protection of intellectual property which is held communally, such as traditional knowledge of plants or seeds. As a result, farmers and citizens

in developing countries will have to pay for the new seeds, pesticides, and pharmaceuticals developed from their genetic resources.

Given the threat of the monopolization over the use of their genetic resources by big Northern corporations, more than 500 farmers stormed the local Indian subsidiary of the US agribusiness giant Cargill and burned its files to express their opposition to the GATT TRIPs regime.

GATT and Industrialization

As we have seen, GATT's impact on the agricultural economy is profoundly destabilizing. But will this be offset by benign effects on the rest of the economy? Will the millions of people likely to be displaced by GATT be absorbed by industrial, manufacturing, and service jobs created by the accord?

The answer is likely to be negative, and the reason for this becomes clear if one looks at the recent economic history of the Asian NICs. Even a cursory survey would show the key element in their becoming fast-growing economies was their strategic use of trade policy for industrialization purposes. They protected their domestic markets with quantitative restrictions and high tariff walls and aggressively subsidized their export manufacturers as part of an industrialization program which saw them move from merely producing consumer goods to turning out intermediate goods to finally producing capital or heavy industrial goods.

In signing on to GATT, Asian and other Third World governments effectively gave up the use of trade

policy to industrialize. Why? Because GATT forces them to forever forswear the use of quotas or quantitative import restrictions, which were so crucial in creating a demand for manufactured import substitutes in the NICs local markets during their drive to industrialization. Because, in signing on to GATT, they lock themselves into a regime that requires tariff reductions on many industrial imports and exacts a commitment not to raise tariffs on the rest. What these governments have done is basically to surrender the capability and flexibility to use tariffs and quotas to build key industries like computers, motor vehicles, and steel as part of a program to build strategic depth in their fledgling industrial sectors.

That the Uruguay Round is inimical to industrialization efforts in Third World countries emerges even more clearly in the TRIMs and the TRIPs.

In their drive to industrialization, the NICs made use of many creative mechanisms such as trade-balancing requirements that tie the value of a foreign investor's imports of raw materials and components to the value of his exports of the finished commodity. There are also "local content" regulations which mandate that a certain percentage of the components that go into the making of a product be sourced locally.

These rules have indeed restricted the maneuvering space of foreign investors, but they have been successfully employed by the NICs, particularly by Korea, Thailand, and Malaysia, to marry foreign investment to national industrialization. They have enabled the NICs to raise income from capital-intensive exports, develop support industries, bring in technology, while

still protecting local entrepreneurs' preferential access to the domestic market. In Malaysia, for instance, the strategic use of local content policy enabled the Malaysians to build a national car, in cooperation with Mitsubishi. It has now achieved 80 percent local content and controls 70 percent of the Malaysian market.

Under the GATT Uruguay Round, trade-balancing requirements and local-content regulations have been rendered illegal, and GATT-WTO members are required to dismantle them within five to seven years.

Like the TRIMs, the GATT TRIPs regime is biased against the industrialization efforts of Third World countries. This becomes clear if we look again at the history not only of the NICs but of almost all late-industrializing economies. A key factor in their industrial take-off was their relatively easy access to cutting edge technology. But what is technological diffusion from the perspective of the late industrializer is often "piracy" from the viewpoint of the industrial leader.

In any event the US industrialized to a great extent by using, but paying very little for, British manufacturing innovations, as did the Germans. Japan industrialized by liberally borrowing US technological innovations, but barely compensating the Americans for them. And the Koreans industrialized by copying — quite liberally and with little payment — US and Japanese products and process technologies.

The TRIPs regime will make this process of "industrialization by cloning" much more difficult, for it represents what UNCTAD describes as a "premature strengthening of the intellectual property system... that favors monopolistically controlled innovation over broad-based diffusion."²⁶

The TRIPs regime provides a generalized minimum patent protection of 20 years, increases the duration of the protection for semi-conductors or computer chips; institutes draconian border regulations against products judged to be violating intellectual property rights; and places the burden of proof on the presumed violator of process patents.

The TRIPs regime is a victory for the US high-tech industry, which has long been lobbying for stronger controls over the diffusion of innovations. Innovation in the knowledge-intensive high-tech sector — in electronic software and hardware, biotechnology, lasers, opto-electronics, liquid crystal technology, to name a few — has become the central determinant of economic

power in our time. And when any company in the NICs and Third World wishes to innovate, say in chip design, software programming, or computer assembly, it necessarily has to integrate several patented designs and processes, most of them from US electronic hardware and software monopolists like Microsoft, Intel, Texas Instruments, and IBM.

As the Koreans have bitterly learned, exorbitant multiple royalty payments to what has been called the American "high-tech mafia" keeps one's profit margins very low while reducing incentives for local innovation.

In short, the TRIPs regime, which is really the centerpiece of the GATT Uruguay Round Accord, provides the US with a very powerful instrument to control the pace of technological and industrial development in rival industrialized countries, the NICs, and the Third World.

Let us pull together the analysis at this point. What we are saying is that GATT is likely to be detrimental in an all-sided fashion for Asian countries: While the GATT agricultural regime will destabilize, if not wipe out, wide swatches of traditional agriculture, the GATT industrial tariff, TRIMs, and TRIPs regimes will discourage the development of local industries, particularly technology-intensive industries which would otherwise absorb the millions of farmers displaced by the crisis of agriculture.

A Few Words on the WTO

A paper on GATT's impact on rural communities would not be complete without a few words on WTO, the new trade body. Those who ratified GATT automatically become part of WTO.

Among the key elements of the rationale for ratifying GATT is that the WTO would serve as a multilateral body tasked to restrain unilateral trade action by the US and other big trading superpowers. In the WTO, it was argued, the US would have exactly the same single vote as Rwanda or the Philippines. Moreover, the decision-making process in the WTO was envisioned as one determined by majority vote.²⁷

The reality, unfortunately, is quite different. Unlike the United Nations General Assembly, the WTO will not run on majority rule but on "consensus," much like GATT where no vote has been taken since 1959. As the influential US GATT advocate Fred Bergsten put it in hearings before the US Senate in November 1994,

the WTO "does not work by voting. It works by a consensus arrangement which, to tell the truth, is managed by four: the US, Japan, European Union, and Canada."²⁸

He continued: "Those countries have to agree if any major steps are going to be made, that is true. But no votes. I do not anticipate votes in the new institution."²⁹

In short, masked in the concept of consensus, hierarchy instead of democracy will be the real principle of governance at the WTO. The structure of control by a rich minority which is now operative in the WB and the IMF will be reproduced at the WTO; which, in truth, is the third pillar in the institutional trinity which now manages the world economy.

Indeed, it is no secret that the US was the biggest backer of the WTO. The US was extremely frustrated that while it won most trade disputes adjudicated by the old GATT, the decisions could not be effectively enforced. But the WTO, which is a creature of hard bargaining by US trade negotiators, is armed with real coercive teeth against those which the US regards as unfair traders. And this is the reason US Trade Representative Mickey Kantor described the WTO as a "sword" that can be used to open economies. And Fred Bergsten could tell the US Senate that now "we can use the full weight of the international machinery to go after those [trade] barriers, reduce them, get them eliminated."³⁰

What is really disturbing is that even as it has ratified GATT, the US government has not renounced the use of unilateral trade mechanisms like Super 301. Super 301 requires the US Executive House to take retaliatory action against those deemed as unfair

traders, despite the fact that the use of such mechanism would be illegal under GATT.

Thus, weaker trading countries now find themselves in what is arguably the worst of all possible worlds, where the US can now use both the WTO and Super 301 to achieve its trading objectives depending on the circumstances. And it can do this, Bergsten reminded the US Senate, because "very few countries ever have or ever will retaliate against the United States."³¹

Summary

In sum, Asian rural communities face manifold threats from GATT. The liberalization of the agricultural economy is likely to see the end of self-sufficient food production even at the community level; the end to national food security; and the displacement of millions of rural people from traditional agriculture owing to the inflow of subsidized grain, mainly from the US and other Northern agricultural superpowers.

Farmers with capital and land who seek to remain competitive will have no choice but to intensify the use of cost-reducing but environmentally damaging chemical intensive technologies employed by their Northern competitors, thus deepening the environmental crisis in the Asian countryside.

Under the GATT TRIPs regime, rural producers also face the possible obstruction of access to their traditional flora by Northern corporations which privatize and patent varieties of plants they develop through genetic engineering, or the processes to extract the desirable qualities of these plants. Via alteration of genetic materials coming

from the Third World or the modification of traditional biotechnological processes, plants and knowledge about plants shared communally by farmers can now be patented, privatized, monopolized, and sold for profit to the same farming communities that developed them over the centuries.

While destabilizing the countryside, GATT is also likely to have a negative impact on industrial development, which in the past served to absorb many of those rendered jobless by the crisis of agriculture. The TRIMs and TRIPs regimes are biased against industrialization efforts of Third World countries since they eliminate the use of trade policy for industrialization purposes and consolidate the monopoly of high technology by the leading industrial countries, especially the US.

Finally, in joining the WTO, Asian and other Southern countries are not becoming part of a democratic international body, run on one country/one vote. They are actually joining a body run principally by consensus among the leading trading powers, mainly the US, European Union, Japan, and Canada. Indeed, they may find themselves in the worst of all possible trading worlds, where they are constrained both by the rules of the US-dominated WTO and threatened by US which resort to illegal (under WTO rules) unilateral trade weapons like Super 301. □

Finally, in joining the WTO, Asian and other Southern countries are not becoming part of a democratic international body, run on one country or one vote. They are actually joining a body run principally by consensus among the leading trading powers.

Notes

1. "Open Agricultural Policy: A Controversial Issue in Korea," *Grassroots* (Seoul), Number 1, 1988, p. 1.
2. "Bilateral Positions: An Exchange of Views," *Business Korea*, April 1988, pp. 44-46.
3. Robert Goldstein, *US Agricultural Trade Opportunities with Pacific Rim Nations*, 88-755 ENR (Washington, D.C.: Congressional Research Service) 1989, pp. 36-38.
4. Hwang Ui-Pong, "The Exploding Farmers' Movement and the Creation of Chonnongyon," *Sindong-A*, April 1989; reproduced in *Foreign Broadcast Information Service: East Asia*, August 7, 1989, p. 34.
5. Henrik Hansen, "A New Agreement," *Business Korea*, November 1992, p. 20.
6. US Department of Commerce, "Korea: Background — Key Issues," Washington, D.C., November 1992.
7. Mark Clifford, "Cheap Foreign Beefs," *Far Eastern Economic Review*, July 21, 1988, p. 58.
8. "Farming Strategy to Uruguay Round Pact Discussed," *Yonhap Monthly Photo Journal*, March 1994, pp. 16-27; reproduced in *FBIS Daily Report: East Asia*, June 2, 1994, p. 50.
9. *Ibid.*
10. Sue Chang, "World Shouldn't Have to Wait for an Open Market," *Business Korea*, December 1991, p. 21.
11. Department of Agriculture, Republic of the Philippines, *Medium-Term Development Plan* (full citation forthcoming)
12. Department of Agriculture, Republic of the Philippines, *GATT Factsheet* (full citation forthcoming)
13. Calculation from MODE (full citation forthcoming)
14. Secretary of Department of Agriculture Roberto Sebastian, comment in *Firing Line*, Channel Seven, Manila, December 12, 1994.
15. Catholic Institute for International Relations, London, 1994 (full citation forthcoming)
16. "Cakes and Caviar: The Dunkel Draft and Third World Agriculture," *The Ecologist*, Vol. 23, No. 6 (November/December 1993), p. 220.
17. Catholic Institute of Social Relations (full citation forthcoming).
18. "Cakes and Caviar...," p. 221.
19. Nicanor Perlas, "GATT's Heavy Toll on the Environment," *Manila Times*, December 6, 1994.
20. Pratap Chatterjee, "Riders of the Apocalypse," *The New Internationalist*, July 1994, p. 10.
21. Nicanor Perlas, "GATT, Biotechnology, and the Church," Paper presented at the Catholic Bishops Conference for the Philippines—Visayas Secretariat, November 16, 1994, p. 5.
22. Jeff Atkinson, *GATT: What Do the Poor Get?*, Background Report No. 5 (Melbourne: Community Aid Abroad, 1994), p. 12.
23. *Ibid.*
24. Perlas, p. 5.
25. Atkinson, pp. 12-13.
26. UNCTAD, *Trade and Development Report 1991* (New York: United Nations, 1991), p. 191.
27. Jose Antonio Buencamino, Director of Bureau of International Trade, Department of Trade and Industry, Republic of the Philippines, Statement during Randy David Show, Channel 5, Manila, November 28, 1994.
28. C. Fred Bergsten, Director, Institute for International Economics, Testimony before U.S. Senate Committee on Commerce, Science, and Technology, Washington, D.C., October 13, 1994.
29. *Ibid.*
30. *Ibid.*
31. *Ibid.*

COUNTRY REPORTS

.....*Bangladesh*

.....*India*

.....*Indonesia*

.....*Malaysia*

.....*Nepal*

.....*Pakistan*

.....*Philippines*

.....*Sri Lanka*

.....*Thailand*

BANGLADESH

With an estimated 791.2 persons per square kilometer, Bangladesh is among the countries with the highest population density in the world. Over 90 percent of the population live in the rural areas, and about 64 percent of the labor force are engaged in agriculture. The contribution of agriculture to the gross domestic product is only about 33 percent. Bangladesh also has the unenviable reputation of being a country battered by natural disasters and political violence. Once a part of Pakistan, Bangladesh is known as one of Asia's youngest nations, having won its independence in 1971 after a bloody nine-month war. Despite the new directions of foreign aid, Bangladesh has yet to recover from the ravages of the war for independence. Under these trying circumstances, the people's struggle needs to be heard by their government.

Excerpts from the country report prepared by Atiur Rahman and Shoumi Mustafa in behalf of the Association of Development Agencies in Bangladesh (ADAB).

Form of Government:	Unitary multiparty republic
Number of NGOs:	About 15,000
Attitude Towards NGOs:	Highly restrictive
External Debt:	US\$ 12,226,000,000 (1992)
Budget Highlights:	Transfer Payments 36.2%; Employee compensation 33.6% (1991-1992)
Population:	117,404,000 (1994)

History of Government

Before the British colonization, the village was led by the headman, the head of the most powerful family in the village. Village councils evolved during the Gupta period (early fourth to mid-sixth century AD). These councils exercised full powers in village administration. The decline of the Mughal Empire in the 18th century and the takeover by the British East India Company saw the disintegration of social institutions. The subsequent local governments were forced upon the people by the ruling regimes: the British, the Pakistanis, and the independent Bangladesh government.

The British tried to revive the *panchayat* system through the Chowkidari Act of 1870. This local government model was patterned after the British system, and ultimately aimed to maintain law and order and serve British interests. The Local Self-Government Act of 1885 provided a three-level government in rural Bangladesh: the District Board, the Local Board in each subdivision of a district, and a Union Committee for a group of villages. The Chowkidari Panchayets and the Union Committees were replaced in 1919 by the Union Board. Urban local governments were initiated by the British in 1793 through a law on municipal administration. Laws on taxation, town police, and other administrative bodies were enacted only much later on.

After the partition of India in 1947, the United Front Ministry in East Pakistan sought electoral reforms, such as replacing the nomination system with the election

system, secret balloting, lowering the voting age, and the like. But these never took effect with the coming to power of the first military government in 1958.

The military junta believed the multi-party system was unsuitable for Pakistan, thus it introduced a "guided democracy" with authoritarian rule at the national level and a representative government, called Basic Democracies (BD), at the local level. The BD system tried to "guide" democracy, with the military junta providing the guidance. This, however, disregarded the people's capacity to make their own decisions.

The BD system was abolished in 1972. Minor changes in local governance were introduced up to 1975. On 24 February 1975, a new national political party, the Bangladesh Krishak Sramik Awami League (BAKSAL), was introduced by the fourth amendment to the constitution under Article 117A. All other political parties were banned. Multi-purpose cooperatives were to be the major economic and administrative units of the country, with the youth, women, workers, farmers, and government sectors effectively represented. These programs were nullified with the assassination of President Mujibur Rahman on 15 August 1975.

In 1976, the first Local Government Ordinance in independent Bangladesh was passed, introducing three types of local government: the Union Parishad, the Thana Parishad and the Zilla Parishad. A system composed of elected officials at the upazilla level and nominated officials at the district level was later introduced, but subsequently abolished.

The national government did not evolve from local governments, but rather the former imposed the latter. Only during the founding of the Pala Empire (eighth century) were the people involved in the choice of a central ruler. All other central governments were imposed by victorious forces during civil wars and other conflicts.

Prevailing View on People's Participation

The people are believed to be sovereign over institutions, and the principles to this effect are enshrined in the Bangladeshi Constitution as well as in international agreements and covenants.

The Constitution guarantees representation in local government, and participation of women in all spheres of national life. Under the fundamental law, the Republic is enjoined to preserve human rights, emancipate the toiling masses, and remove social and economic inequality.

Bangladesh subscribes to the International Covenant on

Economic, Social and Cultural Rights, as well as the International Covenant on Civil and Political Rights. The country is also bound by the Declaration on the Right to Development, which considers the right to development an inalienable human right.

The government's Fourth Five Year Plan (FFYP) speaks of increased involvement of the community in implementing government projects. But the conversion of this rhetoric into action remains to be seen. It must also be noted that the people were not consulted in the formulation of the FFYP.

Even the World Bank (WB) believes in people's participation in such activities as policy-making, but only to assure the efficiency of a project. After all, the WB promotes capitalism, and any development that is attained is meant to promote capitalism, not the other way around.

Legitimizing Existing Modes of Governance

Much of the history of Bangladesh has been shaped through violent political crises. Thus, politicians are concerned with fair elections more than anything else. For them, good governance is not a factor worth considering.

Successive governments all followed the strategy of creating a power base in the rural areas or using the existing elected representatives or administrative units to their advantage. The rural power base is usually mobilized during elections to assure victory. Thus, all laws, government programs and strategies have been adopted with the sole aim of securing a strong rural power base. The rural elite, with its influence over the rural poor, is the obvious provider of

this power base. In return, the elite receives most of the benefits from government programs.

Power has traditionally been concentrated in the hands of a few, a legacy of the colonial regime. Executive power is vested in the hands of powerful interest groups composed of an elite civil bureaucracy and the armed forces.

This mode of governance is further legitimized by the Constitution itself. The second amendment to the Constitution allows any constitutional amendment passed by a majority of two-thirds in the parliament. In Parliament, since voting against the

party can cause a member to lose his seat, the ruling party faces no obstacle to pass any amendment to the Constitution. Implicitly, power is concentrated in the Prime Minister. Any ordinance that the President declares upon the advice of the Prime Minister is bound to be ratified by Parliament. It is important to recall the FFYP, which was formulated without dialogue with the people. Similarly, laws may be passed without involving the public.

The most simple rationale for this blatant betrayal of the people is the government's ability to get away with it. The political culture of the country does not have a high regard for democracy, freedom and tolerance, even though the Constitution speaks otherwise.

Meanwhile, the attitude of international organizations on people's participation seems to be due to the control of its policy-making by technocrats from developed countries. Being detached from the villages or communities, these highly trained officials rely on textbook theories in formulating policies.

CASE STUDY

Gaining Partners in Government

The government generally has a negative attitude towards NGOs. Apparently, it is afraid that the growing number of NGOs may create power blocs that will eventually take over government functions. Every effort to change this view, therefore, becomes significant.

The Proshika Manobik Unnayan Kendra began as a project of the Canadian University Service Overseas in 1971. It became an independent Bangladeshi organization in 1976. Proshika has a livestock development program with three components: training, rearing, and vaccination.

The vaccination component is crucial in reducing the mortality rate of livestock. The government provides vaccination services from

its Thana livestock centers, but the irregularity and inadequacy of government service forced Proshika to provide vaccination for its members. However, the government still controlled the supply of vaccines.

Proshika, therefore, collaborated with the government, first through informal arrangements, then finally by a contract between Proshika and the government livestock department. The contract provided for the supply of vaccines to Proshika by the government at subsidized costs. Vaccines were administered by trained Proshika members who provided the service to both Proshika members and outsiders at nominal cost.

This partnership was by no means the first time that NGOs and the government worked

together, but it is considered as one of the more successful cases of GO-NGO collaboration.

Other government-NGO partnerships include:

- The Bangladesh Rural Advancement Committee (BRAC) assisted the Government Immunization Program to reach 34.5 million people. Immunization levels in BRAC-assisted areas were found to be between 40 percent and 60 percent higher than non-BRAC-assisted areas.
- Proshika and the Forestry Department are collaborating on a small pilot agro-forestry proposal where degraded forest lands will be reforested by local landless groups.

Hopefully these few but significant efforts will lead to a government attitude of cooperation instead of ambivalence. □

While IMF-WB-imposed Structural Adjustment Programs have been legitimized by using growth and stability arguments, in the final analysis, international organizations do not need any legitimacy for these programs. Given the dependence of the government on these foreign institutions, it is unnecessary for them to seek legitimacy for their programs.

Factors Inhibiting Accountability of Institutions

- ⌘ Power is concentrated on the Prime Minister at the national level, and on the rural elite at the local level. In fact, these two centers of power may do anything they want even without consulting the people.
- ⌘ Government officials in the local levels nurture their relationship with the rural elite, thus public service is given less priority.
- ⌘ The police service is centralized, thus officials are accountable to the service, not the people.
- ⌘ The government is involved in every major activity in the country. This aggravates the fact that it is insulated from public pressure.

Existing NGO/PO Efforts

NGO operations have widened people's perspectives, that is, they were made to realize their strengths. Through NGOs people have obtained a voice to deal with the government and other institutions.

Four generations of NGOs have been identified:

- ⌘ First generation (1971-1972): NGOs were engaged in relief and rehabilitation work. This was when Bangladesh gained independence from Pakistan.
- ⌘ Second generation (1973-1975): NGO efforts were on community development, with a number of sectoral activities, such as agrarian reform, cooperatives, etc.
- ⌘ Third generation (1976-present): NGOs have ensured sustainability through large-scale programs complementing government programs.
- ⌘ Fourth generation: This will depend on the development of NGOs in realizing their vision of a society characterized by strong people's movements.

Over the last two decades, NGOs concentrated their activities in the following areas:

- ⌘ Establishment of effective democratic processes at the grassroots

- ⌘ Poverty alleviation
- ⌘ Women's rights
- ⌘ Education
- ⌘ Health and family planning
- ⌘ Environment

Providing credit facilities to rural folk is one of the most significant NGO programs in Bangladesh. NGOs believe that people can effectively engage in viable self-employment, given access to credit under reasonable terms. To many landless villagers, credit is the most important benefit that NGOs can provide.

Some NGOs, such as the Bangladesh Rural Advancement Committee (BRAC), disburse credit readily. Meanwhile, the Proshika Manibok Unnayan Kendra has evolved a mechanism to ensure that credit goes to the right people and to maintain a good recovery rate. Proshika has made the availability of credit dependent on an applicant's performance in other Proshika programs. While this has been a source of discontent for many applicants, the method does have its merits.

The target group approach is worth mentioning here. This emphasizes the centrality of a particular problem to a development strategy. For instance, Proshika uses this approach with





landlessness as a central issue. Thus, Proshika places the needs of landless women in the forefront of its many programs.

However, in delivering goods and services to the rural folk, NGOs have given smaller roles for village organizations to play. There is a need to involve these organizations in NGO efforts in the countryside.

Insights

Governments in colonial and independent Bangladesh have always realized the significance of rural society, thus central governments have always tried to establish a strong power base in the rural areas. But it has been the rural elite which has provided this power base. In return, the elite has appropriated the benefits of government projects.

This situation has been brought about by the following:

1. The rural poor were not aware of their rights and capabilities.
2. They were usually not organized.
3. The major political parties alienated the rural poor.
4. Poverty, low literacy and underdevelopment, perpetuated by the rural elite, have made government institutions inaccessible to the rural poor.

With the present structure of administration, practice of political parties, and lack of positive perception of people's participation in governance by the various institutions, the situation may continue indefinitely.

The only factor bucking the trend is the operation of NGOs. Through their various programs, NGOs have reached out to the rural poor, possibly representing the first time that any entity has serviced the rural poor sector.

However, there remains a danger of bypassing community-based organizations in the delivery of goods and services to the people.

NGO Action Agenda

NGOs must consider the following actions if they are to change the prevailing system in Bangladeshi society:

- ✦ Assess the impact of NGO operations in society.
- ✦ Formulate a strategy for an effective and active participation of the people in governance.
- ✦ Formulate a strategy for credit programs. Because of the increasing need for credit facilities, NGOs must decide whether to promote credit programs independently, or to combine them with other programs, to make credit availability dependent on an applicant's performance in other programs.
- ✦ Extend collaboration among NGOs in order to build any significant impact on Bangladeshi society. This may be the crucial strategy for the coming years.
- ✦ Formulate a strategy about the village community. So far, the target group approach has been successful, but NGOs must find ways to involve community-based organizations in NGO activities.
- ✦ Enhance the uneasy working relationship with government. There are several related recommendations in this regard:
 - ✦ Make the government consider the use of NGOs experiences, skills and proximity to the grassroots in formulating development strategies.
 - ✦ Convince the government to provide funding to NGOs, to reduce their dependence on foreign donors.
 - ✦ Push the *Agenda 21* of the Earth Summit -- to which Bangladesh is committed -- which calls for the recognition of NGOs as partners in the implementation of the Agenda.
 - ✦ Create a forum for regular NGO-GO consultations. □

References

- T. Ahmed. *Decentralization and People's Participation in Bangladesh: A Political Perspective*. M.Sc Thesis, University of Wales, 1987.
- S. Amin. *The 50th Anniversary of Bretton Woods -- Fifty Years is Enough!* CEAD, Canada, 1988.
- M. Bamburgh. *The Role of Community Participation in Development Planning and Project Management*. BDI Policy Seminar No. 13, World Bank, 1988.
- Bangladesh Bureau of Statistics. *Statistical Yearbook of Bangladesh 1991*.
- Bangladesh Rural Development Board. *1992-1993 Annual Report, 1994*.
- B. Bhatnagar and A.C. Williams. "Common Vocabulary Paper, Annex 2," in *Participatory Development and the World Bank: Potential Directions for Change*. Discussion Paper No. 183, World Bank, 1992.
- H. Blair. "Rural Development, Class Structure and Bureaucracy in Bangladesh," in *World Development*, vol. 6, no. 1, 1978.
- Bangladesh Rural Advancement Committee (BRAC) (1993). *BRAC at 20*.
- BRAC (1994). *Annual Report, 1993*.
- P. Dasgupta. *An Inquiry into Well-Being and Destitution*. Clarendon Press, Oxford, England, 1993.
- M. Farook and A.A. Rahman. *National Security Laws and Violations of Human Rights in Bangladesh*. Paper presented at the World Conference on Human Rights, Vienna, July 1993.
- N. Islam. *Development Planning in Bangladesh: A Study in Political Economy*. University Press, Ltd., Dhaka, 1977.
- M. Khan, et al. "Proshika's Livestock and Social Forestry Programmes," in J. Farrington and D.J. Lewis, eds., *Non-Governmental Organizations and the State in Asia*. Routledge, London, 1993.
- D.C. Kortzen. "New Roles and Challenges for Asian NGOs," in *NGO Management in Asia: Focus on Bangladesh, Indonesia and the Philippines*. Asian NGO Coalition for Agrarian Reform and Rural Development, 1988.
- A.N. Mizan. *In Quest of Empowerment: The Grameen Bank Impact on Women's Power and Status*. University Press, Ltd., Dhaka, 1994.
- S. Mustafa. "International Cooperation Bears Fruit," in *The Daily Star*, 11 November 1991, Dhaka, 1991.
- S. Paul. *Strengthening Public Accountability Through Participation*. World Bank.
- M.A. Rahim, et al. *Bangladesher Itihash*. Dhaka, 1981.
- M.A. Rahman. *Participatory Organisation of the Rural Poor*. International Labor Organization, 1994, 1984.
- H.Z. Rahman and B. Sen. *Rural Poverty Update, 1992. -- improvement, but...* APT Project, BIDS, 1992.
- K. Siddiqui. "Evolution of Local Government in Bangladesh," in *Local Government in Bangladesh*. University Press, Ltd., Dhaka, 1994.
- R. Sobhan. *Bangladesh: Problems of Governance*. University Press, Ltd., Dhaka, 1993.
- R. Tagore. *Collected Works*, vol. 2, 1967.
- Task Forces on Bangladesh Development Strategy for the 1990s. "Managing the Development Process" in *Report*, vol. 2. University Press Ltd., Dhaka.
- World Bank (WB). *Governance and Development, 1992*.
- WB (1994). *Bangladesh: From Stabilization to Growth*.
- United Nations. *A Compilation of International Instruments*. New York, 1988.

INDIA

Though already liberated from colonial rulers, India is trapped in a larger mesh: the struggle for survival in the world of international capital. As consumerism became the order of the day, gigantic transnational companies (TNCs) have spread their wings to cover far greater areas, to the detriment of the environment and communities. The emergence of this worldview necessitate a vigorous search for a new social order, one where communities can pursue equitable and sustainable self-development. One where empowered communities are not just participants in governance, but become institutions of self-government.

Form of Government:	Multiparty federal republic
Number of NGOs:	100,000
Attitude Towards NGOs:	Regulative
External Debt:	US\$ 76,980,000,200 (1992)
Budget Highlights:	Debt Service 25.6%; Defense 9.7%; Social Services 3.0% (1993-1994)
Population:	913,747,000 (1994)

History of Government

- ↻ The Delhi Sultanate was established in 1206, spreading Muslim rule over most of India.
- ↻ Moghul emperors exercised their power through regional deputies called *nawabs*. But Europeans have already started coming in, staying upon the goodwill of the emperors.
- ↻ Following the Indian Mutiny of 1857, the country was handed over to the British Crown. Queen Victoria was crowned Empress of an empire comprising British India and a patchwork of smaller states in 1876. For the first time, a single authority ruled over India, which, at that time, included the present Pakistan and Bangladesh.
- ↻ The nationalist opposition to British rule, dating back to 1885, crystallized under the leadership of Mahatma Gandhi and the Indian National Congress, the two forces which catapulted India's return to independence on 15 August 1947. India was partitioned along religious lines.
- ↻ Jawaharlal Nehru became India's first prime minister and held office until his death in 1964. He was followed briefly by Lal Bahadur Shastri, then by Nehru's daughter - Indira Gandhi - when Shastri died in 1966.

Mrs. Gandhi remained in power until her assassination by two Sikh bodyguards in 31 October 1984 following the desecration of the Golden Temple, when she ordered a direct army assault on Sikh extremists holed up in the temple. Her rule was interrupted only for two years, in 1977 to 1978, when 82-year old Morarji Desai became prime minister.

Excerpts from the country report prepared by the Association of Voluntary Agencies for Rural Development (AVARD).

Analysis of Mode of Governance

After the struggle for independence, poverty and unemployment were identified as the foremost problems to be attacked by government.

Gandhi was of the firm belief that development effort must be addressed to the last person first, a belief that forms the basis of the concept of *Antyodaya*, or unto the last. He further held that two other conditions are essential to sustain a morally and materially sound attack on poverty, inequality and unemployment. One is through austerity or consumption ethics. The other is by way of a discerning and deliberate choice of technology - away from the imitative and addressed to India's own and unique problem.

Gandhi proposed the institution of "village republics", or *panchayats*, in the political realm and the pursuit of village self-sufficiency as the anchor of economic development. By that he meant that production and consumption should be as limited as possible, and based on the proper use of local resources.

Gandhi wanted to ensure that the goal of self-sufficiency at the village level was made an integral part of the planning process and economic system. He repeatedly stressed that the first concern of every village should be to grow its own food crops and weave its own cloth.

After Gandhi's death, the responsibility for giving shape and substance to political and economic edifice rested principally with Nehru. However, Nehru was not in tune with Gandhi even if he followed him during the freedom struggle. The development scenario underwent a radical change. The village republics - the democratically elected decentralized bodies which were the very cornerstone of the Gandhian political, economic and social framework - were excluded from the Constitution adopted in 1950.

Upon becoming prime minister, Nehru chose not the people-led republics but bureaucracy as the principal instrument for delivering economic development and social justice. He also reversed Gandhi's vision of a food and cloth-led industrialization. Nehru contended that "the test of real strength is how much steel you produce, how much power you produce and use."

In response to criticism that Nehru forgot all about the promise in the Constitution of work and food for all citizens in his First Five Year Plan, Nehru said:

"The primary thing about an integrated plan was production and not employment. Employment was important, but it was utterly unimportant in the context of production. It followed production and not preceded production. And production would only go up (through) better techniques which meant modern methods."

While the powerful may have failed to make an impact on poverty, what actually happened was the reverse: poverty began to make an impact on the powerful. Under the 8th Five-Year Plan that runs from 1992 to 1997, it is stated:

"Our experience in development planning has shown that developmental activities undertaken with people's active participation have a greater chance of success and can also be more cost-effective as compared to the development activities undertaken by the government where people become passive observers. They are owned and managed by the users, stakeholders, producers or beneficiaries themselves; are accountable to the community; have the capacity to become self-reliant over a period of time; have the capacity to diagnose the needs of the areas, interact with the governmental agencies in order to draw need-based local level plans and



to implement those plans in close cooperation with the administration."

Multinational financial institutions (MFIs) concentrated on infrastructure as the key to development. The World Bank's World Development Report 1994 said "infrastructure can deliver major benefits in economic growth, poverty alleviation, and environmental sustainability but only when it provides services that respond to effective demand." The primary question for poverty alleviation and environmental sustainability is whose effective demand is intended to be met. If it is that of the poor, then their capability to generate and exert demand effectively has to be expressed upfront.

But while the WB has changed its approach considerably over the last decade, its thinking remains the same. It assumes that the poor cannot provide the growth push. This will have to come from other groups, with the poor benefitting indirectly. But if the poor is positioned outside the growth endeavor, it follows that they will be denied its fruits.

Factors that Affect Accountability

The political situation in India can be best described as a democracy of the elite. Some political parties take after the traditional Hindu parties, with election based on the caste, money and muscle power. The political system is essentially feudal, where changes in positions are made within the same holders. Where the king used to rule, now it is the elected assembly of people coming from the same class which runs the affairs of the state.

The control of decision-making by the elite is synonymous with over-

centralization. In turn, elite control affects the will to participate and be an "owner" of the development process.

There is, in fact, an increasing and fairly widespread acceptance of the importance of decentralization. But there is no sufficient clarity about the depth of decentralization to be effected and how to go about it. India's journey towards decentralization has been dictated by several push factors.

First, it has had frustrating experience in combating poverty, unemployment, and disparities despite many policy and program interventions.

In *Grass Without Roots*, a 1995 study of the results of rural development sponsored by the Indian Council of Social Science Research, it was found that a sporadic showering of development assistance from above, with the absence of community involvement, has failed to generate a development process. All that was generated was dependency.

The study concluded by calling for a complete stop to the officially administered poverty alleviation and rural development programs until the country is ready to rely on the community and its elected bodies to shoulder the main burden of local government. "Without it, there is no hope for development, especially development with a focus on the poor. For all its faults, the institution of elected panchayats offers the best hope for development with equity, economy and integrity in the absence of any other option in sight. It opens the door for the rural weak to influence the development process through the electoral process," the study said.

Second, India has found that in the absence of self-governance by the communities at the local level, it is not easy to ensure stability of self-governance at the national level. In a landmark decision, one of the High Courts in India observed that Parliament and State Assemblies were like domes: they would be hanging in the air if they were not supported by pillars of self-governance from local or village institutions.

Third, according to the Planning Commission, experience with containing demographic pressures has revealed the importance of the community's effective participation in decision-making and management of primary schools, health sources, nutrition programs, and others, at the village level.

Lastly, there was a wider public recognition that communities play a vital role in resolving local-level social conflicts. It cannot be left to bureaucrats or to the police.

Existing NGO/PO Efforts

India has a vibrant non-governmental organization (NGO) sector, with the total number of NGOs estimated at 100,000. Around 25,000 to 30,000 groups are active while

almost half of the population have the potential to perform well and to respond to changing situations, if given support. The reach of NGOs extends to about half the country, with majority concentrated in cities and underdeveloped states.

The major sources of funding of NGOs are contributions of program participants; assistance from government and foreign funding agencies; and credit from banks. Business and industry had been the major donors of voluntary agencies before independence, but during the post-independence period, the sector shifted its attention to contributing to the coffers of political parties and politicians.

An era of NGO-government relations began to evolve from mid-1980s to the present. Government started to take interest in NGO activities, and this interest was concretely manifested in government's desire to channel funding to NGOs. Government distributed funds to voluntary agencies and each government department

had available direct funding to NGOs. To attract NGOs, government established an agency to liaise with them. The major instrument of government for NGO funding was the Council for Advancement of People's Action and Rural Technology, which handles indigenous funds.

However, the hitch was that government also wanted to maintain some control on NGOs.

Generally, NGOs in India collaborate with government in the implementation of good programs at their initial stages. But as voluntary organizations start to talk about organizing the poor, government considers such action as subversive, anti-government, and unnationalistic. Thus, there are NGOs

CASE STUDY

Banwasi Sewa Ashram

A remote, essentially tribal, area of Uttar Pradesh is the focus of the development efforts of the Banwasi Sewa Ashram, Mirzapur. The area is near the Rihand Dam, a reminder of how structures can lead to people's displacement.

Initially, the Ashram's involvement in the area came in the form of relief operation during severe droughts and famine, providing food and medicines to some 15,000 people in the area. However, Ashram recognized that its efforts would run into a cycle if the situation remained as it were in the area. Thus, it began a food-for-work program wherein the people were tapped to put up earth dams across deeply scoured mullahs and ravines and to reshape land by levelling and terracing to mitigate the effects of droughts by retaining water that would otherwise run off during the rains. The efforts had a visible impact on the people's lives, as

agricultural production increased.

Later, the Ashram moved on to tackle other issues affecting people in the area. One such issue is government officials' persistent disregard of peasant's rights. This is particularly true in the case of forest guards. Thus, the organization introduced a drive for total literacy and district literacy campaign to improve the local population's awareness of their basic rights.

The project area, traditionally used by tribals for shifting cultivation, has not been subjected to surveys. The peasants found they had no title to the land they have been cultivating for generations. When the Forest Department took over ownership of the area by virtue of the Forest Act in the early 1980s, the people were mobilized for protest. On 2 October 1986, the protest took the form of roadblocks at 57 different points in the area, with some 200-4000 persons at each point.

The people also approached the Supreme Court, which later issued a stay order on the further encroachment of the area pending the settlement of individual cases. As a result, majority of the cases involving over 50,000 families were settled in favor of the peasants. Similarly, a fight for securing the rights of those displaced by the Rihand Dam as well as other industrial development projects in the region were staged and is still ongoing.

To acquire greater fighting power against the nexus of landowners, bureaucracy, and large public projects, an organization called the Rural Entitlement and Legal Support (REALS) was created, with its scope extending to the neighboring states of Madhya, Pradesh, Bihar, and Orissa. It was envisioned to be a model of non-violent struggle to secure the rural entitlement and due rights of the poor.



identified as anti-government and therefore blacklisted.

The relationship of NGOs and people's organizations (POs) have an interesting feature: some NGO-sponsored POs become coops, unions or even emerge as people's movement. There are now many POs that have taken an imitative pattern of NGOs in terms of operations and organization. This could be attributed in part to the laws governing NGO activities and to the role of donors in the development process.

In the drafting of the Eighth Five Year Plan, the National Planning Commission interacted with voluntary groups all over India. NGOs were asked to comment on the "Draft Approach Paper to the Eighth Plan" which focused on social transformation and vital involvement of the NGO sector in development efforts.

Realizing the limits of centralized development and planning through an

inefficient delivery mechanism, the central government has begun to actively consider decentralization. Today, a consensus exists among the political parties in support of the principle of democratic decentralization at the village and primary levels. On the other hand, NGOs themselves have been pressuring government to take immediate legislative action promoting democratic decentralization.

Insights and Recommendations

The general public opinion, including that of political parties and the Parliament, converged in the direction of a strong Constitutional mandate for decentralization of political power combined with decentralization of development planning and implementation. This intent has been embodied in an amendment to the Constitution called the 73rd Amendment Act on Panchayats which took effect on 24 April 1993.

With the legislation, voluntary agencies expect to see less oligarchy and patriarchy, a more accountable and transparent system, and a monitoring of the

Case Study (con't.)

Under REALS, the people were organized as a pressure group for attainment of the following goals:

- ☛ to secure the proper functioning of the primary schools to fulfill the constitutional promise to provide free and compulsory education to all children up to 14 years of age;
- ☛ the regular and timely distribution of essential commodities through the ration shops;
- ☛ to secure land and related entitlement of all the tenants to arrest the process of land alienation of the tribals; and
- ☛ to secure the basic facilities of health, education, safe drinking water, electricity, etc., for all the villagers.

Ashram has transcended the tendency of most government institutions to be a project-running organization. Its distinguishing

feature has been to build up people's organizations, starting with Gram Swarajya Sabha at the village level, Kshetriya Sabha at the level of convenient cluster of villages, and a Kendriya Sabha at the apex level. This organizational network has served as the core of most well-planned project interventions and protest movements.

Further, the Banwasi Sewa Ashram was one of the first NGOs to have systematically carried the messages of the 73rd Amendment on decentralization and Panchayat Raj to the people in the 400 villages in its area of operation through discussion groups and *yatras*. At present, it is undertaking an educational program about the electoral system relevant to the Panchayats, and how to strengthen the Panchayats to carry out their social and economic endeavours with efficiency and speed and assume increasing responsibility for local area planning and

development.

Right from the start, Ashram has recognized that poverty is a multi-headed monster. Thus, sectoral, compartmental, isolated and sporadic interventions will be ineffective. The choice of what problems to prioritize and remedial measures to undertake must rest with the people.

Social justice will not sprout automatically. Public policy and the bureaucracy cannot be expected to abide by their oath to uphold the Constitution. Thus, vigilance by the people and their organizations are indispensable. The Ashram plans to retain the structure of the peoples' organizations built up over the past to decades or so as a companion of the Panchayat Raj system to ensure that issues of social justice and equity are kept burning at the forefront. □

election process with the creation of the State Election and Finance Commissions to ensure the regularity and fairness in elections and in the channeling of financial resources.

While this is a historic and radical departure from the past, this does not suggest that the problems and pains of decentralization are over with the enactment of legislation. The actual degree of decentralization and access to power and resources which the decentralized bodies actually command will hereafter depend not so much upon a top-down process as upon the pulsating power the people's elected representatives to the panchayats will exert upon the whole political environment.

Further, doubt continues to persist on whether decentralization will help or hinder the march towards equity. All that is certain at this stage is that the top-down process has failed to promote equity. On the other hand, the decentralized system, by definition, improves the accessibility of weaker sections of society to centers of decision-making. It will enhance their capacity to exert pressure on the system and act as a countervailing power to the present exclusive control of the elite over the allocation of resources.

The 73rd amendment marks only the beginning of a process. Increased efforts need to be undertaken to clean up the political and administrative bureaucracy currently laden by powerful interests and corruption.

The process of transferring power to the panchayats will not be easy. In some cases, these village councils might succeed. In others, they might either meander along or become absolutely frustrated.

While it maybe naive to think the balance of power in society – the way it is laid out in terms of class, caste, and gender – can be transformed overnight with this empowering legislation, voluntary agencies must make use of the power to transform inherent in the law.

The balance of power in society – the way it is laid out in terms of class, caste and gender – can not be transformed overnight by an empowering legislation.

NGO Action Agenda

Voluntary agencies can adopt the following four-point program of action in redefining their roles under the current political environment in India.

☞ Sustained sensitization and advocacy for improvement in Central and state legislations. In spite

of the rhetoric, there are fundamental lacunae in the Acts passed by the Central and State governments. The loopholes in the law could become the basis for exploitation and circumvention of the rules themselves. Also, voluntary agencies need to guard against rules bolstering the attitude that regard village-level elected bodies as merely agents of the State whose primary role is to help implement government policy rather than vesting the notion of self-governance to these institutions.

☞ Enabling assistance in planning and development. The challenge facing these new institutions is to plan and manage their own development programs. Although the exact amount of resources available to them and the pattern and basis on which they will be shared is yet to be worked out (many States have set up Finance Commissions delving into this matter), there is no doubt there will continue to be a challenge in terms of identifying and prioritizing needs, especially of the poorest; setting up transparent and accountable monitoring systems; and using the large, but still relatively scarce, resources effectively.

☞ Ensuring the participation of the disadvantaged. Legislation alone cannot bring about social reform. To make a difference, voluntary agencies will have to work at two levels. First, to try and ensure that genuine candidates stand for elections, and, second, to ensure that once elected, they actually participate.

☞ General Voter Education. While working with elected representatives is important, it is also necessary to work at the community level to bring about an awareness of the concept

of free and fair elections and to empower people to keep a watchful eye on their representatives. With the spreading out of leadership, especially among women, voluntary agencies can propel people, majority of whom are already cynical of the corrupt deprivation of electoral politics, to make a stand against these practices, and work towards encouraging open debate.

As the primary of the Gram Sabha the forum in which all adult members have the right to participate begins to assert itself, it would be essential for the panchayat leaders to gain support from a wider base of the local population and thus the stranglehold of the entrenched interests will begin to weaken. □

References

- White Paper: *Competitiveness, Growth, Employment, European Community*, 1994.
- Industrial Metabolism (1994). United Nations University.
- Chris Freeman and Luc Soeto (1994). *Work for All or Mass Unemployment? - Computerised Technical Change into the 21st Century*. Pinter.
- Uncommon Opportunities - An Agenda for Peace and Equitable Development, The Report of the International Commission on Peace and Food*. Zed Books, 1994.
- Technical Change and Unemployment*, Chris Freeman, Science Policy Research Unit. University of Sussex, 1994.
- L.C. Jain Janata (1994). *The Meaning of Development - A Job for Every Person*. Independence Number 1994.
- Human Development Report*, UNDP, 1994.
- World Bank *The East Asian Miracle - Economic Growth and Public Policy, A Policy Research Report*, 1993.
- World Development Report*, World Bank, 1994.
- Asian Development Bank. *Annual Report*, 1993.
- Learning From the Past. Embracing the Future*. World Bank. 1994.
- Poverty, Environment and Development - A view from Gandhi's Window*. L.C. Jain. Economic & Political Weekly, February 13, 1988.
- Nationalist Thought and the Colonial World - Derivative Discourse*. Partha Chatterjee, United Nations University, 1986.
- Vinoba: His Life and Work*. Shriman Narayan. Popular Prakashan. 1970.
- Economic Survey*. Government of India, 1993-94.
- Eighth Plan (1992-97)*. Planning Commission. India.
- Report of the Export Group on Estimation of Proportion and Number of Poor*. Planning Commission. 1993.
- Gandhi's Ideals and India's Progress in Rural Development*. Dr. K. N. Raj. Kurukshetra. Annual Number. October 1994.
- Primary Education and Economic Development in China and India* by Jean Dreze and Mrinalini Saran, The Development Economics Research Programme, London School of Economics, September 1993.
- Poverty and Affluence*, C.T. Kurien, Madras Institute of Development Studies, 1992.
- The East Asian Miracle - Economic Growth and Public Policy, A Policy Research Report*, World Bank, 1993.
- Social Security in the Unorganised Sector: Lessons from the experiences of Kerala and Tamil Nadu*, S. Mahendra Dev, IGIDR, No. 149, 1994.
- Population, Poverty and Employment in India*, T.N. Krishnan, Economic & Political Weekly, 1992 (Vol. 27 No. 46).
- Poverty Unemployment and Development Policy: A case study of selected issues with special reference to Kerala*, United Nations, 1975.
- Women Farmers and Rural Change in Asia - Towards Equal Access and Participation*, edited by Noeleen Heyzer, APDC, 1988.
- Report of the United Conference on Trade and Development (UNCTAD), 1994.
- Weaving Conversations Across Cultures - Ancient Wisdom. New Visions* (A background note to the Public Hearing, January 1995). Asian Women Human Rights Council, December 1994.
- Over-all Theme Paper. Asian Development Forum, 1994.
- Grass Without Roots - Rural Development under Government Auspices*, L.C. Jain, B.V. Krishnamurthy, P.M. Tripathi. Sage, 1985.
- Strategies for Human Development - Global Poverty and Unemployment*. Paul Strecten. Handelshojskolens Forlag, 1994.
- Decentralised Development and Local Government in Kerala*, K.N. Raj. Centre for Development Studies. Thiruvananthapuram, 1993.
- Some Thoughts on Decentralisation of Development Planning and Implementation*, K.N. Raj. Rajaji Institute of Public Affairs and Administration, Hyderabad, 1984.
- Women in Governance: The Challenge and the Opportunity*, N.R. Madhava Menon, Director, National Law School of India, SEARCH, January - June, 1993.
- Evaluation Study: Panchayat Raj*, Karnataka Government, 1988.
- Panchayat Raj in Karnataka - An Assessment* Institute of Social Sciences, 1992.
- Panchayats and Voluntary Organisations must learn to work hand in hand*, L.C. Jain, Change, December 1993.

INDONESIA

The largest country in Southeast Asia is composed of distinct cultures bound together by a history of trade, conquest and empire. The country's rapid economic growth is reflected in the many high-rise structures that have sprouted in Jakarta, the country's capital. But the benefits of growth seem unfelt by labor groups, students, civil liberties advocates, and the press, who have become more assertive. Growing labor unrest has fueled talks of greater army involvement in running the country. And then there is the matter of the secessionist movement in East Timor which has received much attention in the past years. Within this seemingly difficult environment of economic growth and social unrest, nongovernmental organizations and people's organizations seek to be heard.

*Excerpts from the
country report prepared
by the Wahana
Lingkungan Hidup
Indonesia (WALHI).*

Form of Government:	Unitary multiparty republic
Number of NGOs:	4,000 to 6,000
Attitude Towards NGOs:	Highly restrictive
External Debt:	US\$ 49,289,000,000 (1992)
Budget Highlights:	Debt Service 26.2 %; Development 41.5 %; Subsidies for Autonomous Regions 9.1 % (1992-93)
Population:	191,340,000 (1994)

History of Government

The Hindu Majapahit kingdom, widely considered as the precursor of the modern state of Indonesia, was founded in the late 13th century. The early Hindu-Buddhist kingdoms were gradually displaced by Islamic states. Islam became the dominant religion in most of the archipelago by the 16th century.

The first Europeans to exert a major influence in the country were the Portuguese, drawn to the archipelago by the spice trade. They established fortified ports to control the spice trade until they were displaced by the Dutch in the early 17th century. Dutch control was exercised through the United East India Company. With the exception of a short period of British occupation (1811-1816), Dutch control was uninterrupted until World War II.

The primary aim of the Dutch was to maximize production of agricultural commodities for Europe. Up to the mid-19th century, this policy was implemented through a system of forced labor and compulsory planting of specified crops. Trade was controlled by Dutch monopolies. More liberal policies were later introduced but as always the interests of the colonizer prevailed over those of the locals.

The Japanese occupied Indonesia during World War II, from 1942 to 1946. The increasingly influential nationalist movements, led by Sukarno and Hatta, were tolerated by the Japanese. After the Japanese surrendered to the Allied Forces, the nationalists declared Indonesia's independence on 17 August 1945. A constitution was drawn up and Sukarno was appointed

Dutch ended with the transfer of sovereignty by the Netherlands to the new Republic of Indonesia in December 1949. The 350 years of colonization led to Sukarno's strong anti-colonial stance in foreign affairs. Centralized economic control, initiated by the Dutch, remained this time under the Indonesian government.

Sukarno's tenure was called the Old Order. He initiated a period of "guided democracy." Politics dominated economics and the economy deteriorated. In March 1966, Sukarno handed over power to Soeharto, who was subsequently elected as acting President by the People's Consultative Assembly in March 1967 and as President in March 1968.

Soeharto launched the New Order characterized by political stability. Economic stability was restored by the start of the First Five Year Plan in 1969, and the 1970s was a period of sustained economic growth.

As Indonesia moves into the 1990s, it hopes to nurture relations with its Association of Southeast Asian Nations (ASEAN) neighbors, Japan, Australia, and other nations, as well as maintain its economic momentum.

Mode of Governance

The WB and Indonesia have a *special* relationship. Indonesia is the only country in the world that does not have to sign a formal Letter of Conditionality before receiving WB loans. Letters of Conditionality contain detailed policy changes that must be adopted by the borrowing country before money will be disbursed. The Bank's Jakarta mission is proud of its adaptation into Indonesian culture, although this has caused friction with the Bank's headquarters in Washington, DC.

The Bank is fully aware that substantial amounts of development funds were never used for their intended purpose. A Bank official stated that even if it wanted to, the WB could not audit all the loan money once it has entered the Indonesian system. In the end, he observed, what matters is that Indonesia is on the right track in terms of economic policies and pays its debts consistently and on time.

Even though Indonesia had the benefit of a large capital, Korea and Taiwan which launched their industrialization efforts with less resources, overtook Indonesia's development efforts. Ironically, Indonesia now enjoys flattering praise from the WB, members of the academe, and consultants.

One reason for this is that institutions like the WB needed a showcase country to prove its importance.

Korea and Taiwan were not good showcases as these achieved rapid growth more by ignoring the Bank's prescriptions than by following them. Meanwhile, Indonesia has been following the Bank's advice very closely since the 1980s.

The problem with consultants and academicians is different. First, consultants tend to do superficial research on relatively narrow questions of policy. When the customer is the Indonesian government, there is a strong incentive to please the client, partly because negative findings and criticism are unacceptable to those in power. As for academicians, they become absorbed in their upward mobility and status in the university. More importantly, they are vulnerable to intimidation by government officials who do not like being portrayed negatively (no matter how much they deserve it). Being blacklisted for saying or writing material that is too honest is a high price that most are unwilling to pay.

Factors Inhibiting Accountability of Institutions

There was virtually no system of checks and balances that could constrain power-wielders. Moreover, the country has faced no serious external security threat that might generate a sense of urgency for development as well as limit corruption. Not since the struggle for independence from the Dutch have such limits operated.

The country has hundreds of ethno-linguistic groups and hundreds of different legal systems spread throughout the land. Each indigenous community is subject to its own unwritten laws. Although there is a *lingua franca*, Bahasa Indonesia, the people prefer to speak in their own language among themselves. Although there are uniform administrative

institutions, the communities still maintain the adat institutions. Although there is a national legal system, the communities understand and respect their *adat* laws more.

It is sometimes difficult for Indonesian NGOs to thrive under the New Order era. Since the coup of 1965, political parties have been forced to fuse and adhere to a prescribed formula. Journalists were forced to submit to self-censorship; midnight phone calls suggesting "changes in editorial policy;" and occasionally, outright threats to withhold certain articles. Labor unions, farmers and fisherfolk's associations, youth and women's organizations, and similar popular movements were forced to place themselves under national coordinating bodies recognized by the government. This last policy, known as *perwadahan tunggal* (Javanese for "the only, rightful place") is one of the tactics most feared by NGOs and activists.

The poor do not have access to resources like land, technology, capital, opportunity, and skills. The dominant structure (political, economic, social and cultural) does not give them adequate space to develop themselves. Because they are weak, the poor are unable to realize their potentials. A similar situation basically exists among all marginalized sectors.

So far, no policy or regulation regarding NGO-government cooperation exists. This is due to the absence of a law to regulate the existence of social organizations like NGOs. Most registered NGOs are foundations or religious institutions and associations. Some government institutions are apprehensive about the growth of NGOs. They fear that such growth may lead to the creation of a power bloc rivalling the government. The government has the opinion that it has the sole right to undertake development activities. On the other hand, the diversity

of NGOs, characterized by their wide range of objectives and activities, contributes to the government's unfriendly attitude.

Recently, the NGO community raised a furor over a proposed presidential decree that authorizes the closing down of an organization if found to be "undermining the authority of the state and/or discrediting the government... hindering the implementation of national development" or engaged in other activities that upset political stability and security. Furthermore, small LSMs (see explanation below) can be set up only after consultation with the police, military and the national intelligence agency.

State spending on development from 1966 to 1982 was kept at a minimum, just enough to give the appearance that the country was making progress in improving living standards.

The special relationship between the WB and Indonesia, in view of Structural Adjustment Programs, has served only to hinder true development efforts.

Indonesia is now the largest recipient of US Eximbank loans, with US\$800 million by 1990 and US\$350 million more being considered. Japanese foreign aid has amounted to over half the total from bilateral sources, with US\$8.35 billion at the end of 1989. A record level of aid was committed by West European countries and other donors for 1990-91.

The government has the opinion that it has the sole right to undertake development activities.

Factors Promoting Accountability

As much as possible, customary (*adat*) laws of indigenous groups are considered in national laws. For example, the Agrarian Basic Act acknowledges *adat* principles as the law's basis. Traditional rights are acknowledged as long as they do not conflict the national legal system and national interest. *Adat* laws are so diverse that it is difficult to incorporate all of them into a national law. Many citizens, mostly in the rural areas, still live by *adat* law.

The basic ideology of the country is embodied in the Five Principles or *Pancasila*, originally propounded by Sukarno in 1945. These principles are: belief in one God, a just and civilized humanity, the unity of Indonesia, democracy led by the wisdom of deliberations among representatives, and social justice.

Risks of political fragmentation as a result of regionalism or other factors seem remote. There is no evidence of growing pressure for regional autonomy elsewhere in the archipelago. Social strains caused by income inequalities seem unlikely to cause any fundamental political problems so long as the momentum of employment and income growth can be maintained,

coupled with programs for the provision of basic services at affordable costs to the poorer segments of the populace.

Agriculture, which at present absorbs more than half of the total workforce, will continue to account for the largest share of employment by the year 2000, although the rate of job creation will likely be lower than in other sectors due to the relatively slower growth of agriculture output.

In the business sector, the government has been making every effort to create a

CASE STUDY

Bina Swadaya: Daring to Cooperate

In Indonesia, the relationship between government and NGOs is alternately cooperative and hostile. Many NGOs see the government as a lumbering institution with big machineries but with few contacts with the grassroots. The government sees NGOs as competitors in development. With this atmosphere, it is difficult for either the government or NGOs to achieve significant victories in the development struggle.

But where both the NGO and the government strive to understand and cooperate with the other, meaningful achievements are gained.

Although NGOs were being founded in Indonesia as early as the 1920s, the 1960s was a turning point in that a new variety of NGOs, oriented towards development as opposed to welfare, emerged as a result of debates on how best to help the disadvantaged in society.

In the early 1960s, Yayasan Sosial Tani Membangun (YSTM) was formed. It began its work in "savings group" (*usaha bersama*, or pre-cooperatives) development. Later, YSTM formed Yayasan Bina Swadaya,

which has grown into one of the largest NGOs in the country, providing training for other NGO staff and government officials in community development, pre-cooperative development and management, and other fields. It also has a widely read agricultural magazine, *Trubus*. Through several income-generating units, Bina Swadaya now generates nearly half of its yearly budget. Bina Swadaya has a wide program coverage and creates linkages among smaller NGOs.

As mentioned, forging government-NGO partnership in Indonesia is not the sole effort of the NGOs but requires initiatives from the government as well. Not a few government offices found the need to collaborate with NGOs with regard to the Sustainable Agriculture and Rural Development (SARD) Program. Fortunately, Bina Swadaya has welcomed every opportunity to assist its countrymen in their development efforts.

Today, Bina Swadaya counts the following among its achievements:

☞ It has acted as consultant to the Social Forestry Program of the

Forestry Department in such projects as Forestry State Enterprise (Perum Perhutani).

☞ In a pump irrigation development project in West Java, the local governments of each regency have cooperated with Bina Swadaya, as evidenced by the signing of a Memorandum of Understanding, to fulfill the project's goals. At the regency level, Bina Swadaya has been coordinating with technical offices like the agriculture and irrigation offices.

☞ It has also maintained links with the Ford Foundation, USAID, German Agro Action and CEBEMO for its activities.

☞ It has helped in the consultations for the policy dialogue with the first level of local government of Riau in Sumatra.

☞ Under its Sustainable Agriculture Development Program, it has been working with line agencies at the second level of the local government to introduce/promote the use of organic fertilizer. □

more attractive investment climate and encourage the establishment of more businesses. It is hoped that such efforts will lead to greater private initiative to animate community development at the local level.

Indonesia's debt service ratio is projected to decline considerably from the 1980s level. The government may undertake some non-concessional borrowing in order to provide a comfortable margin of reserves against the possibility of unforeseen contingencies.

Lastly, although the inability of political parties or other organizations, such as students' groups, to voice out the aspirations of the people is a problem, it is believed to be catalytic to the growth of the NGO sector.

Existing NGO/PO Efforts

In Indonesia, NGOs are referred to as LSM or LPSM, that is Lembaga Swadaya Masyarakat (Self-Help Group) or Lembaga Pengembang Swadaya Masyarakat (Self-Help Group Promoting Institute). Self-help groups are usually formed to answer immediate problems and are dissolved once the problem is solved. Those few LSMs that are able to define clear goals and strengthen their management could increase their funding and train its personnel. NGOs that reach this level are called LPSM.

In general, a NGO in Indonesia is defined as an organization established by the community members themselves to respond to various socio-economic problems such as poverty and underdevelopment. NGOs' range of activities varies from promoting social welfare among the poor to promoting rural and agricultural development in the country. They operate in the fields of health care, family planning, education, small-scale industries, capital formation, farming, research and development, among others. Their geographic coverage varies from the village level to international level.

NGO projects are usually small-scale; consequently their coverage is limited. But compared to larger scale projects of the government, NGO projects are more solidly grounded on community self-help and participation.

NGOs in rural development perform three major roles:

1. In the Community
 - ✦ as an educator;
 - ✦ as communicator and catalyst to help people articulate their aspirations and translate development ideas into a language understood by the communities;
 - ✦ as facilitator and catalyst of suggestions and ideas about community development;
 - ✦ as agent of change to motivate people into action;
 - ✦ as provider of services and as trainer.
2. In Assisting Target Groups
 - ✦ as small group builders;
 - ✦ as educators and trainers of community groups;
 - ✦ as advocates and formulators of values of self-reliance and social responsibility.
3. In Civil Society and Relationship with Government
 - ✦ as channel for generating people's feedbacks, criticisms and suggestions;
 - ✦ as a direct partner of government in development efforts;
 - ✦ as advocate of development alternatives.

The Indonesian peoples and NGOs also have contributed to the development and enforcement of environmental laws. NGO representatives' inputs were taken into account during the development of the Environmental Management Act (EMA) of 1982 and the Spatial Planning Act of 1992. In 1988, a lawsuit filed by WALHI led to the courts granting legal standing to NGOs to speak for environmental issues. NGOs have been actively involved in familiarizing NGO activists and communities with environmental laws.

Insights

While the marginalized sectors are unable to realize their potentials, the participatory development strategy adopted by NGOs gives the people the chance to find their true capabilities.

There is a lack of proper perception between the government and NGOs with respect to community development. The former views NGOs as competitors. The latter, because of the government's unfriendly attitude, sees it as authoritarian. Many of the misunderstandings in GO-NGO collaborations arise because of poor communication channels. A number of people in the government do not understand NGOs or their activities.

Various dialogues have been held to clarify the relationship between NGOs and the government, but these have not automatically resulted in smooth working relations between the two. Improved communication between the two groups is thus important.

The increase in international relations established by NGOs represents a very important step. The problem, however, is how to ensure that intensive inputs from these international groups reach the target groups.

Indonesia's economic prospects are vitally dependent on the continuation of the present strategies. A reversal of policies would reduce investor confidence and damage prospects for growth. Continued prudent monetary and fiscal management by the government will also be required to sustain confidence. With the government giving priority to private businesses and industrialization, and NGOs' giving greater importance to development of marginalized sectors, conflicts are certain to arise.

NGO Action Agenda

A lot of efforts to enhance cooperation among NGOs have been exerted. In the earlier regime, networking was not considered a priority since NGOs were more politically oriented. But under the new regime, the focus has shifted to national development and more attention has been given to economic issues. This situation encouraged more fruitful dialogues among NGOs with different ideologies and religions. The issues that brought them together were poverty, development, and employment. As a consequence, there was a felt need to establish a communication network or forum where various community development organizations could share experiences and learn from each other. Unlike most associations, however, a forum is very informal — any NGO can be a member as there is no rule on membership. This set-up is acceptable to many NGOs because:

- ☞ Local NGOs are afraid they will be dominated by big Jakarta-based NGOs; and
- ☞ They are afraid they might lose their independence once tied to a network;

☞ It is easier for the government to watch over the entire network.

Although the growth of NGOs has raised the hopes of the marginalized sectors, the NGOs themselves are aware of their limits. In fact, there are indications that NGOs are now worrying about their continued existence. Their concerns are: a growing dependence on outside funds, weak bargaining power with the authorities, and lack of creativity due to scarcity of new and young recruits.

It is hoped, however, that in the years ahead the government will have a more open attitude. In the meantime, NGOs will open themselves to cooperation, as long as their autonomy is assured.

There exists a large opportunity for NGOs to play a greater development role. However, NGOs must stabilize their relations with the grassroots, enhance their professionalism, and improve their capability for self-reflection.

Many NGOs have favored increased interaction with other groups and institutions in the Asia-Pacific region. Some NGOs were dismayed that they have stronger links to groups in the United States than those in Japan, a closer neighbor, which perhaps explains the urge to forge links with Asian and Pacific NGOs.

In this regard, Indonesian NGOs have realized that the language barrier will greatly hinder international NGO cooperation. Communication is the crux of any networking or partnership activity. A common language, while not absolutely necessary, will increase the impact of communication. Encouraging donors to include English language training for NGO

activists in their programs is one way to enhance network communication. However, it may even be more effective if donors and other potential partners from the Asia-Pacific make extra efforts to communicate, both orally and in writing, in Bahasa Indonesia. □



References

- Asian Wetland Bureau, PHPA and PPLH Unsri, *Proposed Sembilang Wildlife Reserve*, 1989.
- BCEOM, PT INDEC and SPEKTRA A.P., *Consulting Services for Swamps Second Stage Development Project Identification*. Indonesia, 1989.
- BCEOM, *The Swampland Subsector*. Jakarta, Indonesia, 1988.
- BCEOM and INDECO (1988). *Telang and Saleh Drainage Improvement Project*. Jakarta, Indonesia.
- P. Burbridge, et al., *Proceedings of Symposium on Environment Research and Coastal Zone Management in the Strait of Malacca*, Medan, Indonesia, 11-13 November 1985. Halifax, Nova Scotia: School for Resource and ENvironmental Studies, Dalhousie University, 1985.
- P. Burbridge, et al., *Environmental Guidelines for Resettlement Projects in the Humid Tropic*. Rome: Food and Agriculture Organization, 1988.
- C. Caulfield, *In the Rainforest: Report From A Strange, Beautiful, Imperiled World*. Chicago: University of Chicago Press, 1984.
- _____. (1984). "Pioneers of the Outer Islands," in *Natural History* 3:22-32.
- W.L. Collier, *Social and Economic Aspects of Tidal Swampland Development in Indonesia*, Occasional paper No. 15. Canberra: Australian National University, Development Studies Center, 1979.
- F. Daielsen and W.J.M. Verheugt, *Integration, Conservation and Land-Use Planning in the Coastal Region of South Sumatra, Indonesia*. World Wildlife Denmark and Canada, 1989.
- A.J. Hanson and Koesobiono, *Settling Coastal Swamplands in Sumatra: A case study for integrated resource management, in Developing Economic and the Environment: The Southeast Asian Experience*, McGraw Hill, 1979.
- P.T. NUsantara SURvay, 1988 *Guideline for Operation and Maintenance: Tidal Reclamation Areas South Sumatra Province*, Vol. 1, 1988.
- H.R. Schmittou, et al., *Utilization of Acidic Freshwater Swamp Environments*, 1989.
- J.M. Verheugh, et al., eds., *Coastal Zone Environmental Planning in the Strait of Malacca*, 1989.
- J.W. van Royen, *De Palembangse Marga en Haar Grond-en Watersrechten* (thesis, Leiden), 1927.
- A.J. Whitten, et al., *The Ecology of Sumatra*, Yogyakarta: Gadjah Mada, 1984.
- World Bank, *Indonesia Transmigration Sector Review*, 24 October 1986.
- _____, *Operational Directive 4.00, Annex A: Environmental Assessment*, 1989.
- _____, *Staff Appraisal Report, Indonesia, Swamp Reclamation Project*, 1981.
- _____, *Staff Appraisal Report, Indonesia, Second Swamp Reclamation Project*, 1984.

MALAYSIA

The national leadership of Malaysia has pursued development in terms of rapid industrialization and massive infrastructure programs, with a highly centralized framework of governance. Malaysia's rush towards development has been characterized by the emergence of consumerism that gave rise to the construction of large shopping complexes, high-rise condominiums, luxury hotels, and golf courses. Yet, beyond this picture of a nation in progress lies a dark side: growing social problems; erosion of political, social, and economic rights and civic liberties.

Form of Government:	Federal constitutional monarchy
Number of NGOs:	3,000
Attitude Towards NGOs:	Highly restrictive
External Debt:	US\$ 16,447,000,000 (1991)
Budget Highlights:	Social Services 32.5 %; Security 15.7 %
Population:	19,077,000 (1993)

Evolution of the Government as Institution

Some elements of democratic governance existed during the feudal period. The states were loosely structured with the Sultan at the apex exercising more symbolic than substantive power. In traditional society, direct control over the sources of revenue, collection of taxes, and regulation of crop productions were under the charge of district chieftains and village headmen. Hence, the Malay Sultanate was quite decentralised and its functionaries carried out their duties autonomously.

Great Britain colonised Malaysia between late 19th and early 20th century. During the colonial period, the largely peasant Malay society retained emotional allegiances to the Sultans and the traditional ruling classes. The deeply rooted attitudes of mute obedience to ordained authority was still strong. Such fear towards the rulers were reinforced by British policies.

With colonization, the Malay Sultanates lost their freedom and autonomy. The British created their own administrative and legal framework with a mechanism for consultation with Malay aristocrats and administrators. Among the Malays, various groups emerged which critically questioned colonialism. The Chinese and Indians who came to Malaysia were influenced by the politics of their motherland. Political freedom and social justice were a concern of all racial groups.

When Malaysia obtained independence in 1957, an inter-ethnic coalition comprised of rich Chinese, Indians, and English-educated Malay elites inherited power from the British. Parliamentary Democracy, with an appointed upper house and elected lower house, was established. Thus, Malaysia became a constitutional monarchy.

Excerpts from the country report prepared by the Management Institute for Social Change (MINSOC).

While constitutional provisions ensured that the state apparatus was predominantly staffed by Malays, the Chinese made up the major component of the growing dominant economic class.

From 1957 until the May 1969 race riots, trade unions, the opposition, and other groups enjoyed greater freedom, although restrictive legislation like the Internal Security Act (ISA) was introduced. The Act discouraged popular participation in the political process and allowed detention without trial.

Following the 1969 race riots, a 21-month emergency rule was declared and Parliament was suspended. During the period, the role of the bourgeoisie, which until then dominated trade and commerce in the country, was dramatically reduced. The establishment of a National Operations Council to administer the country enabled the ruling coalition to regain its strength and consolidate its political position.

Stirred by a continuous decline in the economic well-being of the country, a new force of Malay dissatisfaction successfully challenged the old leadership with the full backing of the Malay community. Various described as pragmatic republicans and nationalists, with a tinge of socialist tendencies, this faction advocated a more independent anti-colonial stand. Challenging the mild and slow approach of existing leaders in tackling for the problem of Malay poverty, the faction pushed vigorously for enactment of measures boosting Malay economic participation and Malay political dominance.

Analysis of Mode of Governance

One of the most striking features in Malaysia is the remarkable expansion in the practical role and function of the state.

In recent years, the state seized control and direct political power and capital accumulation. In addition, the multi-cultural background of Malaysia made the state the terrain for political struggles waged not only between classes but also among other social forces, particularly ethnic and religious sectors. The state in Malaysia was not simply a monolithic and homogenous entity representing only one particular class interest. But because of the politics of clientelism (the phenomenon of so-called client states) and the immature state of civil society, those who have wielded the means of domination have had a higher success in imposing long-term authoritarian rule. Under the feudal system, and during colonial rule, involvement in politics by the Malay peasantry was likely to be visited with



punishment or, at the very least, with severe disapproval.

Factors that Affect Accountability

Malaysia has made great strides in reducing absolute poverty to 17.1 percent from 52.4 percent in 1970 through various strategies over the last 20 years. The incidence of poverty was particularly high among rice farmers, small rubber holders, small coconut holders, agricultural laborers, plantation workers and urban poor.

Under the New Economic Policy (NEP) from 1970-1990, the government developed various anti-poverty programmes as well as approaches to restructuring society to eliminate the identification of communities for economic functions. Under the anti-poverty programmes, the poor were to have access to credit, training, processing and marketing facilities.

However, not all the Malay poor benefitted from the poverty alleviation programmes. In fact some economists pointed out that wealthier sectors benefitted substantially from the resources that should have been used to restructure society.

The National Development Policy (NDP), which formed part of the Second Outline Perspective Plan (OPP

2) from 1991 to 2000, retained the basic strategies of the NEP. The NDP sought to eradicate poverty totally and to reduce income disparities among groups and states. More emphasis will be given to the protection of the environment.

The formulation of the NDP was preceded by the formation of 150-member National Economic Consultative Council (NECC) in 1989. The NECC represented a wide spectrum of Malaysian society including representatives of non-governmental organizations (NGOs).

The NDP adopted many of the NECC recommendations but conspicuously omitted an important proposal for an independent monitoring body - a mechanism for the practice of good governance and accountability. Also, the NDP failed to even attempt to offer concrete solutions to ethnic grievances.

Another major concern is the NDP's push for investor-driven industrialisation, resulting in greater foreign control and dominance of the local economy. To attract foreign investments, wages were kept low and competitive, and workers were restricted from organizing trade unions. The case of workers in the electronics industry was an example. The sector tried to organize itself into unions for the last 20 years, but their applications were repeatedly rejected.

Under the NDP strategy, job creation was an essential part of development. However, giving people access to more jobs did not necessarily reduce income disparities, if the additional work opportunities only provided minimal wages without giving workers a chance to own and control some assets.

The NDP also emphasized the protection of the environment and ecology to maintain the long-term sustainability of the country's development. Despite the fact that environment ranks high on the priority

development agenda of Malaysia, spiralling environmental degradation and its resultant crises continue to affect the country.

About a dozen laws in the country covered various aspects of environment protection. The major law was the Environmental Quality Act of 1974. The Act has been reviewed, but has yet to be debated in Parliament. Environmental Impact Assessments (EIAs) have also been mandatory since 1988, but compliance has been unsatisfactory. At a recent Malaysian Bar Council Seminar, it was pointed out that Malaysian environmental laws were deterrents in theory only as enforcement is weak.

There is an urgent need for greater accountability in the management of the environment. A case in point is the controversial Bakun Dam. In September 1993, the Cabinet gave its approval for the construction of the Bakun Dam in Sarawak, a project proposed as early as the 1980s. There was considerable opposition to the project from the community and several NGOs as the dam would displace about 8,000 indigenous people and cause severe environmental problems.

Factors Inhibiting People's Participation

Despite the apparent benefits of economic growth in terms of reduced poverty incidence, a sizeable number of Malaysians — rice farmers, fisherfolk, plantation workers, low income factory, government workers, and indigenous communities — continue to be marginalized.

The parliament is supposed to be an egalitarian institution but there was minimal popular participation in formal proceedings.

Given Malaysia's bountiful natural resources like oil and gas, the country has yet to attain economic equality in a safe and healthy environment and achieve political participation in all facets of democracy and governance.

Often, the only occasion for citizens to exercise power is through elections. They lack venues for participation in the creation of development policies and programmes

targetted for them. For example, farmers were not consulted nor provided all the information necessary to handle the Green Revolution technologies introduced to them.

Blind acceptance of abuses in matters of accountability in major controversies involving those entrusted with governance is a growing concern among certain sections of the press, NGOs and individuals. The government itself recently stated it is concerned about mismanagement and scandals in the administration.

To address this growing concern, an analysis of the role of the formal and informal institutions of democratic governance in matters of accountability is pertinent. These institutions may be classified as political, social or economic. The following are some of these institutions:

☞ *Parliament.* A democratically constituted Parliament has a vital role in shaping the directions of a nation. It is a powerful instrument of fundamental social reforms, of ensuring good governance and accountability. But since the 1970s, Malaysians have seen the rapid decline of Parliament. Crucial bills including constitutional amendments were bulldozed without public hearings and intensive parliamentary debate. Members of Parliament lacked access to independent information on economic matters. Opposition members have been denied sufficient time to participate in debates. Very few members of Parliament have raised controversial social issues of importance.

The parliament is supposed to be an egalitarian institution but there was minimal popular participation in formal proceedings. NGOs, social activists and opposition members believed that Parliament needed reforms to function as a crucial tool for effective democratic governance.

☞ *The Judiciary.* Since the mid-1980's, government has eroded the independence of the judiciary through a series of actions:

⇒ The Constitution was amended and the power to determine jurisdiction over issues shifted from the judiciary to the legislature and allowed the Executive branch to determine which court would hear a criminal case.

⇒ The manner in which the Lord President was removed in 1988.

⇒ The dismissal of two Supreme Court judges in 1988.

⇒ Open criticism of the Malaysian bar.

The decline in the judiciary's independence has far

ranging effects on good governance and accountability. An independent judiciary could provide the checks and balances on government power. A weak judiciary could pander to the interests of the ruling elite.

☞ *The Legislature.* Popular participation checks violations of the principles of accountability and practice of good governance. But for popular participation to be felt on issues of democracy and social justice, people must be allowed to share power, express critical views, and be able to provide alternatives to existing structures. For this to happen, restrictive laws must be removed such as the Internal Security Act, which provides for detention without trial; the Official Secrets Act (OSA), which hinders disclosure or reporting of excesses and abuses of power of those in authority; Printing Presses and Publications Bill, which curbs the freedom of the press; and the Societies Act of 1966, Trade Union Act of 1959 and the Universities and University Colleges Act of 1971 – all of which restrict the freedom of association.

☞ *The Media.* The Media has tremendous influence in determining opinions and in initiating action against those who abuse power. But while the constitution provides for freedom of expression and of the press, media freedom is curbed through legislation such as OSA, the Sedition Act of 1970, Printing Presses Act and Publication Act of 1984; media ownership structures which are dominated by the ruling elites; censorship; closures; and harassment.

Such restrictions have affected the quality of journalism in the country. News is often slanted or colored to favour those with vested interest.

☞ *Elections.* An essential criterion of a representative democracy is free and fair elections. Some of its key features are freedom of parties and individuals to run for public office, secrecy of a person's vote,

equitable access to public facilities by all political parties, access to the media for all candidates, and fair time for campaigns.

☞ **Local Government Elections.** Local elections are a crucial mechanism for the participation of the grassroots in decision-making and management of local resources. In Malaysia, Local Council members are appointed from the ruling coalition, thus denying people their choice of representation. A fundamental imperative of good governance is the people's right to elect representatives at local levels, as it is at this level where people have a greater opportunity to monitor the use of local resources and other matters affecting their daily lives. Thus, it is important that local council elections are brought back instead of the current practice of appointing councilors.

☞ **Education.** An education system that develops critical thinking, democratic citizenship and social consciousness is a step towards building popular participation. A radical transformation of the educational system -- its structure, organisation, curriculum content, and operation -- is needed to develop a nation of enlightened citizens.

NGO/PO Efforts in Participation

The NGOs, trade unions and other people's organizations (POs) have taken up the cudgels for various causes. The government has estimated there are about 3,000 NGOs in the country. Social development NGOs constitute about 5percent of the NGO sector in the country, as the sector includes even social and sports clubs.

Social development NGOs have grown since the early 1970s. This has been attributed to the rapid expansion of the middle class, from where most leaders of NGOs and unions originate.

The development NGOs, including trade unions, have contributed to the development of democratic governance through their activities. They have protested against restrictive legislation, the retrenchment of workers, contract labor, violence against women, abuses of authorities of power, destruction of the environment, and human rights violations.

Some notable successes of development NGOs have been seen in the improved legislation for protection of women and consumers, the environment and child labor. The efforts of trade unions to obtain better wages and worker protection have improved working conditions of workers.

There are opportunities for greater NGO participation in the development agenda of the country, despite the curbs and controls. The government is open to NGO representation in various councils. However, the flaw in the existing representation is that government sometimes appoints the individual and not the organisation.

Insights

The major insights are:

- ☞ Issues of democratic governance did not seem to be a priority for majority of the people in a country rushing towards industrialization and seeing the growth of a consumer society.
- ☞ Social development NGOs and trade unions have played positive roles in strengthening democratic governance despite curbs on freedom of speech and association.
- ☞ The development of NGOs and trade union collaboration is critical for effecting any significant change in present practices of governance. The sector also played an important role in the pursuit of increased people's participation in decision-making and the transformation of institutions.
- ☞ Without the growth of mass-based movements, even collaborations would not have major impacts towards changes in the present system.

Action Agenda

For Malaysian NGOs to develop into a force that truly spells people empowerment, several weaknesses need to be addressed, *i.e.*,

- ☞ The lack of resources, both human and financial. Most NGOs depend on volunteers to carry out research, seminars and other activities. Volunteers have limited time. Raising funds at the local level is difficult as there are no private autonomous foundations that support social development work.
- ☞ The absence of mass-based NGOs. Very few NGOs represent large grassroots membership. Even the labor

movement represents barely 10 percent of the workforce.

⇒ Meaningful representation and articulation of social issues necessitate that NGOs transcend their middle-class orientation. They must endeavor to build linkages with ordinary men and women who have less resources.

For effective participation in the government's development agenda, Malaysian NGOs, including unions and POs, must build alliances, pool resources, expand their membership, invest in training and education on issues, and build new leaders. Only then can NGOs be a significant force. □

References

- Scott Greer, et al., *Accountability in Urban Society*. Sage Publications, London, 1980.
- Chandra Muzzafar, *Freedom in Fetters*. Aliran, Penang, 1988.
- Arokia Dass. *Not Beyond Repair*. AMRC, Hong Kong, 1991.
- The Role of Law and Human Rights In Malaysia And Singapore*. KHEMAS, Kuala Lumpur, 1989.
- Malaysia: Assault on the Judiciary*. Lawyers Committee For Human Rights, New York, 1990.
- Jomo K.S. & Ishak Shari, *Development policies and Income Inequality In Peninsular Malaysia*, Insan, Kuala Lumpur, 1986.
- Lim Kit Siang, et al., *Human Rights in Malaysia*, DAP, Kuala Lumpur, 1985.
- K.Das, *The White Paper On The October Affairs And The Why Papers*, Kuala Lumpur, 1989.
- Noam Chomsky, *Year 501- The Conquest Continues*, South End Press, Boston, 1992.
- Jomo K.S. *Privatizing Malaysia*, West View Press, Oxford, 1994.
- Walden Bello, *Dark Victory*, Third World Network, 1994.
- Various Issues Of *Aliran Monthly* and *The New Straits Times*
- National Consultation On Issues Of Governance And Accountability Of Institutions To People*, Kuala Lumpur, 5 February 1995.

NEPAL

Nepal's unique geography has blessed the country with a complete climatic range from tropical to temperate. Its culture is as diverse with as many as 30 different languages and dialects and a collage of ethnic groups. Nepal chose to isolate itself for centuries, and from 1881 to 1921, only 64 Europeans set foot in Nepal's capital, Kathmandu. Nepal's borders are now open to the rest of the world. Nepal's poverty and illiteracy are perennial problems which were, in fact, among the factors that forced the resignation of Prime Minister Girija Prasad Koirala. Nepal maintains close ties with China. Recently China gave Nepal a \$10 million loan to speed up economic development. It still remains to be seen whether Nepal actually benefits from its opening up to the world.

Excerpts from the country report prepared by Rishi Adhikari in behalf of the NGO Federation of Nepal (NFN).

Form of Government:	Constitutional monarchy
Number of NGOs:	6,000 (1994)
Attitude Towards NGOs:	Regulative
External Debt:	US\$1,747,000,000 (1992)
Budget Highlights:	Development 64.3%; Regular 35.7% (1993-1994)
Population:	19,525,000 (1994)

History of Government

Kings governed Nepal since the 15th century. The Lichivi and the Malla dynasties ruled fragmented kingdoms until the 18th century. King Prithivi Narayan Shah, an ancestor of the current monarch, King Birendra, unified the country in 1768. The Shah kings ruled the country until 1846.

In 1846, Janga Badur Rana, a powerful prime minister, took over power from the king. He established the Rana dynasty, arranging the transfer of power to his brothers. From 1846 to 1950, the Rana family maintained its hold on the government. Nepal was divided into administrative portions and persons trusted by the Ranas were appointed senior officials (Bada Hakim) in these areas. The people had no role in governance. As Nepal was isolated from the rest of the globe, the Nepalese were unaware of developments outside the country.

But in 1950, a democratic system, with the king as head of state, was founded. It was only in 1958, however, that the people took part in forming their government when the first general election was held.

In 1960 the multiparty system, introduced earlier, was suspended by King Mahendra and the Panchayat system was established. Under this system, village, district, zonal and national councils were formed. In the village level, local bodies were filled by direct election. But due to many obstacles, the village committees had a limited role in government, confined as it was to judicial functions, although theoretically they were responsible for development activities as well.

In 1967, the government launched Gaon Farka Aviyan (Go to the Village Campaign) which was supposed to involve the masses in development projects. But the campaign never took off and was used instead to centralize governance.

The government launched several programs in the 1970s which involved the people, although minimally. These included the privatization program and the Integrated Rural Development Program (IRDP). Some IRDP projects, like the Small Farmers Development Program, were conceived with the participation of its target beneficiaries. But the achievements of these programs were inadequate to justify greater people's participation. The National Development Service (NDS) Program, launched in 1974, involved students in village development activities. The NDS created an avalanche of popular participation but it was not replicated.

In 1991, the multiparty system was re-established. The mid-term election of 1994 established a new opportunity for people's participation in governance with the campaign "Let Us Build Our Village Ourselves." The local government unit, called the Village Development Committee (VDC), was responsible for the development of the village through people's participation. It is accepted that the VDCs were aware of village problems more than other government agencies.

Prevailing View on People's Participation

The 1990 Constitution mandates, among others, that government shall guarantee the fundamental rights of the people, develop the economy based on social justice, and improve the society with maximum people's participation. The Constitution holds the people supreme over the government. Laws such as the Decentralization Act, Local Development Act, and Village Development Committee Act are steps taken in fulfillment of the constitutional goals.

The government, however, has used the goal of popular participation as a means to deceive the people. Government activities involving people's participation were actually designed to gain more political power.

International institutions did not welcome people's participation as they believed such would lead to the formation of pressure groups. They felt that the people had the wrong development perspective and were short-sighted. According to them, such projects as the Arun III HED Road, a road making the Arun III

hydropower project accessible, would be more costly if people's ideas were incorporated. These organizations also doubt the capabilities of Nepalese technicians and workers, hence they hired foreign experts to work on their projects.

Legitimizing Existing Modes of Governance

☞ *Government as facilitator.*

Considering itself as a facilitator of various development efforts, the government has justified its intrusion into the industrial and tourism sectors, sometimes disregarding people's participation. Government inefficiency and resource misutilization has led to losses. The intrusion has also led to unnecessary competition with small entrepreneurs.

☞ *Social justice.* In order to create an egalitarian society, the government implemented several projects, but without involving the people or lacking serious planning. For example, in Humla, a remote Himalayan district, the government started an apple plantation project. However, there was no market for apples, thus the plantation workers



ended up poorer than when they started.

➤ *Development.* In the name of development, the government has brought in several projects usually imposed upon the people, such as the hydroelectric projects. Many of these development projects were formulated in another country, without consulting the supposed beneficiaries.

Factors Inhibiting Accountability of Institutions

The people have grown dependent on the government, expecting development projects instead of initiating them. In many Nepalese villages, for example, the government built primary schools without the people's involvement or assessment. Naturally, the people expected the government to open up secondary schools. The political parties, with their many promises, have enhanced this dependency syndrome.

The combination of government bureaucrats and advisors from donor agencies in development planning has ignored the real needs of the people. The prominent role played by foreign experts has relegated the local institutions to a passive role and made people's participation nonexistent.

While VDCs and Town Development Councils (TDCs) are supposed to be responsible for their area's development, they are dependent on the national government for funding. This has

Table 1.
NGOs in Nepal,
1970-1994

YEAR	Number of NGOs
1970	21
1980	37
1990	532
1994	6000 (est.)

Activity (in percent)	No. of NGOs
Youth club	35.77
Community and rural development	30.45
Moral development	11.00
Health	8.25
Women's issues	6.20
Child welfare	2.30
Environment	2.30
Handicapped and disabled	2.20
AIDS and drug issues	1.10
Non-formal education	0.18

Table 2.
Activities of NGOs

allowed bureaucrats to set rules and regulations hindering decision-making at the VDC or TDC level. These bureaucrats have also awarded franchises to operate such activities as water supply and forest management, ignoring the elected local bodies.

International agencies like the WB dictate the terms and conditions of development projects. With 65 percent to 70 percent of the development budget dependent on foreign aid, the government cannot refuse these impositions. For instance, after the Chernobyl nuclear accident, the government was required to buy contaminated powdered milk from East Europe.

Factor Promoting Accountability

NGOs are giving the people a chance to participate in development planning. With their many projects, NGOs have allowed the people to be more independent from government. NGO projects usually involve the people in planning and implementation, thus giving the people experience in participation and empowerment.

Existing NGO/PO Efforts

The first NGO was Nepal Charkha Pracharak Gandhi Smarak Maha Guthi, established in 1926. But the political environment then did not allow for the growth of NGOs. NGOs gained acceptance only after the multiparty system was introduced in 1958. Since that time, the number of operating NGOs grew geometrically.

The growth of the NGO population indicates the people's desire for empowerment. With the rapidly increasing number of NGOs, the NGO Federation of Nepal was formed in 1990 aiming to unite NGOs towards the country's development and to find solutions to the problems encountered by these organizations.

Most NGOs concentrate on development issues like adult literacy, environment, community forestry, and supply of drinking water. While all of the NGOs' efforts involve popular participation, few are engaged in the transformation of the people's attitudes on governance. The Alliance for Energy and the Rural Reconstruction Nepal (RRN) are among these few. The Alliance was formed to educate the people on the hydroelectric capability of the country and the hydroelectric dam projects sponsored by the WB, Asian Development Bank (ADB), and other institutions. Through its efforts, the Alliance hopes that the people will be involved in the decision-making activities regarding the projects. The RRN believes that development cannot be achieved unless the various problems of education, health, self-government and livelihood are addressed simultaneously. RRN is one of the few NGOs studying the implications of the General Agreement on Tariffs and Trade/World Trade Order on the peasants, and

it is also the regional secretariat of the South Asian Forum Against Destructive International Aid.

Insights

An analysis of the three P's (principle, policy, practice) will summarize the learnings from Nepal. In principle, it is accepted that the people are supreme over the government. This is enshrined in the Constitution. The government realizes the importance of people's participation in governance and that is why it has come up with policies regarding decentralization and formation of local governments. But in practice, the government ends up

CASE STUDY

Arun III: Hydropower vs. People Power

Arun III is a hydropower project supported by the WB, ADB, and other international institutions, and is expected to generate 402 MW of electricity, making it the biggest power generator in Nepal. Arun III also calls for a 117-kilometer road in Arun Valley. The project will cost \$764 million, plus a billion more in interest. Unlike other projects which went unnoticed by the people, Arun III was thoroughly discussed and widely resisted by the masses, due to the efforts of the Alliance for Energy and the Arun Concern Group.

The Alliance is a group of engineers, journalists, economists, and other professionals, that questioned the lack of transparency in the project and studies for alternatives, the qualifications of the technicians,

and the lack of popular participation in decision-making. The group also launched a public awareness campaign encouraging the people to take interest in the project, write their leaders and discuss the issue.

The Arun Concern Group concentrated on raising people's awareness. The group organized various public meetings to explain the implications of the project, especially those directly affected by the project.

The organizations encountered several problems ranging from gaining the people's acceptance, to explaining a technical problem to ordinary people, to an NGO — called Go For Arun (GOFAR) — supporting the project, to respond to the government's black propaganda.

The Alliance's and the Group's efforts, and increased public awareness, were rewarded with the following:

- ☞ A Public Commission on Arun was formed. This commission would assess the Arun III project's every detail and inform the people of its findings. Through the commission, the NGOs would pressure the government and the WB to discontinue the project.
- ☞ The international institutions began sharing their data with the NGOs. In June 1994, members of people's organizations visited the WB in Washington to discuss the problems of the project.
- ☞ A Hydrofund was established to research on hydropower projects in Nepal.
- ☞ Information on other hydropower projects was also released to the people. □

exploiting the people. Thus, development projects sponsored by the WB, ADB, and similar institutions, and other government projects as well, do not meet their targets. Development, poverty alleviation, and other such goals, were only used by the government and the international institutions to justify their projects which ultimately aggravated poverty. The population below the poverty line has increased to 63 percent in 1992 from 49 percent in 1980.

NGOs are trying to fill up the void of people's participation in development efforts. NGOs have provided the communities with various necessities like education, health and finance. Some organizations address human rights issues while others seek to control arbitrary action by the government against the people and/or the NGOs.

The government's development planning is structured like an inverted pyramid. Decisions are made at the base, but the benefits trickle only to the apex after several agencies have skimmed-off a portion of the funds. The pyramid must be reverted to allow the poor, the target beneficiaries, to direct the programs and control the finances.

NGO Action Agenda

The Nepal NGO population is concentrated in the urban areas. There is a need to expand to the rural areas for a more efficient delivery of basic services.

Financial sustainability should be a target for all NGOs. Aside from monetary resources, NGOs must also consider their commitment to their cause.

NGOs are required to be registered with the government. Such registration may be cancelled or

suspended by local authorities, pursuant to the Registration Act of 1979. This requirement must be relaxed and NGOs must work for their increased autonomy from government.

There is an impression that NGOs are out for power, fame and money. But with the people's disenchantment with the government because of its unfulfilled promises of decentralization and empowerment, it is only natural for the NGOs and POs to stand up for the people. NGOs must also take advantage of the increasingly favorable attitude in other countries towards NGOs.

The government must facilitate the promotion of NGOs in Nepal. This may be done through trainings linking local and foreign NGOs as well as government organizations.

National-level NGOs, like the NGO Federation of Nepal, must act as spokesperson for NGOs on national issues. Local-level NGOs must mobilize their constituents for development activities. When certain national problems cannot be solved by simply influencing the decision-makers, NGOs must launch campaigns to arouse the public's interest and involve them in the settling of the issues.

The private sector must be encouraged to invest in NGO efforts and to raise the latter's management efficiency. □

References

- Diwaker Chad, *Development Through Non Government Organization in Nepal*. Group Three Pvt. Ltd., Kathmandu, 1991.
- Jagadish Ghimire, et al., *Gair Sarkari Samsthan Policies in Nepal: An Analysis*. NGO Federation of Nepal, Kathmandu, 1992.
- HMG/NEPAL, *Budget Restructuring to Achieve Human Development Goals in Nepal*. National Planning Commission, Kathmandu, 1994.
- HMG/NEPAL, *Sixth Five-Year Plan (1980-85)*. National Planning Commission, Kathmandu, 1980.
- HMG/NEPAL, *Nepal ko Sambidhan, 2019: Kanoon Kitab Samiti-Babarmahal*. Kathmandu, 1982.
- HMG/NEPAL, *Nepal Adhirajya ko Sambidhan*. Kathmandu.
- IDS, *A Pre-review Assessment of Integrated Project*. Kathmandu, 1981.
- A.W. Ingles. *Empowering User Groups in Community Forest Management in Nepal: Problems and Possibilities*. Nepal Australia Forestry Project, Kathmandu.
- Laxmi Jain, Keynote speech, First Asian Development Forum, 14 February 1992. New Delhi, India.
- B.B. Pradhan. *Integrated Rural Development Projects in Nepal: A Review*. ICIMOD, Kathmandu, 1985.
- Harihar Sigdel, *Perception of and Attitudes Towards the Adoption of Community Forestry Practices in Palpa, Nepal: A Case Study*. M.Sc Thesis, University of the Philippines, 1988s.
- Medeline Smout. *Community Forestry in Nepal, A Study of the Use of Incentives*. Masteral Thesis, Dalhousie University, USA, 1989.
- United Nations Development Programme/SSNCC, "NGOs In Nepal: Comprehensive Information" in NGO-SSNCC NE 88/047. Kathmandu 1992.
- UNICEF. *Nepal Report 1990*. Kathmandu, 1990.
- G. Uprety and G. Shivakoti, eds. *Nepalma Jal Sampada Bikas Ra Arun Teshro Aayojana: Arun Sarokar Samuha*. Kathmandu.
- World Bank. *Nepal Monetary Structural Reform and Managing Public Resources: Asia Report No. 8352*.

PAKISTAN

Pakistan is divided by ethnic as well as regional differences: Kashmir and the North-West frontier in the north, Sindh in the south, Punjab in the east, and Baluchistan in the west. While the country covers 796,095 square kilometers, it is also partly arid, thus it relies on one of the most extensive irrigation systems in the world. In 1994, Prime Minister Benazir Bhutto abandoned ambitious social reforms which were supposed to supply homes, jobs, hospitals, and other basic needs. Bhutto closely followed the prescriptions of the International Monetary Fund but the country's economy remained stagnant despite the boom elsewhere in the Asian continent. But just as the Pakistanis conquered the limits set by nature, they hope to hurdle through their economic problems.

Excerpts from the country report prepared by the Rural Development Foundation of Pakistan (RDF).

Form of Government:	Multiparty federal Islamic republic
Number of NGOs:	8,380 (1990)
Attitude Towards NGOs:	Regulative
External Trade:	US\$ 18,476,000,000 (1992)
Budget Highlights:	Debt Service 48.1%; Defense 32.7%; Law and Order 1.7%
Population:	131,434,000 (1994)

History of Government

India was a British colony for centuries and it was only in the last 40 years of British rule when constitutions were given. The constitutions declared that all governmental powers vested in the British sovereign. It was only by devolution and delegation that these powers came to reside in other bodies and persons (some of whom were in England) and the remaining powers given to the executive, the legislature and the judiciary in India.

The Indian Councils Act of 1909 created separate electorates for Muslims in response to appeals by the Muslim League. The territories now constituting Pakistan were governed before independence as mandated by the Government of India Act of 1935. It continued operating after the partition of the Indian subcontinent into India and Pakistan under the Indian Independence Act of 1947.

The constituent Assembly was dissolved in 1954 and a new Assembly was elected which adopted the constitution of the Islamic Republic of Pakistan in 1956. The 1956 Constitution was annulled on 7 October 1958 and martial law was declared throughout the country.

Three days later, the Laws Order was promulgated by the President of Pakistan and the Chief Martial Law Administrator. The order restored laws that were in force before the proclamation of martial law. The country was to be governed as much as possible in accordance with the 1956 Constitution.

On 1 March 1962, a new constitution was promulgated which discarded the parliamentary form of government in favor of the presidential. Ayub Khan became the President during this period.

The government of Ayub Khan ended on 25 March 1969 when the 1962 Constitution was abrogated. Ayub relinquished his office and invited General Yahya Khan, Commander-in-Chief of the Pakistan Army, to perform his constitutional duty of restoring law and order in the country. Yahya Khan, as the Chief Martial Law Administrator, imposed martial law in the country and assumed the office of President. The Provisional Constitutional Order of 1969 was enforced, under which Pakistan was to be governed as much as possible in accordance with the 1962 Constitution, subject to any regulation or order made by the Chief Martial Law Administrator. Fundamental rights were abrogated. Neither the orders of Martial Law Authorities nor the Proclamation of Martial Law nor any regulation or order made thereunder could be challenged in any court.

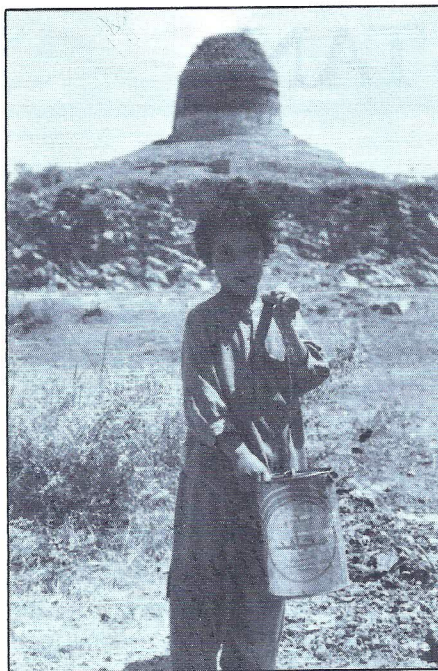
President Yahya Khan handed over power to Zulfiqar Ali Bhutto in December 1971. Bhutto assumed the office of President and Chief Martial Law Administrator and summoned the session of the National Assembly which passed an interim constitution allowing martial law to be lifted. The Interim Constitution came into force on 21 April 1972. It remained in force for only a year.

A new constitution was passed in August 1973. Fundamental rights were incorporated in it but remained suspended due to the proclamation of a state of emergency. On 4 July 1977 General Zia-ul-Haq, the Army Chief of Staff, declared Martial Law and assumed the powers of the President.

From 1977 to 1988, the military was the formulator of policies and the bureaucracy (more popularly known as the civil service in other countries), implementor. The military had an increasing role in determining national policies in foreign affairs, economy and internal security.

Local Government

The *panchayats* of Pakistan and India preceded the formation of national, provincial or state governments. The British replaced the native institutions with local councils.



Immediately after independence, the local government system was replaced by Basic Democracies (BD), which were quasi-representative in character. The BDs were abolished in 1971.

In March 1972, the Provincial Governments promulgated the People's Local Government Ordinance wherein the village-level Union Council was abolished.

The Integrated Rural Development Program (IRDP) was conceived in 1973, at about the same

time the new constitution was framed. Both the IRDP and the constitution emphasized the promotion of local self-government. The People's Local Government Act of 1975 was to provide popularly elected councils in both urban and rural areas. The law never became effective.

Local self-government was restored in 1979 with the holding of elections throughout the country on the basis of adult franchise. A three-level system was introduced. In the lowest level was the Union Council, composed of a village or group of villages. The middle level was the *Tehsil* Council, composed of the elected chairmen of Union Councils. The highest level was the *Zila* Council, governing a territorial unit called a District. In urban areas, the system was composed of the town committee for small towns, the Municipal Committee for bigger towns, and the Municipal

Corporation for major cities. The local governments have three categories of members: Muslim, non-Muslim, and members representing special sectors like peasants, workers and women.

The members of each council or committee are elected by the people on the basis of direct adult franchise. From among the elected members the Chairman and Vice-Chairman of the council or committee are elected. Non-Muslim members are elected by the minority community. The number of these members is proportional to the non-Muslim population, provided that in each council or committee, there shall be at least one non-Muslim member. Sectoral representatives are chosen by the elected members.

The rural councils have been assigned functions, the most important of which fall in the hands of the *Zila* Council. The *Zila* Council is in charge of public works, public health, education, agricultural development, economic welfare, public transportation, environmental management, public entertainment, sports, regulation of food and beverages, aside from its social welfare and community development functions. The Union Councils build and maintain roads and thoroughfares in their areas and perform a number of public and social welfare functions. The *Tehsil* Councils have not yet been inducted into office. The councils are also granted the important power of taxation. The national government exercises supervision and control over the local governments.

In her second term, Prime Minister Mohtarma Benazir Bhutto appointed a task force to devise a system of

District Governments to replace the present local governments. This new scheme envisions a District Government whose elected members can choose its Mayor to head the District Government. He will be assisted by five Deputy Mayors who will take charge of various departments such as education, law and order, health, agriculture and irrigation, district roads, sanitation, and water supply. The Deputy Commissioner will be the Mayor's secretary and will head the secretariat of the District Government. Disputes between the Mayor and the Deputy Commissioner will be referred to the Provincial Government.

Prevailing View on People's Participation

The ideology of Pakistan is based on Muslim nationhood, under which people are persuaded to develop pride in the political institutions of Islam. The government provides for equality before the law while citizens have an obligation to concern themselves with public affairs and participate in discussions on matters of public interest. Opposition is considered legitimate and useful. A high sense of competence to influence government by political activity is generated. Citizens have an obligation to participate in the forging of the general will. The ideology accords the individual a right to due process of law and cultivates a high sense of competence to protest against arbitrary action through legal means.

Mr. Liaquat Ali Khan, the first Prime Minister of Pakistan observed that:

"Pakistan was founded because the Muslims of this sub-continent wanted to build their lives in accordance with the teachings and traditions of Islam; because they wanted to demonstrate to the world that Islam provides a panacea to the many diseases which have crept into the life of humanity today"

In Pakistan there is a common acceptance of the fundamental polity of the state. The polity reflects a purpose which gives form, cohesion, and direction to all public action within society.

Legitimizing Existing Modes of Governance

The political history of Pakistan shows that all major changes in government were accompanied by a change in the Constitution. The political system of Pakistan reflects resilience, adaptability, continuity and change. The change has been made within traditional patterns acceptable to the people.

Meanwhile, the shift in the internal balance of power in favor of the military was mainly due to institutional deterioration in the bureaucracy as an arm of governance.

Factors Inhibiting Accountability of Institutions

☞ **Bureaucracy.** The bureaucracy or civil service in Pakistan is a distinct force that is not only the guardian of public safety, but also the primary agent of social and economic development. It provides a source not only of information but of ideas and solutions to public problems. The fact that the government is the biggest employer in Pakistan lends greater significance to the bureaucracy's role in society.

But deep-rooted politicization, corruption, infighting, the absence of security of tenure, and a tradition of manipulating rather than serving the people, have tainted

the bureaucracy. It must be noted that Pakistan inherited its administrative machinery from the British, who ruled the subcontinent on an imperial design, by using administrative officers to control the people. A large segment of the public believes that the purpose of the bureaucracy is to consolidate the position of the ruling party and weaken the opposition.

What is to be done? Government leaders admit there is room for improvement, but they are in no hurry to make changes. With both

CASE STUDY

MMBMT: Bringing Education to the People

The Malik MAULA Bakhsh Memorial Trust (MMBMT) is an apolitical, non-sectarian, non-profit organization established in January 1990 by the children of Malik MAULA Bakhsh, a well-known humanitarian. Its major programs include education for young girls and women. This program is carried out in isolated hamlets of 200 to 300 inhabitants each. There are no girls' schools in these hamlets; in fact, the girls receive no education, are married at a tender age, and by their early twenties have borne several children. When the education project was initiated, MMBMT faced several obstacles:

- ☞ **Non-availability of teachers.** There were few qualified teachers willing to go to the hamlets, and these few were unable to go to the village regularly.
- ☞ **Social restrictions.** Girls from one village were not allowed to go to another. Hence, the schools had to be brought to

them.

- ☞ **Lack of cooperation from locals.** Female education has long been a taboo in Pakistan society, moreso in the villages. "Girls will write letters to their lovers!" warned the conservatives.

These problems were overcome with patience. The Trust laid down the following rules in establishing a school to ensure community involvement:

- ☞ **Local teacher.** An educated girl from the same village, willing to teach, will be chosen as teacher. The Trust will provide her with training and salary.
- ☞ **Only 20 students will be initially admitted.**
- ☞ **School building.** One room to serve as the school building must be provided by the villagers. A mudhouse would do. No new construction is needed.
- ☞ **Furniture.** A table and a chair for the teacher, jute mats for the

pupils, a blackboard, and a rack for books will be provided by the Trust.

- ☞ **Textbooks and stationery.** These will be provided by the students' parents. Additional learning and teaching aids, when required, will be provided by MMBMT.
- ☞ **School fund.** Initially, tuition will be free. Later, there will be a school fund of Rs.5 per child per month to allow the school to function under the village committee as the Trust gradually withdraws financial support. Ultimately, the school will be a village effort.

The first Anwar Girls' Primary School was opened in Dhok Choi of Thana Chakrala in September 1991. After six months, it proved to be so successful that neighboring villages were competing with each other to have their own schools.

These MMBMT efforts did not go unnoticed by the Ministry of



politicians and bureaucrats using the existing system to their advantage, the only person with a stake in change is the common man, who in practice is given no opportunity to complain. The bureaucracy has, in fact, resisted reforms. It usually absorbs the reforms and diverts further action against its behavior.

⇨ Feudalism in the countryside. Feudalism has conspired with the bureaucracy to hinder development efforts in the countryside. Feudal landlords have cornered almost 85 percent of agricultural credit advanced by the government.

The feudal class was partly created and strengthened by the colonizers who found allies in this class. The elite was awarded *jagir* (land grants), and offered jobs in the military and civil service. These increased their

influence, and in return they remained loyal to the colonizers. When independence from the colonizers seemed inevitable, the feudal class joined the struggle of the Muslim League, thus securing their favored position in independent India, and, later, Pakistan.

With their influence and wealth, the feudals were able to prevent the formulation of effective land reforms and rural development programs, and the penetration of their fiefs by political parties and ideologies.

The feudal system has divided society into two castes: the *zaminder* castes, who are usually landed; and the *kammi* castes, or the landless laborers. Embedded in patriarchal values, the feudal system has considered women as instruments for sexual enjoyment, or, at best, household managers, and has blocked efforts to educate women. The system has also developed a culture under which wealth was deemed to increase honor, and there was strong pressure to improve one's own social status (*izzat*) and lower the status of one's opponents.

⇨ World Bank and IMF. The IMF-WB's Structural Adjustment Program (SAP) has led to reductions on government expenditures. With government as the biggest

Education. The following changes were introduced by the Ministry in response to the MMBMT program:

- ⇨ NGO members are now consulted by the Ministry on all policy decisions. At present, the MMBMT President is the Chairman of the Primary Education Committee in the Prime Minister's Advisory Council on Education.
- ⇨ A MMBMT member is always asked to attend all meetings of the Education Ministry on primary education.
- ⇨ MMBMT members were included in government delegations to recent UN-sponsored study tours on education.
- ⇨ The Ministry of Education requested the MMBMT to replicate its Chakrala Valley project in two adjacent Tehsils. MMBMT's success with non-

formal primary education (NFPE) in Chakrala prompted the following changes in the Punjab Government Education Policy in order to meet the target of "Education For All by the Year 2000:"

- ⇨ Examination system. Two or more examinations for primary students will be held each year instead of one per year.
- ⇨ School registration. This requirement was waived for NFPE projects.
- ⇨ Qualification of teachers. This was relaxed to allow even those who completed only primary education to teach in underdeveloped areas.
- ⇨ Local teacher employment. Local teachers, even if less qualified, are preferred by the government for teaching positions in order to ensure the smooth operation of schools.

⇨ Students' age requirement. Previously, only students five to nine years of age could be admitted to primary classes. The rule was relaxed to allow older children who missed schooling or dropped out to enter school.

⇨ Curriculum. Instead of one curriculum followed throughout the country, new curricula, suited to the requirements and customs of each community, are now being developed. These changes are done in consultation with NGOs dealing with education.

The MMBMT experience should be an inspiration to every NGO. Government policies are not as rigid as they seem. Indeed, the MMBMT education project, borne out of commitment and a sincere desire to uplift the status of rural women, has led to significant and far-reaching changes to the country's education system. □

employer, these cuts automatically meant decreased recruitment of employees. Government subsidies on consumer essentials like wheat, sugar, and edible oil have been drastically reduced. Between 1988 and 1991, the tax burden of the poor increased by 10.3 percent while that of the richer income group decreased by 4.3 percent. It was no surprise that the implementation of SAP measures have led to riots and social unrest.

⇨ Other Inhibiting Factors. Below are seven other hindrances.

1. Uneven power structure at the village level because of lack of realistic land reforms, thus perpetuating the feudal system.

2. In 47 years of Pakistan's existence, the country was under martial law for 25 years. This hindered the development of nascent institutions. As elections were not regularly held, the leadership lay in the hands of feudals, the bureaucracy, and the military, giving no chance to establish people's institutions at various levels.

3. The most important people's institution, the local government system, became dormant during martial law, and even when revived, no local government was established at the village level. A deputy commissioner or district officer was so powerful, that he actually controlled the functioning of the local government. There was hardly any participation by the people in decision-making.

4. Corruption at all levels has led to the allocation of funds for development to members of national and primary assemblies, to be spent at their discretion, instead of giving these to the people. This was done as a measure of political expediency but has led to misuse of funds.

5. An alarmingly low rate of literacy, lack of people's institutions, and poor infrastructure in the rural areas have led to the blatant exploitation of the masses.

6. A lack of political will, a highly centralized authoritarian control, and a lack of resource mobilizations have decreased government's accountability to the people.

7. The greater part of Pakistan's budget is allocated to debt servicing and defense, leaving an insignificant amount for all social services and social development.

Factors Promoting Accountability

⇨ The ideals of Muslim nationhood, as these encourage people to take a critical stance against government and its programs.

⇨ NGO participation, which is being given importance in all policy-making activities.

⇨ The 1973 Constitution puts all Pakistanis in a position to participate in the decision-making process and also in sharing the fruits of development. Institutions must function according to the rules enshrined in the constitution.

Existing NGO/PO Efforts

The NGO movement is of fairly recent origin and it has yet to realize its full potentials. Most NGOs were established for the upliftment and development of their area of operation, hence their activities were limited to particular localities. These NGOs work for the empowerment of the grassroots communities through the organization of autonomous village bodies (called by different names by different NGOs) and implementation of development plans relying on self-help to ensure sustainability. NGOs working at a national level guide the smaller NGOs in the implementation of institutional and policy changes to facilitate NGO work.

The following achievements are noteworthy:

⇨ NGO participation is being given importance in all policy activities and country representation in International Forums.

⇨ Departments at provincial and national levels were established to work more closely with NGOs and avoid unnecessary delays in the approval and implementation of projects.

⇨ Various departmental rules were relaxed for increased community participation.

⇨ There is a growing tendency to channel funds for community development through NGOs.

✦ International institutions are also involving NGOs in social action programs. Some UN agencies, for example, are planning small scale enterprises in rural areas with the help of NGOs.

Insights and Recommendations

✦ Electoral reforms are necessary. The representatives of the people must be responsible and responsive to the electorate. The issues of separate electorate, adult franchise, women and other sectoral representatives have to be sorted out. An agreement must be reached regarding proportional representation.

✦ Local bodies must take concrete steps to devolve powers to grassroots institutions.

✦ Decentralized development planning has the potential to respond more effectively to the socio-economic problems and development needs of the countryside. Decentralization motivates the people to participate in the resolution of community problems.

✦ The government has shown a keen interest in involving local authorities in the delivery of social services. A new system of local government is being conceived to increase the contribution of local authorities to economic and social development.

✦ There is an emerging consensus to allow local authorities to participate in government projects to increase participation of the people and adapt government programs to local conditions.

✦ To succeed, a government requires democracy at the grassroots. Democracy here means a form of government in which the power of the people is supreme and is exercised

through institutions. The people must be genuinely involved in the management of their affairs and encouraged to work for their welfare. No government has solved social problems without the participation of the people.

NGO Action Agenda

✦ Professional and Management Competence.

Even the WB has observed that NGOs in the country lack a professional attitude in their work. While the commitment to help the poor is strong, managerial competence is lacking. Meanwhile, some organizations with good officers lack a well-trained staff. Management capacities must therefore be developed through trainings.

✦ *NGO-CBO Relations.* NGOs must motivate people in the rural areas towards self-reliance and development. Good rapport with the Community-based Organizations or other village-based groups must be established to meet this goal.

✦ *NGO-NGO Relations.* Many NGOs in Pakistan are not aware of the other organizations' activities. Most NGOs are small, work in isolation and lack resources. Networking is thus necessary for information-sharing and for more effective lobbying with government and international organizations. NGOs may differ in programs or priorities, but it is essential to arrive at a common set of objectives which may be achieved through a national-level coordinating body.

✦ *NGO-GO Relations.* Conflicts between NGOs and government agencies operating at the village level are inevitable. NGOs must realize they have to work in support of the government's development efforts, and not adopt a confrontational stance. They should not give the impression of competing with the government. Rather, they should form a bridge between the ruralfolk and the government agencies, to ensure the success of sincere government efforts at development.

✦ *NGO-Donor Relations.* NGOs must not be donor-driven, that is, their work should not be dictated by funding agencies. It is essential that NGOs be financially independent at least with regard to administrative expenses. Otherwise, their efforts may be compromised by donor pressure. Systematic accounting and auditing methods are needed so that the government will not impose restrictions on the operations of NGOs. A bill to this effect is now being considered by the government. Continuous dialogue with the government regarding NGO-donor

relations is necessary to come up with policies that satisfy the needs of NGOs and the government.

⇒ *Forums, workshops, seminars.* NGOs should take the initiative in organizing forums, workshops and seminars, in collaboration with the government Ministry or Department concerned in order to strengthen NGO-GO links as well as monitor the government's performance in its development programs. □

References

- Vigar Ahmed and Rashid Amjad. *The Management of Pakistan's Economy: 1947-82.*
- Dr. Muhammad Amjad. *Aspects of Fiscal Federation.*
Finance Division, Economic Adviser's Wing, Islamabad. *Economic Survey 1994-95.*
- Dr. Muhammad Jameelur Rehman Khan. *National Strategy for Administration.*
- J.R. Khan, ed. *Evolution of Pakistan's Administrative System.*
- J.R. Khan, ed. *Government and Administration in Pakistan.*
- Anjum Nasim, ed. *Financing Pakistan's Development in the 1990s.*
- Pakistan Institute of Development Economics. *Assessment of the Implications of the Uruguay Round on GATT.*
- Shahid Javed Pasha and R. Laporte, eds. *Pakistan's Development Priorities.*
- Syed Abdul Quddus. *Local Self Government in Pakistan.*
- Dr. Khawaj Saeed. *Financial Institutions in Pakistan.*

PHILIPPINES

A climate of optimism casts over the economic future as well as the viability of democratic institutions in the Philippines. Tagged as the "most improved economy" and "biggest turnaround story" of Asia in 1994, the country is pursuing its development aspirations under a democracy. Admittedly, however, there remains substantial room for the application of the rule of law and the effective exercise of democracy on the national and local levels. The country is yet to cease political arbitrariness, stop the dominance of the influential, and redress social inequalities. Moreover, the country needs to address the existing social order which is centered on the privileged.

Excerpts from the report prepared by Joel V. Mangahas in behalf of the Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRA).

Form of Government:	Unitary republic
Number of NGOs:	about 65,000
Attitude Towards NGOs:	Supportive
External Trade:	US\$ 26,004,000,000 (1992)
Budget Highlights:	Debt Service 30.7%; Education 15.4%; Health 4.2%
Population:	68,278,000 (1994)

History of Government

- ✦ Prior to the 16th century, the country was comprised of independent social units each called the barangay, with members related by kinship. It was comprised of about 30 to 100 households headed by a chieftain called "datu" or "rajah" who was assisted by a council of elders. An early manifestation of popular participation, via a system of group decision-making, was observed.
- ✦ By the 16th century, Spanish colonialism started. The natural development of widely dispersed barangays was arrested with the superimposition of a highly centralized, colonial administrative structure subordinate and dependent on the government of Spain. A non-career and corrupt civil service system was introduced. Positions in the public office were disposed either by appointment or by purchase, with the latter being the most prevalent. This practice increased the tendencies for corruption, as officeholders were predisposed to quickly recoup their "investments," and if possible, at a profit.
- ✦ The abusive and exploitative character of the colonial government sparked pockets of peasant uprisings culminating in the 1896 Philippine Revolution. The Filipino revolutionaries created a Council of Government under a President and composed of seven departments each headed by a Secretary. The Malolos Constitution, the first Philippine Constitution, was drafted in 1899.
- ✦ The American occupation lasting up to World War II ushered in a different dimension of colonial policy and administration by making the public office a public trust and the bureaucracy accountable to the people.

Appointment to public office was largely based on merit and fitness. In contrast with the Spanish colonization period, a separation of state and church was implemented.

- ✦ In 1935, a new constitution was approved. A transitional government known as the Philippine Commonwealth was established.
- ✦ The outbreak of World War II created a Japanese-sponsored republic in the Philippines.
- ✦ By 1946, the country was declared independent. Its political structure was then patterned after the United States. A system of checks and balances was institutionalized by organizing the government into three major branches: executive, legislative and judiciary.
- ✦ In 1972, President Ferdinand E. Marcos (1965-1986) declared the country under Martial Law, ushering in an

era of authoritarian rule. A new constitution was passed in 1973 providing for the shift to a parliamentary form of government and the establishment of an interim national assembly.

President Marcos made bold commitments to a vast program of land reform for farmers, improvement in the educational system, restoration of peace and order, improvement of the economy, local government changes, alleviation of poverty, infrastructure development, among others. He also introduced a plethora

The emergence of NGOs as key actors in the development process marked a milestone in the unfolding of true people's participation. But the growth of NGOs is not confined to the Philippines. Freedom from Debt Coalition president Leonor M. Briones explained "they are part of a worldwide people's response to the failure of formal international and national institutions to stem the tide of poverty and human degradation."

In an earlier study of popular participation in the planning and implementation of human settlements in the Philippines, Mary R.

Hollnsteiner identified six modes of participation that can be differentiated according to the direct exercise of decision-making power by the people:

- ✦ First mode - involves only the privileged few or the local elite with very minimal participation from the community groups,
- ✦ Second mode - limits people involvement to participation of intended beneficiaries in program activities identified and formulated by government,
- ✦ Third mode - typifies an *ex post facto* consultation with the people, with participation existing only in

token fashion,

- ✦ Fourth mode - involves consultation with people's groups from project conceptualization up to implementation. However, the elites in authority still control the process;
- ✦ Fifth mode - community groups have minority representation on a policy making body; and
- ✦ Sixth mode - people attaining full participation by controlling the actions of the official decision-making body through a majority representation on a governing board.

Thus, it is only in the fifth and sixth modes where participation is meaningful and affords the "grassroots" genuine policymaking roles.

Briones observed the first, second, and third modes were prevalent in the Philippines from the 1950s to the 1970s, even if people's groups were pushing for the fourth and fifth modes.

Popular participation requires people involvement in all of the above-mentioned stages, with significant representation and power in policy-making bodies. Briones said

governments at present "cannot hope to generate domestic and external financing for projects unless assurances are made that people, especially project beneficiaries, are active participants."

In the Philippines, present government policies involve four components: decentralization of government structures; less government intervention while expanding the role of the private sector in development work; greater involvement of people in governance through community organizations and NGOs; and transparency in government operation to encourage public participation in the policy making process. The 1987 Philippine Constitution provides explicit support for popular participation. Specific provisions in the Constitution encourage the formation of NGOs and people's organizations (POs). It also recognizes the people's right to participate in all levels of governance. At the same time, the Local Government Code (LGC) of 1991 renders the legal foundation to institutionalize popular participation in local development administration. □

of laws embodying the principles of decentralization and popular participation. Martial law was lifted in 1981 in the face of mounting public discontent and escalating armed opposition to state authority.

➤ A snap election was held on 7 February 1986 after heightened international pressure compelled Pres. Marcos to get the people's pulse. Overt manipulation of election results ignited the "People Power Revolution" which installed Corazon C. Aquino as President. Her ascendancy to power was a turning point: it renewed commitment to people participation in political affairs.

The political structure during the pre-martial law period was adopted. The powers, rights and obligations of the people was expanded in the 1987 Constitution. The Local Government Code (LGC) of 1991 was promulgated and is now considered as the most significant legislation passed under the Aquino administration.

➤ In 1992, Fidel V. Ramos became the eighth president of the Philippine republic. Continuing the programs of the Aquino administration, he led the creation of the Medium-Term Philippine Development Plan (MTPDP) 1993-1998.

President Ramos has officially

declared "people empowerment" as the hallmark of his administration. On the other hand, he also sought to liberalize the Philippine economy by encouraging the inflow of investments and trade with other countries. Dubbed as *Philippines 2000*, his major program of government is for the country to attain the newly industrializing country (NIC) status by year 2000.

Prevailing View on People's Participation

The Philippines followed the Asian bandwagon of authoritarianism in the 1970s. Alex B. Brillantes, Jr., director of the state-owned Local Government Academy, offers five major perspectives explaining the imposition of martial law in the Philippines. The first three reasons may be categorized as the "declared" objectives: the triggering crisis, modernization, and corporatist/cultural perspectives.

Brillantes contends that the imposition of martial law conformed with President Marcos' resolve to perpetuate himself in power beyond his constitutionally-mandated term of office. Such a plan was said to have already existed since he assumed his second term of office in 1965. This was apparent from his deliberate manipulation of major sectors like the armed forces, the studentry and labor, the 1971 Constitutional Convention, and the Supreme Court in order to pave the way for his dictatorial rule.

Marcos' grip on power was legitimized by the 1973 Constitution and its subsequent amendments and ratification in 1976. He insisted that it would be easier to introduce the much needed reforms under Martial Law than under a democratic government.

Just like her predecessor, former President Cory Aquino was legitimacy-conscious. Her proclamation as the seventh president of the republic through a bloodless people's revolution in 1986 lacked a quantitatively measurable affirmation of her legitimacy. But the ratification of a new Constitution in 1987, aside from her ruling coalition taking 22 out of 24 seats in the senatorial race, gave her leadership the necessary mandate and provided her government a strong political consensus at the beginning of her term, academician Belinda Aquino wrote.

In terms of economic governance, the Philippines remained a loyal subscriber of Rostow's "tricks" of economic growth – tapping huge foreign borrowings and opening its doors to international powers which took control of the domestic economy.

The Philippines has a long history of Structural Adjustment Programs (SAPs) with the International



Monetary Fund (IMF) dating back to the 1960s when it first availed of IMF stabilization loans. The SAPs set specific guidelines altering certain fiscal and monetary practices of a debtor country with the goal of strengthening its financial position to propel it to achieve economic growth. The most recent SAP took effect in 1991 under the Economic Stabilization Program (ESP). It is the 21st SAP carried out by the Philippines which outlines the following: reduction of government spending, less infrastructure, freeze in hiring of government employees, smaller budgets for government agencies, and removal of subsidies to rice and fuel oil.

Factors Affecting Accountability of Institutions

Briones identified six major concerns which greatly hampered an effective GO-NGO partnership. These concerns are discussed below:

⚡ *Structural Adjustment Programs (SAP).* The IMF-WB has been criticized for the perceived damage its SAPs brought upon the marginalized sectors of society in developing countries. While cost-cutting and austerity measures were called for in the SAPs to ease the burden on the country's coffers, this consequently has led to government's failure to implement pro-people programs such as investments in services and basic infrastructure like health, education, sanitation, water and irrigation, electric power, roads and transportation. The administration also tried to convince the public of the "necessity" of opening up the economy to foreign investments and trade. However, this only allowed the further entrenchment of local monopolies and big foreign investors in the Philippine economy, as the local small- and medium-sized producers and entrepreneurs could not survive the pressure of competition in the world market.

⚡ *Agrarian Reform Program.* Another major area of dispute between the NGO community and government was the failure to implement a genuine agrarian reform in the country. It was in this area where President Aquino failed to carry out the NGO community's expectations – that she will utilize the executive and legislative powers bestowed on her in the initial two years of her term to enact a pro-people agrarian reform program. Opting to allow the elite-dominated Congress to act on the passage of the Agrarian Reform Code, a watered-down version of the Code was approved, to the disappointment of peasant groups and NGOs.

With the landed elite controlling the formal structures of authority by their presence in both houses of Congress up to now, the prospects of implementing a genuine agrarian reform remains bleak under the Ramos administration.

Agrarian reform implementation in the country suffered another setback with the government's accession to the World Trade

Organization (WTO). For instance, one of the Philippines' commitment in the General Agreements on Tariffs and Trade - Uruguay Round (GATT-UR) was to exclude aquaculture farms from land reform.

⚡ *Oligarchic Politics.* The change of government in 1986 brought in high hopes that political pluralism and genuine citizen's participation would finally take place. These bright expectations were soon dissipated by the resurgence of oligarchy and the old practices of patronage and spoils system in the political arena. Liberal and people-oriented policies still did not take center stage in political deliberations and were rarely part of the agenda.

⚡ *Monopoly.* There is a need for government to step up its efforts in making the market a level-playing field by allowing the people to participate fully in the market operation and to share equitably in their benefits. The Philippine economic system is controlled by the wealthy elites. So far, the government has failed to dismantle monopolies, with new ones even formed. The country's privatization program, which was sanctioned by the IMF-WB, resulted in the replacement of government monopoly with private monopoly. Businessmen who were recruited in government later became richer, as they used their positions to protect their interests.

⚡ *Graft and Corruption.* The resurgence of widespread graft and corruption was the fifth issue affecting GO-NGO participation. The family of former President Aquino and close relatives were

criticized for allegedly using the powers of the President for their personal gain. Graft and corruption extended to the legislative branch, with members of Congress figuring in scandals ranging from illegal gambling to gunrunning. In the judiciary, a number of judges were allegedly "selling" decisions while local officials were involved in various scams and abuses. There is no great difference with the canvass of public ethics under the Ramos administration as rampant abuse of power and bribes continued. These malfeasances in the different branches of government create a sour relationship between NGOs and the government.

⇨ *Conflicting Outlooks.* Finally, there existed a divergence in the perspectives adopted by the NGO community and the government, particularly in approaches to program planning and implementation. The government has had a tendency towards a top-down policy making while NGOs were process-oriented and emphasize the bottom-up approach. Under the Ramos administration, there are indications that citizen's participation is still lacking inspite of repeated declarations of unwavering commitment to participatory development, as seen in the ratification of the GATT without significant consultations.

Existing NGO/PO Efforts

The rising prominence of NGOs/POs in local development work in the country may be seen as a means by which people directly define their development strategies without depending on government to show the way. Thus, it is a trend that manifest the logical flourishing of real

People Over Institutions

Various provisions in the 1987 Philippine Constitution guarantee the sovereignty of the people over institutions.

⇨ The Preamble states, "it is the Filipino people with the aid of Almighty God who established the Philippine government."

⇨ Article II, Section 1, also known as the Declaration of Principles and State Policies, asserts that "sovereignty resides with the people and all government emanates from them." Thus, the Constitution is the manifestation of the sovereign will of the people.

⇨ Article II, Section 3 states that, "civilian authority is, at all times, supreme over the military" and that the former's goals are to "secure the sovereignty of the

state and the integrity of the national territory."

Some of the significant provisions in the 1991 Local Government Code are:

⇨ Chapter 1, Section 1 requires all national agencies and offices to conduct periodic consultations with local government units (LGUs), NGOs and POs and other sectors of the community before any project or program is implemented in their respective jurisdictions.

⇨ Article III, Chapter IV of the Code spells out the following policies on NGOs and POs.

⇒ In Section 34, LGUs are mandated to promote the establishment and operation of NGOs and POs as active partners in the pursuit of local autonomy.

⇒ In Section 35, LGUs may enter into joint ventures and

other cooperative arrangements with POs and NGOs for the delivery of basic services, capability building and livelihood projects, and to develop local enterprises designed to improve local productivity and income, diversify agriculture, spur rural industrialization, and promote ecological balance, and enhance the economic and social well-being of the people.

⇒ In Section 36, an LGU, through its local chief executive and with the concurrence of the local council, may provide assistance, financial or otherwise, to POs or NGOs for economic, socially-oriented, environmental or cultural projects to be implemented within its territorial jurisdiction. □

democracy, specifically in terms of the ability to identify one's development path within civil society. Apart from being considered as good complementary organizations of government institutions, NGOs are noted for their use of innovative approaches, mechanisms, non-traditional and informal structures in development work. These unique features of NGOs are illustrated in the following discussion of selected NGO experiences.

☞ *NGOs in community-organizing.* A study involving 61 NGOs in the province of Cebu in the Visayas revealed the geographical as well as sectoral dimensions of NGOs based on their thrusts in pursuing the development of local areas. They were distributed according to the

CASE STUDY

The IMF and WB: On Philippine Grassroots Empowerment

Lately, the WB has already organized a "learning group" on participation. This may well be the turning point in the way multilateral financial institutions (MFIs) operate.

The WB has since explored modifications in its project cycle and operational directives where participation might improve the chances of project success. But the WB has taken a very convenient stance — whereas the Bank can take credit for requiring participation in its projects, it can also simply pass the buck to government when problems arise out of lack of consultation.

While government formally manages project implementation, MFIs also have a say as to the parameters within which implementation is done since WB and IMF negotiate directly with the government during program formulation and review stages. Also, the threat of loan tranches being withheld has often put pressure on the government to implement policies they know would be met with strong resistance if passed through consultations.

The IMF and WB are influenced by a norm of macroeconomic analysis, known as the neo-liberal

economic and political analysis, which insulates decision-makers from groups resisting their prescriptions. Those who object to economic adjustment measures are classified by the sister institutions into two types: people having vested interests who fear losing unearned economic privileges or people who do not understand the advantages they will gain in the long run.

Projects financed worldwide by the WB account for a significant share is called the "development-caused resettlement." In the next eight years, WB-funded projects are expected to entail resettling two million people in 39 countries, most of which are from South and Southeast Asia. The WB acknowledges that major difficulties and failures remain in their resettlement operations. But in the end, the WB's decision on whether or not to push through with the project is hinged on feasibility studies showing that economic benefits outweigh economic costs.

At least three big WB-funded infrastructure projects in the Philippines have resulted in conflicts leading to people's displacement. In many cases similar to these, there were no

substantial effort to address the destruction in communities.

In 1974, the WB extended a \$61-million loan for the construction of Pantanbangan Dam in Central Luzon. This project caused a whole town to be submerged in water while some 14,000 people earning a living from planting rice and vegetables and handicraft-making had to be relocated.

The WB, with the Asian Development Bank (ADB), financed the Agus River Hydroelectric Project completed in 1977 in Mindanao. A year after the dam's installation at Lake Lanao, the lake's water level fell by two meters. Consequently, Maranao farmers could not plant rice due to the drying of the land while the fisherfolk had no catch as the lower water level destroyed fish breeding grounds in the river.

Another project, the Chico River Dam, would have destroyed forests and wiped out settlements of two indigenous peoples (IPs) in North Luzon: the Kalingas and Bontocs. Opposition against the project led to loss of lives among IPs. Thus, the militarization and people's resistance forced the WB and government to abandon the project.

There is yet another WB-funded project, the Casecanan Transbasin



following sectors: cooperatives (12), church-affiliated (11), labor (8), farmers (6), urban poor (6), environment (4), human rights (3) and issue advocacy groups (3).

These NGOs have used community to promote people's participation and develop people's capacity for self-help by providing the needed services and/or mobilizing the people for community-based projects. In addition to community organizing, most NGOs

in Cebu have conducted consciousness-raising campaigns, workshops, exposure trips, practicum and immersion.

☞ *Strengthening local councils.* A project to strengthen the barangay and municipal development councils in the province of Bohol was conceived and implemented by a group of six NGOs belonging to a provincial network of nongovernmental organizations called Bohol Alliance of Nongovernmental Organizations (BANGON). The project aimed to increase the participation of people's organizations in local community affairs as a basic strategy for them to gain membership in local development councils (LDCs). Also, assistance was extended to local government units (LGUs)

Diversion Project in Nueva Vizcaya, currently being implemented in the country which is expected to result in the submersion of 3,600 hectares of watershed area and encroachment upon 18,000 hectares of ancestral domain of Ilonggots.

If there is a flagship project the WB could boast of as an affirmation of the principle of grassroots participation, it is the Integrated Protected Areas Project (IPAS).

The IPAS project went through many changes from the identification of ten sites and the approval by the stakeholders of implementing guidelines. While it started out with an expertly designed implementation plan, it later shifted to an NGO-driven consultative process, evolving into a highly participatory project in which one community — the Mangyans in Mindoro — opted to say no to the project and excluded their community from the list of target areas.

In some cases, the Bank's own institutional characteristics and procedures limit the level of participation achieved in WB-funded activities. These limitations include its large-scale lending operations which is not always conducive to community-level

participation; limited field presence of bank staff to establish close relations with local organizations; and the pressure on bank staff to achieve planned lending targets, resulting in lower-quality projects and minimal attention to participatory processes.

Also, participation is limited by the geographical dispersal of affected communities and the need to build capability especially among affected sectors that are not yet articulate as a coherent group. There is usually a need to draw out that capability through separate forums where government representatives and, perhaps NGOs, may not dominate processes.

In terms of policy-based lending, two criticisms have been raised. One, the outcome of IMF and WB stabilization and structural adjustment programs has seldom been convincing enough to offset the dislocation in the form of unemployment, higher prices, and prolonged periods of disinvestment both in the public and private sectors. Also, externally imposed blueprints are seldom amenable to change from affected sectors, thus making them politically unsustainable.

The lack of consultation and participation in project and policy-based lending can be traced to seven factors:

☞ policy conditionalities are usually couched in very technocratic terms, making it hard for grassroots organizations to understand what the policies mean;

☞ institutional mechanisms requiring consensus around painful but necessary economic policies do not usually exist or are neither capable nor credible if they do exist;

☞ government's technocratic policy-making style precludes consultation such that government enforces reform measures using its decreed powers;

☞ technocracy believes the basic correctness of their blueprint is all that matters;

☞ there are no peak organizations that can negotiate with government and other threatened vested interests;

☞ some reforms will not work unless they are quickly implemented and are able to catch vested interest and pressure groups off-guard; and

☞ designing unique programs arising from consultations requires a capable and honest bureaucracy. □

in terms of capacity building and skills enhancement of local officials. These capability-building programs enabled the barangay officials to select their own development projects, after which they were given the seminar-workshops in project preparation and feasibility studies that became the basis for the barangay development plan.

↪ *Developing mechanisms for indigenous people's participation.* The Rural Organizations for Development (PRODEV) in

Pampanga implemented a skills-development project for the Aetas, a tribal community, to enable them to participate in meaningful development work. PRODEV conducted a three-day orientation and training on the LGC for the Aetas in cooperation with municipal

CASE STUDY

Walking With the People: The Presentacion Experience of PAGBICOL

The experience of the Pag-asang Bicolnon Foundation (PAGBICOL) gives an incisive look at community organizing efforts and GO-NGO collaboration in the poverty-stricken municipality of Presentacion, Camarines Sur in the Bicol region in Southern Luzon.

PAGBICOL, an NGO established in 1989 by 27 young Bicolanos most of whom were members of the international lay religious movement Christian Life Community, started its involvement in Presentacion in 1991 after it was contracted by the government's Department of Environment and Natural Resources (DENR) to implement the Community Forestry Program (CFP). Its satisfactory work in implementing the CFP allowed Pagbicol to build its track record as an NGO. Thus in 1992, the NGO was identified as one of the implementors of the first phase of the Pilot Provincial Agricultural Extension Program (PPAEP), which focused mainly on community organizing as the entry point for agricultural extension by the Department of Agriculture (DA). The Department of Health (DoH) also tapped PAGBICOL for its Partnership for Community

Health Development Program (PCHD), where it was able to propose several barangays in Presentacion as DoH target areas for development.

PAGBICOL was able to organize five partner POs from seven barangays in the upland farming and fishing municipality of Presentacion.

In its four years of development work in the municipality, PAGBICOL realized five significant gains:

↪ the formulation of development plans by communities through a consultative planning process. It was inferred that involving community representatives in all stages increases the POs' sense of ownership of the plans;

↪ the establishment, not only by the NGO but also by the POs, of initial venues for coordination among the different development actors. This led to the forging of the Presentacion Partnership for Sustainable Development (PPSD), a GO-NGO-PO body whose purpose is to identify and carry out a common vision for the municipality;

↪ the participation of PO members in local government structures through elections or

representation in local special bodies. This opened opportunities for greater GO-NGO-PO partnership;

↪ the effective educational initiatives on environmental protection. Through joint protection efforts, a change in practices was observed as POs' awareness on the protection, rehabilitation and conservation of the environment increases; and

↪ the concerted effort of PAGBICOL, partner POs and other NGOs in advocating policy changes of government agencies and international funding agencies.

A perfect illustration of the last item is the effort by the NGO/PO sector to see a shift in the mode of disbursements under the CFP program. After NGOs aired complaints about delays in fund releases of DENR, the Asian Development Bank (ADB) changed the CFP from a program loan to a project loan. This freed the funds from government's traditional budget process, with the money earmarked for each NGO contained in a funding check issued by the ADB to the DENR.

Also, the implementation of programs in Presentacion mark a strong community organizing

employees. The training program dealt with other areas like community organizing and skills consolidation. A systems appraisal of Aetas conditions was likewise undertaken, facilitating the creation of a 21-member Sectoral Advisory Council (SAC) from the ranks of both the Aetas and LGUs.

⇨ *NGO/PO selection and representation in Local Special Bodies (LSB)*. With the

goal of promoting people's representation, the National Coordinating Council on Local Governance (NCC-LG) was established by the Association of Foundations (AF), a non-government organization which has 114 member foundations nationwide together with other 17 national networks. The NCC-LG specifically aimed to help in the drafting of a nationwide mechanism for NGO/PO selection and representation of LSBs. The council now monitors the status of NGO/PO representation in the local bodies across the nation.

component involving four phases: **awareness building** among members of the community through training; **empowerment**, with the people responsible for identifying their goals and direction; **structure building**, where people implement their own plans; and **solidarity building** with other groups sharing the same development vision.

In the case of Presentacion, people's participation in local governance was enhanced with the presence of five factors:

⇨ provisions in the Local government Code (LGC) supporting increased NGO and PO participation, which PAGBICOL and its partner POs took advantage of, such as taking the lead in organizing Barangay Development Councils;

⇨ access, authority and control of NGOs/POs over resources;

⇨ recognition by the municipal government of the plans prepared by the POs;

⇨ linkages with other NGOs/POs in the province, like the Camarines Sur NGO/PO Development Network (CADENET) which aims to create a favorable political environment by working with the provincial government; and

⇨ the presence of trained community leaders.

The experience of Vicente Avila, president of one of PAGBICOL's partner POs, illustrates the last factor. After noticing irregularities in an affidavit containing details of a case of illegally cut lumber confiscation prepared by a DENR legal officer, he refused to sign the document even as the officer insisted the irregular items would facilitate the winning of the case. Avila declared defending a lie would bring about greater problems.

However, there are also five factors inhibiting popular participation in governance such as the non-establishment of and non-functional structures mandated under the LGC, resiliency of traditional government planning process, cultural values and dynamics of barangay people, lack of information/education campaign by local governments on the LGC, and structural, systemic and personal problems relegating participation and community organization to the background.

Yet, after four years of development work in Presentacion, there remains more challenges for PAGBICOL and its partner POs. The NGO/PO community needs to strengthen its links with the provincial and regional government structures, such as the

Regional Development Council, to advance its development vision of an economic growth paralleled with equity. Also, addressing the sustainability needs of organizations and their programs through resource mobilization must be done to enable them to focus more on pushing for participation in local government processes.

The value system of a community plays a crucial role in development efforts. Thus, there is a need to create value-based, culturally-appropriate, and socially accepted interventions emphasizing shared leadership, cooperation and action-reflection to liberate people from parochialism and selfishness.

PAGBICOL learned that concentrating and integrating projects and programs with community organizing components, rather than spreading these in separate areas, increases the mass base for participation. Consequently, the communities' external influence, particularly on political structures, is enhanced. Thus, the challenge for the NGO/PO is to continuously develop people's capabilities for greater organizational responsibility, for stakeholders to gain a sense of ownership of development initiatives. □

✦ *Establishment of cooperatives.* Generally, cooperatives are formed and managed by the same people who expect to gain from the benefits derived from its operations. A study of the viability and effectiveness of credit cooperatives revealed that cooperatives formed out of the people's initiative were more successful than those created upon imposition from a government agency. The study published by the Local Government Center also highlighted the desirability of non-bureaucratic and bottom-up approaches.

✦ *Trends in NGO/PO Action on a Nationwide Scale.* During the Aquino administration, the NGOs expanded in number as they were afforded official recognition by the government in the administration of development programs. This trend is continued under the present Ramos administration. The NGO community is highly visible in multi-sectoral fora initiated by the President to discuss and forge national consensus on various economic and social issues.

At present, there is no definitive or reliable estimate as to the exact number of NGOs and POs operating throughout the country. The Securities and Exchange Commission (SEC) estimates revealed about 18,000 to 20,000 registered NGOs while data from the Department of Interior and Local Government (DILG) placed the number at about 65,000. Coalitions of NGOs have also become very common, thus gaining for them much-needed political bargaining power and improving their credibility and competence.

The formation of Caucus of Development NGO Networks (CODE-NGO) in 1991 was a significant development for NGOs. The CODE-NGO sought to promote collective action and effective cooperation among NGOs as well as to distinguish the legitimate NGOs from thousands of other so-called NGOs. Linking the ten largest NGO networks operating in the country, CODE-NGO laid the foundations for defining the framework of GO-NGO cooperation. A Covenant on Philippine Development was also agreed upon by the CODE-NGO. It envisions the government's role as creating the necessary conditions for development to take place while NGOs' role as creating, sustaining and overseeing the NGO movement.

Insights and Recommendations

✦ Genuine people participation in the decision-making process at the formal structures of authority is hindered by structural and behavioral obstacles that require collective action and radical reforms. One important area needing NGO/PO action is redressing the concentration of land, wealth, productive resources and political power in the hands of the few. The predominance of elite influence in national

and local policy-making bodies invariably results in a largely conservative political agenda that relegates the needs of the masses to the back seat.

✦ The NGOs/POs may therefore involve themselves in introducing significant reforms in the electoral process, which is largely a contest among the rich and mired by deep-seated system of patronage. While Philippine laws provide for equal opportunities for every citizen to run for public office, the high costs of participating in the electoral race makes it practically impossible for an ordinary citizen to run with a fighting chance.

✦ Concrete electoral reforms NGOs and POs could undertake include strengthening the party system, mobilization of votes based on issues, supporting pro-people candidates, ensuring that limits to campaign expenditures and guidelines for media exposure are properly enforced, among others. There is also a need to address the electorate's lack of meaningful education and limited access to information, factors that undermine the essence of suffrage.

✦ Also, the apparent split along ideological lines among the NGOs and POs has weakened their collective strength and effectivity. The NGOs and POs must, nonetheless, consolidate themselves and define a united action during elections. By their sheer number and national network, the sector can be effectively transformed into a strong political force. The NGO/PO community can also press for the institutionalization of sectoral representation in the Congress and the party-list system. Sectoral representatives are still appointed by the President and a number of sectoral representative

The country lacks effective institutional mechanisms for GO-NGO collaboration. In practice, NGOs have been largely assigned minor roles in governance.

seats have yet to be filled up.

↪ Descriptions of GO-NGO relationships and collaboration range from mutual distrust and animosity to full cooperation and active partnership. Many NGOs are apprehensive of giving up their autonomy and independence for complete involvement in the formal structures and processes as defined in the constitution, laws, and policies of the country. This is borne out of the distrust over the prevailing predisposition of politicians to take advantage of NGOs in furthering their selfish interests. This suspicion strains the potential GO-NGO collaboration in various development programs. Alex Brillantes said the NGO community can counter-balance the situation by trying to "use" the government structures to advance their own development agenda. While many NGOs have earned a fairly good reputation in achieving their development mission due to their inherent flexibility and autonomy from government, cooperating with government does not mean NGOs/POs will be giving up their principles and dedication to serve the people.

↪ Another issue related to question of autonomy is the accreditation process of the NGOs by the government as defined in the Implementing Rules and Regulations of the LGC. The accreditation process

has already been mired by complaints of preferential treatment extended to certain NGOs.

↪ The country lacks effective institutional mechanisms for GO-NGO collaboration. In practice, NGOs have been largely assigned minor roles in governance. At the very most, NGO representation in many government programs are done on an ad hoc basis. However, NGOs have to come up with a set of clear-cut guidelines and criteria for selecting NGO representatives.

↪ NGOs are also in virtual competition for funding sources. Furthermore, the limited reach and capabilities of NGOs/POs are greatly challenged by the increasing responsibilities being thrust upon the NGO sector.

↪ In order to forge an effective GO-NGO cooperation, the following actions are needed: (1) develop mutual trust and respect between GOs and NGOs, (2) guarantee independence and autonomy of NGOs, (3) define the respective roles of GOs and NGOs in development work, (4) establish institutional framework for effective GO-NGO collaboration, (5) set up criteria for accreditation and representation of NGOs, and (6) extend funding support and incentives to NGOs and POs.

↪ Government financial institutions and the multilateral financial institutions which have been largely allergic to participation are important venues for people's involvement. The powers and functions of the Central Bank are vested on the Monetary Board (MB), which is composed of seven members all appointed by the President. Five out of the seven members are selected from the private sector. NGOs and POs must, therefore, take an active role in the selection process for members of the MB by pushing for the appointment of people known to be receptive to popular demands.

NGO Action Agenda

In view of the foregoing discussions, the following strategic action points for NGOs may be considered:

↪ *Definition and scope of the NGO paradigm.* The lack of an operational definition of the NGO sector, which could be traced to the broad range and diversity of NGO activities, has hampered the formulation and implementation of policies on GO-NGO collaboration. This has also led to a basic lack of awareness and understanding of NGOs. In this regard, NGOs should conduct further networking activities and workshops not only to reach a common definition of their sector, but also to explain their role and concerns within the government.

➤ *Strengthening the NGO network.* Although there have been large coalitions of NGOs established and mobilized, the entire NGO community is yet to make a significant impact and influence on public policy-making, particularly at the national level. NGOs need to further consolidate their ranks and reach a common ground in dealing with major economic and social issues. Strengthening the NGO community has practical implications on enhancing the overall efficiency and effectiveness of NGO actions as well as in overcoming common problems encountered in working with government.

➤ *Establishing an institutional framework for GO-NGO partnership.* Dealing and working with the bureaucracy raised important concerns for the NGO community. Aside from the lack of effective mechanisms for GO-NGO collaboration, NGOs have identified bureaucratic red tape, arbitrariness and negative attitudinal behavior within the GOs as some of the factors have been impeding meaningful development work. NGO dialogues and field interactions with GO officials should be backed up by strong GO policy mandates and instruments. NGOs should continuously push for their rights and legal mandates as provided for in the new Constitution and LGC. □

References

- V. Bruce, J. Tolentino, *The Political Economy of Credit Availability and Financial Liberalization: Notes on the Philippine Experience*. PIDS Working Paper Series No. 88-14, 1988.
- Mario B. Lamberte, "Financial Deregulation Experience in the Philippines" in *Deregulation and Economic Development in the Philippines*. Joseph Lim and Katsumi Nozawa (eds.). Tokyo: Institute of Developing Economies, 1991.
- Gilberto M. Llanto, et al., *Making Rural Credit Work: Emerging Lessons from the Local Resource Management Project*. National Economic and Development Policy and Agricultural Credit Policy Council, 1991.
- Wanda Tseng and Robert Corker, *Financial Liberalization, Money Demand, and Monetary Policy in Asian Countries*. IMF Occasional Paper 84. Washington D.C., 1991.
- S.N. Sen, *Central Banking in Undeveloped Money Markets*. Calcutta: Bookland Private Limited, 1967.
- The World Bank, *The East Asian Miracle: Economic Growth and Public Policy*. New York: Oxford University Press, 1993.
- Adams, James and Rietbergen-McCracken, Jennifer (1994). Participatory development: Getting the Key Players Involved. *Finance and Development Quarterly publication of the World Bank and the International Monetary fund/September 1994* pp. 37-38.
- Mr. Adams is the Director of the WB's Operations Policy Department. Ms Rietbergen-McCracken is the WB's Participatory Development Consultant.
- Amiro, Abe (1994). "The Ilongot and their Struggle to Defend Their Ancestral Land". *Pok'Aw*, Quarterly Publication of the Community Medicine Development Foundation, Inc. (COMMED), June 1994 p.3
- Archer, Jeffrey (1994, June). *Markets and Good Government: The way forward for economic and social development?*. NGLS Development Dossiers, UN Non-Government Liaison Service, Geneva, Switzerland.
- Bello, Walden (1994) *Dark Victory*. Published by the Freedom from Debt Coalition. Quezon City, metro Manila Philippines
- Broad, Robin. (1988) *Unequal Alliance: the World Bank, the International Monetary Fund and the Philippines* (University of California Press)
- Camdessus, Michel. 10 June 1994. *Economic Progress in Developing Countries and the Role of the IMF*, Address of the Managing Director of the International Monetary Fund at a Seminar Organized by the Irish Debt and Development Coalition, Dublin.
- Cernea, Michale M. (1994). "Population Resettlement and Development" pp 46-49 *Finance and Development* (A quarterly Publication of the International Monetary fund and the World Bank).
- Cernea is the World Bank's Senior Adviser for Social Policy and Sociology. He led the Bank's task Force for the 1993 resettlement Review.
- de Dios, Emmanuel PhD. 1992 *Poverty and the Fiscal Crisis*. Philippine Institute for Development Studies.
- Edwards, Sebastian (1990) *Economics of Populism in Latin America*.
- Haggard, Stephen and Kaufmann, Robert. 1990 "The Politics of Stabilization and Structural Adjustment." From a book edited by Jeffrey Sachs .
- Haggard, Stephen 1990. *The Political Economy of the Philippine Debt Crisis. Economic Crisis and Policy Choice: The Politics of Adjustment in the third World*. Joan Nelson (ed). Princeton University Press.
- House of Representative Committee on Cultural Minorities, Minutes of the Public Hearing, held on February 13, 1993 in Bayombong, Nueva Vizcaya.
- Human Rights Council for Australia (21 October 1994). *The Rights Way to Development: A human rights approach to development assistance*. (pp. 90-91) Working Document.
- Montes F. Manuel PhD. 1992, *The Role of the Bretton Woods Institutions in the Philippines in Ideological Options*. Published by the PCPS, 1992
- Payer, Sheryl (1982), _____
- Przeworski, Adam. 1991. *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*. New York: Cambridge University Press.
- Putnam, Robert. 1988. "Diplomacy and Domestic Politics: The Logic of Two-Level Games." *International Organization* 42 (3): 427-60
- World Bank Wapenhaus Report, 1993.

SRI LANKA

On 12 November 1994, Chandrika Kumaratunga of the left-leaning coalition People's Alliance took over as President of Sri Lanka. The new administration soon found out that at least \$700 million was missing from the country's treasury. The treasury was also depleted by a welfare package that the previous President, Dingiri Banda Wijetunga, approved shortly before the parliamentary elections on 16 August 1994. Meanwhile, the Justice Ministry was swamped with complaints of fraud, corruption, and bribery perpetrated by the former regime. The new government suspended payments on all agreements entered into by the previous administration. This was the environment under which NGOs in Sri Lanka were operating. While the situation seemed grim, there were also many opportunities to showcase the capabilities of NGOs.

Excerpts from the country paper prepared by the National NGO Council of Sri Lanka (NNGOC).

Form of Government:	Unitary multiparty republic
Number of NGOs:	At least 40,000
Attitude Towards NGOs:	Regulative
External Debt:	US\$ 5,607,000,000 (1992)
Budget Highlights:	Debt Service 22%; Education 10.1%; Defense 8.5%
Population:	17,830,000 (1994)

History of Government

Village affairs were once controlled by the *Gamsabhawa*, a council of elders. The *Gamsabhwawas* deteriorated in the 19th century with the gradual deterioration of village life under the British rulers. But the British realized the value of the *Gamsabhawa* as an instrument in maintaining irrigation tanks and channels. Thus, in 1856, the colonizers restored the *Gamsabhwawas* to their traditional role at least as far as irrigation was concerned. In 1871 the powers of the councils were increased by giving them authority to regulate village affairs concerning agriculture, fisheries, village schools and village paths. The *Gamsabhwawas* functioned all over the country for 100 years until they were abolished in 1987 and replaced with *Gramodaya Mandalas*, Development Councils, *Pradeshiya Sabhas* and Provincial Councils.

After gaining independence from the British, the government attempted to involve the people at the rural level in development activities by encouraging the formation of Rural Development Societies. There were no external lending institutions then, thus the Societies were supported with local resources without the participation of foreign experts. After some time, the Societies developed capabilities to effectively carry out development programs at the village level – providing school halls, clinics for health care, community welfare centers, village roads, bathing places, drinking water facilities and village irrigation systems. The Societies also promoted cottage industries, prevented litigation through conciliation boards, minimized crime through rural volunteer patrols, and introduced savings schemes. The community contributed materials and labor to these

efforts. Government contracts for rural projects were preferably awarded to the societies.

The *Kantha Samities* (Women's Organizations) were introduced at the same time as the Rural Development Societies. These assisted in the Societies' development efforts.

The value of cooperatives, introduced in 1911, was realized during World War II. Limited quantities of food were equitably distributed by Consumer, Agricultural and Multi-Purpose Cooperative Societies. In 1947, the Cooperative Agricultural Production and Sales Societies were formed to help rural agricultural producers market their produce. In 1957, the Multi-Purpose Cooperatives (MPCs) were formed

with much power and resources at their command. The MPCs owned a fleet of vehicles, provided jobs, and controlled much of the rural economy.

The Rural Development Societies, *Kantha Samities*, and the Cooperative Movement proved too much of a temptation for politicians to resist. They sought to control these organizations and soon they were advancing their own agenda with these bodies.

CASE STUDY

Sarvodaya Experience: Awakening of All

Formed in 1958 with a *shramadana* (sharing or lending of labor) work camp in a backward village, the Lanka Jatika Sarvodaya Shramadana Sangamaya (LJSSS) blossomed into a nation-wide movement by the mid-1970s and soon became the largest NGO in Sri Lanka. Inspired by Gandhian ideals and the Bhoodan movement in India, LJSSS is unsurprisingly rooted in Buddhist ideals and local culture and traditions. Its first 10 years were devoted entirely to *shramadana* camps spread across the country which mobilized the people in village reconstruction projects such as road-building, digging of irrigation canals and construction of houses. The independence from foreign funds was a significant plus during this period.

The second decade focused on village development using a "total approach to the development of man's personality and his social situation." Family gatherings, group

formations, development education, training schemes, community kitchens, health care centers, and pre-schools formed the main elements of the village development program. The work during this period began with 100 villages but expansion was inevitable. Until about 1973, expansion proceeded in carefully calculated stages, with the quality of the movement and the consolidation of work as the primary considerations. But a hostile attitude from some government sectors necessitated rapid expansion. This required greater funds, thus LJSSS turned to donors, mostly foreign.

Today the LJSSS claims to have reached 5,000 villages, about a quarter of all the villages in the country. *Shramadana* societies are expected to evolve by the following five stages: (1) Introductory, (2) Group formation, (3) Active, (4) Self-financing, and (5) Surplus. Stages 4 and 5 remain a distant goal for most villages, hence there is a continued dependence on foreign resources to

fund village-development programs.

To reduce this dependence, LJSSS launched a unit called Sarvodaya Economic Enterprise Development Services (SEEDS). Formed in 1986, SEEDS seeks to (a) promote income-generating activities at the village level, and (b) organize/manage small- and medium-scale commercial enterprises to generate income for LJSSS's social welfare programs.

Among the concrete achievements of the LJSSS are:

- ♣ Evolution of an alternative development vision based on indigenous culture and traditions, social harmony and sharing;
- ♣ Translation of the *shramadana* concept into a set of practices for rural economic and social infrastructure development; and,
- ♣ Taking pre-school education to the most remote villages of the country.

Using a set of ideals indigenous to the people, LJSSS has gained important achievements in rural development and is not far from realizing its ultimate goal of making Sri Lankan villages self-reliant and fully empowered. □

In 1977, the government introduced open economy policies aiming to:

- ↻ Eliminate direct state control on economic transactions, including price controls;
- ↻ Expand the economic area available to the private sector; and
- ↻ Change the focus of economic activity from inward orientation to outward orientation.

These changes led to import liberalization and relaxation of foreign exchange transactions. Safety nets which protected the people even before the country's independence were removed. Inflation aggravated the situation. New industries were set up to promote export trade. Some industries which catered to the local market had to be closed down. The devaluation of the rupee affected the purchasing power of rupee earners and the cost of living became too high for the average person. There was an inflow of foreign aid, but even these could not improve the country's economic situation.

Table 1.
Government
policies on
NGO
organization

Policy	Year Initiated
↻ Government must approve amendments to NGO's constitution	1961
↻ NGO must register with government	1961
↻ Government approval required for NGO projects	1986
↻ Government can monitor and inspect NGO projects and activities	1978
↻ NGO must report and get approval for expatriate involvement in its operations	1982/1988
↻ Government can appoint and remove NGO board members	1961
↻ Government can dissolve NGO	1961
↻ NGO resolution requires government approval	1961

No Place For People's Participation

There has been no opportunity for people's participation in recent Sri Lankan history, except to attend government functions and provide applause at political party meetings. Department executives merely carried out instructions without using participatory approaches. In the rural areas, development projects were usually awarded to independent contractors, gradually displacing the rural folk from the position of influence they enjoyed during the first decade of independence. This diminished the rural leaders' capacity to be active partners in development efforts. Soon, foreign experts were invited to lend advice.

The government has justified its non-participatory mode of governance with promises of development and, ironically, popular participation. For example, the local government system which replaced the *Gamsabhawas* was supposedly aimed at devolving power for maximum people's participation, especially since the leaders of the new local governments were elected by the people. Instead, the people had a smaller role in governance and the new local governments incurred high expenses with minimum usefulness to their constituents.

Factors Inhibiting Accountability of Institutions

↻ *Politicians*. Instead of serving the people, politicians sought to control the people by controlling the institutions which once gave them a say in their own development. Politicians also introduced policies without consulting the people, that further aggravated the people's depressing situation. For instance, the Handloom Weaving Centers gave rural women employment by producing an essential commodity. But when the open economy policies were introduced, the centers were ordered closed, and weaving instructors were paid to keep the centers closed. This was to give way to cheap imported textiles. Rural women who already developed weaving skills were left with no choice but to either work as domestic helpers in the Middle East or as factory workers in Sri Lanka's Free Trade Zone.

↻ *Contractors*. Rural projects were increasingly awarded to independent contractors. These contractors usually enjoyed political party patronage and

were not subjected to the controls under the Financial Control Procedures. With contractors in charge of rural projects, the ruralfolk were deprived of a means to participate in development efforts. These contractors' work were of poor quality, but of high cost. Unfortunately, the people's complaints were brought out only after a change in administration, not during construction.

✦ *Prevailing negative view against NGOs.* Although some government agencies indicate a desire to work with NGOs, the general feeling is one of mistrust. The NGO Commission of Inquiry appointed by the President in 1991 gave adverse publicity to NGOs. Government officials who never had an opportunity to work with NGOs claim these organizations must be perpetually probed and monitored. Tables 1 and 2 give an overview of the prevailing policy environment on NGOs.

Factors Promoting Accountability

✦ Since NGOs are mostly engaged in activities involving people's empowerment and participation, it is imperative that they get all the support they need. This support may come in the form of a favorable working environment with a few government agencies usually engaged in health care and sanitation, child care services, care for disabled persons and the elderly, disaster relief, and community development.

✦ Even the World Bank (WB) is advocating the participation of the poor and other marginal groups in its sponsored projects. Although this advocacy is more to promote the WB's business than anything else, NGOs and other concerned groups may take advantage of it to increase

popular participation and empowerment.

Existing NGO/PO Efforts

Most NGOs are of a religious and social development character, whose work are limited to their communities. Although they do not participate in governance at the national level, they contribute to the life of the community.

There are few religious NGOs that have played an important role in governance. The Buddhist *Sangha* wields considerable influence in the government's policy determination. The Christian Church, through the Bishops Conference, and Muslim and Hindu organizations led by prominent personalities are also influential. Political activists who fought for the independence of Sri Lanka took refuge in the Sri Lanka Temperance Association, the main agitation group against the colonial rulers.

The few efforts at promoting people's participation are due to the government's non-acceptance of NGOs. But where a government agency welcomes NGO participation, it is because of the following realizations:

- ✦ The government alone cannot complete the assigned task;
- ✦ NGOs and community-based organizations (CBOs) are better equipped to perform the task;
- ✦ It is cost-effective to involve the NGOs as partners in development;
- ✦ Government-sponsored programs are not sustainable; and
- ✦ There is a need to tap an additional source of funding to accelerate the development process.

Policy	Year Initiated
✦ NGO must register with government to receive foreign aid	1978
✦ NGO must report to the government any foreign aid received	1978
✦ NGO needs government approval to use foreign aid	1988
✦ NGO must file annual report with government	1978
✦ Donors need government approval before donating to NGOs	1978
✦ Foreign aid in foreign currency must be deposited with Central Bank or government-specified bank	1982
✦ Central Bank provides bi-annual report to government on all NGO foreign currency accounts	1961/1978
✦ Government can monitor and audit NGO accounts	1982/1983
✦ Government review required for NGO's annual budget	1986/1988

Table 2.
Government policies on
NGO finances

THAILAND

Thailand literally means "land of the free." An apt description for a country that was never dominated by a foreign power. Civilization had been flourishing in the country as early as 5,000 years ago, but ironically, the rural population has felt the impact of economic development only during the last three or four decades. Along with growth in the countryside came an increase in the number of non-governmental organizations like cooperatives and farmers' organizations, but these have remained politically and economically weak.

Excerpts from the country report prepared by Anek Nakabutara, Toweekiat Prasertcharoensuk and Chatchawan Thongdeelert in behalf of the NGO Coordinating Committee on Development (NGO-COD).

Form of Government:	Constitutional monarchy
Number of NGOs:	375 listed in directories
Attitude Towards NGOs:	Regulative
External Debt:	US\$13,238,000,000 (1992)
Budget Highlights:	Education 21.1%; Defense 17.2%; Debt service 4.2% (1991-92)
Population:	57,586,000 (1994)

History of Government

During the 13th century, the first independent Thai kingdom was established. The Sukhothai King, Ramkamhaeng, referred to as the father of Thailand, created a Thai alphabet which united scattered tribes into a nation. The death of Ramkamhaeng ushered the decline of the country, then under the control of a rival kingdom, Ayutthaya, which reigned for 400 years. A series of wars with Burma, starting from the early 1500s, ended in 1767 with the victorious Burmese destroying Ayutthaya and plunging Thailand into what was considered as its darkest period.

The Thais under King Taksin drove out the Burmese some 10 years later and a new capital was established at Bangkok. Taksin was overthrown four years later by a coup de etat and was executed. General Chakri began his reign as king, the first of the Chakri dynasty which rule to date.

In the 19th and early 20th centuries, Rama IV and Rama V led Thailand towards modernity and democracy. Through diplomacy they parried off British and French expansion into Thai territory.

A bloodless revolution ended the absolute monarchy in 1932. The king was invited to remain as constitutional monarch, following the British model. But instead of a parliamentary government, Thailand had a military dictatorship.

Over the last 60 years, Thailand has had only a few elected civilian governments. Military leaders retained or took power through coups and counter-coups. Thanom Kittikachorn, one of the more notable dictators,

Several programs are now being implemented with the active participation of NGOs, including:

- ♣ Small Farmers and Landless Credit Project of the Central Bank;
- ♣ Community Water Supply and Sanitation Project; and
- ♣ *Janasaviya* program.

Insights and Recommendations

- ♣ Nearly half a century of NGO work has created new principles and practices that could enhance the efficiency of government projects.
- ♣ People's participation in development projects must be fostered by NGOs. A sustainable, village-centered approach at development, taking into consideration the village's unique culture, must be introduced.
- ♣ A permanent NGO-GO link must be established. A reluctant bureaucracy must be persuaded to accept symbiotic relations with NGOs. Recommendations and suggestions of NGOs must be considered by the national and local governments.
- ♣ Minor rural construction projects should preferably be awarded to NGOs.
- ♣ Effective management and transparency are also expected of NGOs. Thus, institutional development and organizational strengthening must be considered.
- ♣ Greater collaboration among NGOs and people's organizations (POs) must be encouraged.
- ♣ NGOs have developed organizational capabilities and a range of expertise. The governments of the Asian region must learn to tap this sector to

energize the participatory process.

- ♣ NGOs must be given legal recognition as advisory bodies or partners of the government.
- ♣ NGO delegates must be given representation in Parliament or local assemblies.
- ♣ Coordination between NGOs and the government in national projects or selected national activities must be encouraged.
- ♣ Currently, the *Gramodaya Mandalas*, the lowest level of local government, has encouraged rural volunteer leaders to participate in civic activities. Meanwhile, in the Ministry of Defence, there is an NGO Coordinating Committee for Welfare in the North and East, established by the Presidential Secretariat. Members of the Armed Forces were often reluctant to voice their opinions or needs to their officers, but they found the NGO delegate in the committee more approachable. □

References

- S. Arumugan. *Water Resources of Ceylon*.
- R.L. Brohier. *Food and the People*.
- External Resources Department, Ministry of Finance, *Foreign Aid Indicators Sri Lanka*, 1993.
- National NGO Council of Sri Lanka, *Sri Lanka Country Paper on Sustainable Agriculture Towards Food Security and Enhancing the Quality of Life*, 1993.
- Report of the Kandyan Peasantry Commission*, 1951.
- Social Scientists Association, Sri Lanka, *Structural Adjustment Policies in Sri Lanka - A Critical Evaluation*, 1993.
- World Bank Operations Policy Department, *World Bank and Participation*, 1994.



stage of the project was not a complete success. The resettlement plan failed to consider the villagers' heterogeneous culture and rich traditions. The simple grid pattern imposed on community settlements and the allocation of blocks of land by ballot was unsuitable to the villagers' way of life.

The fragmented implementation of the project was mainly due to the large number of government agencies directly or indirectly involved in forestry and land-use problems.

Their guidelines were sometimes contradictory and often were not responsive to the problem.

The National Forestry Policy of 1985, for instance, overemphasized the economic utilization of forests and failed to consider the poor who relied heavily on native forest areas for their basic needs.

Meanwhile, the National Forest Reserve Act designated forest reserve areas where villagers automatically became illegal inhabitants. But the Local Administration Department provided these same people with schools, temples, and health care centers.

CASE STUDY

Community Forestry Network: Solving an Undying Problem

Forest depletion is an increasingly controversial issue in the country. On the one hand, government authorities believed that poverty is the main cause of deforestation. On the other hand, academics, NGOs and the rural poor believed that the poor living in forests have the capacity to manage and conserve forests sustainably.

Thirteen forestry networks, with the help of NGOs and members of the academe, thus formed a "policy dialogue" where all validated information and proposals from people's organizations are discussed with various policy makers in government.

Field visits are made every two or three months to follow-up on activities and implementation of policies agreed upon.

Three task forces were created to enhance and facilitate efforts at forest conservation with popular participation:

Task Force	Composition	Action
1. Conflicts task force	- three GO representatives - 13 community forestry leaders - five NGOs - five academicians	- to explore a joint solution - to coordinate with concerned agencies - to propose alternatives to policy-makers
2. 13 Forest People's Networks	- 13 community forestry leaders	- to communicate and coordinate with all villagers and leaders
3. Joint lobbyists	- Royal Forestry Department representatives - NGO representatives - PO leaders	- to conduct joint strategic analyses - to lobby and communicate with the political parties

Popular participation has been encouraged by the tripartite task force as manifested by:

- ⌘ People's fora and field visits with farmer leaders;
- ⌘ Dialogues among the three task forces both during formal and informal meetings;

The tripartite task force found that three main components at the community level must be

strengthened to assure sustainability:

- ⌘ Traditional wisdom and values including indigenous technology to conserve and manage local resources;
- ⌘ Community leaders and organizations;
- ⌘ Community fora where all villagers can share and have access to relevant information. □

assumed power in 1963. In 1971, he declared martial law and annulled the constitution. A popular and bloody revolt in 1973 led to a short-lived democratic civilian government. Military rule returned in 1976 under General Kriangsak Chomanan.

In 1980, General Prem Tinsulanond assumed power. Parliamentary politics returned during his eight-year tenure. He lost to Chatichai Choonhavan during the 1988 elections, but a bloodless coup in February 1991 overthrew the Chatichai government and initiated the rule of General Suchidna Kraprayoon. In 1992, calls for Suchidna's resignation and pro-democracy rallies in Bangkok ended with the infamous May 17-22 military slaughters of protesters.

King Bhumipol intervened to force Suchidna's resignation, and the general elections of September 1992 brought to power a five-party coalition with Priemere Chuan Leekpai, a Democrat Party leader, at the helm.

Prevailing View on People's Participation

Thai history is replete with instances of the people insisting on their rights and their freedom, despite risks to their very lives. It is accepted within academic and non-governmental circles that the most important and fundamental means to solve any problem is through people's participation. The participation of non-governmental organizations (NGOs), other interest groups and the public in general is crucial for helping the government address social problems, especially in remote areas.

The authoritarian system in Thailand, established and maintained by dictatorial military and civilian regimes, has directed the political and economic development of the country. Authoritarianism was expected to balance national development by making it more harmonious and just. But in reality, the government machinery has favored the business and industrial sectors, so much so that laws and policies have been made to benefit the elite.

Enabling Environment for People's Participation

Surrendering to Western pressure, Rama IV and Rama V adopted various western laws and an occidental educational system. Concessions to the west was highly evident in the forestry sector where all rights to exploit forest resources were reserved to the government or awarded to private entities, usually foreign interests. Due

to an economic boom from 1988 to 1992 fueled by foreign capital investment, the government closed off national parks, conservation forests and wildlife sanctuaries to the rural people. The political conflict between the state and the rural communities has been a nationwide crisis aggravated by the fact that most policy-makers base their judgments on either physical science or state laws, ignoring indigenous and traditional methods of natural resources management and conservation.

Using the forestry sector as an example, the following have been observed in Thai policy implementation:

- ✦ Lack of people's participation;
- ✦ Vested interests among politicians;
- ✦ Non-concrete policies and their fragmented implementation by various government agencies.

The lack of people's participation is obvious in the centralized implementation of forestry projects. Since the basic perception of the projects was that the local people are the main cause of deforestation and do not contribute to maintaining forests (a poor analysis of the problem), they are seen as *the* problem. Thus, local people were not involved in planning and decision-making processes. Neither were local government agencies concerned about forest and land-use problems consulted during the planning stage.

There was also a lack of strong people's organizations (POs) that could protect the local villagers' rights. Most POs were weak due to legal constraints and lack of assets. The people affected by the forestry projects were able to solidify their strengths only with the help of the media, outside NGOs, students, professors, and politicians, and only after suffering the effects of the projects.

Because the villagers were not consulted, the community resettlement

Another harmful policy is that there are no limits on an individual's land ownership. As a result of the government's promotion of agro-industry, there was an increasing demand for land, hence a consequent increase in land prices. The rich were able to buy unlimited lands, while many rural poor were forced to sell their lands to pay debts incurred as a result of the slump in prices of cash crops.

Existing NGO/PO Efforts

Development NGOs are engaged in various activities including:

- ✦ rural community development;
- ✦ urban community development;
- ✦ child and youth development;
- ✦ women development;
- ✦ labor development;
- ✦ education;
- ✦ conservation and environmental development;
- ✦ community health promotion;
- ✦ consumer protection;
- ✦ human rights protection;
- ✦ agriculture;
- ✦ media for development; and
- ✦ technical support services and information dissemination.

Successful NGO initiatives in several pilot projects have played a significant role in shaping national policy. NGO and PO initiatives in promoting people's participation helped convince the government to emphasize the role of the private sector and mobilize their support and cooperation in the fifth and sixth Five-Year Development Plans.

Monitoring and advocacy roles became prominent after a student uprising in 1973. At present, there are concerted efforts to link monitoring with follow-up campaigns and proposals for new options and

alternatives. The monitoring function was expanded to include other areas of development aside from human rights protection. Since opposition political parties cannot effectively play their roles, the monitoring function becomes important to counterbalance the government.

Increasing political freedom and the recent link-up between NGOs and the media have strengthened the role of NGOs in advocacy for change. Since primary targets include major institutions, government and private business sectors, and international development agencies like the World Bank, NGOs engaged in monitoring and advocacy generally did not enjoy a good relationship with government organizations.

Regarding the perennial problem of deforestation, the rural people are aware of the importance of the forest and they contribute to forest management and conservation as their livelihoods rely on the forests and ecological systems. About 90 percent of rural folk in the northern region of the country secure their living from forest-based food and herbal medicine. These people's traditional beliefs contribute to appropriate management of forests. For example, applying Buddhist practices, they tie yellow ropes around the remaining big trees to "ordain" those trees and protect them from being cut down. More importantly, many villages have established their own organizations to conserve and protect forest resources. Their activities include policing the forests, implementing forest rules, updating information and exploring ways to conserve and improve forests and watershed areas.

Insights and Recommendations

The dilemma between GOs and NGOs/POs is as follows:

GO	NGO
<ul style="list-style-type: none"> ✦ Increase political power ✦ Control law 	<ul style="list-style-type: none"> ✦ No political base ✦ Accused as "anti-law" or anti-establishment
<ul style="list-style-type: none"> ✦ Big bureaucracy 	<ul style="list-style-type: none"> ✦ Small organization more experienced
<ul style="list-style-type: none"> ✦ Less knowledge and skill to promote people's participation ✦ High cost of operations 	<ul style="list-style-type: none"> ✦ Greater complementarity and diversity among POs ✦ Low cost of operations but less support from donors

Thus, the Royal Thai Government must:

- ✦ Have a clear policy statement on NGOs' participation in national development;

- ⇨ Familiarize its officials on NGOs;
- ⇨ Establish communication channels with NGOs;
- ⇨ Support development-oriented NGOs; and
- ⇨ Adjust government policies to meet the needs of rural communities without conflicting with their way of life.

Donors are encouraged to:

- ⇨ Explore flexible funding mechanisms to include NGOs not registered with the government; and
- ⇨ Nurture a working partnership with NGOs.

NGO Action Agenda

⇨ Create awareness among all concerned on the role of NGOs. The general public's acceptance and support are crucial for effectiveness and funding of NGO operations.

⇨ Strengthen NGO capabilities and capacities to meet increasing demands. Voluntarism plays an important role in the success of operations, thus, must be encouraged.

⇨ Consider changing attitudes and new visions to adapt to the rapidly changing socio-political and economic environment.

NGO leaders also recommend the revitalization of organizations to cope with the rapidly changing national situation and the global economy. They say that NGOs must be more realistic, self-analytical and ready to learn from society. □

References

- Y. Abhichatvallop, "People and Natural Forests" in *People and Forestry in Thailand: Status, Problems and Prospects*. Chiangkorn University Social Research Institute, Bangkok, 1988.
- Anon, *Thailand in Figures*. Alpha Research, Bangkok 1993.
- The Assembly of Northeastern Peasants for Acknowledgment of Occupational Rights and Conservation of Natural Resources (APRC), The executive summary of discussion between Mr. Apilat Osathanon, Permanent Secretary of the Office of the Prime Minister, and representatives of NGOs and APRC, 1992.
- R. Chambers, *Sustainable Rural Livelihoods: A Key Strategy for People, Environment and Development in The Greening of Aid: Sustainable Livelihoods in Practice*. Earthscan, London, 1988.
- R. Chambers, *Rural Appraisal: Rapid, Relaxed and Participatory*. Institute of Development Studies, DP311, 1992.
- R. Chaisawat (1992). The Relationship of National Forestry-Land Policies and the Impacts on People's Land Ownerships: A case of the Khor Jor Kor Project in Forum for Annual Reporting on Environment 1992. Bangkok, 1992.
- M. Danthanin, et al., *Thailand's Community Forests: The Development Direction Volume 3 Community Forests in the Northeast*. Local Development Institute, Bangkok, 1993.
- Department of Environmental Quality Promotion, "Environmental Situations 1991-1992," in P. Nutralai, et al., eds., *Forum for Annual Reporting on Environment 1992*. Bangkok, 1992.
- G. Feder, et al., *Land Policies and Farm Productivity in Thailand*. Johns Hopkins University Press, Baltimore and London, 1988.
- D. Feeny, "Agricultural Expansion and Forest Depletion in Thailand, 1900-1975," in John F. Richards and Richard P. Tucker, eds., *World Deforestation in the Twentieth Century*. Duke University, Durham and London, 1988.
- K. Hewison, "Thailand's Capitalism: problems for an economic miracle," in *Development Bulletin*, 28 (August): 4-7, 1993.
- P. Hirsch, *Development Dilemmas in Rural Thailand*. South-East Asian Social Science Monographs, Oxford University, New York, 1990.
- P. Hurst, *Rainforest Politics: Ecological Destruction in South-East Asia*. Zed Books, London, 1990.
- International Security Operations Command (ISOC), "The Land Resettlement Programme for the Poor Living in Degraded Forest Reserves in the Northeast Region: Monitoring and Evaluation Report of 1991." Bangkok, 1991.
- ISOC, "The Land Resettlement Programme for the Poor Living in Degraded Forest Reserves in the Northeast Region: Progress Report of 1991 and Budgeting of 1992." Bangkok, 1991.
- T. Jandee, "Thai Rural Department: From Past to Present," in *Economic and Social Journal*, 30(2):10-7, 1993.
- J. Krongkaew, "How Suan Kitti Cornered Land holdings," in *The Nation*, 6 February 1990. Bangkok, 1990.
- G. Kurian, *Encyclopedia of the Third World, Volume III*. Facts on File, New York, 1993.
- A. Limprungpattanakit, "Kitti vows to pursue plantation dream," in *The Nation*, 12 February 1990. Bangkok, 1990.
- Local Development Institution, *Forest-Land and Khor Jor Kor: the justice solutions*. Bangkok, 1992.
- L. Lohmann, "Commercial tree planters in Thailand: A continuation of deforestation by other means," in *Thai Development Newsletter*. No.18, 1990:20-5, 1990.
- _____, "Peasants, Plantations, and Pulp: The Politics of Eucalyptus in Thailand," in *Bulletin of Concerned Asian Scholars*, 23 (Oct-Dec):3-17, 1991..

- S. Manarangson, "The Evolution of Thai Agriculture on the Track of the Newly Industrialised Country," in *Siam Weekly*, 39(16):16-7, 1992.
- V. Mingmaneeenakin, *Thai Rural Development*. Thammasart University, Bangkok, 1988.
- National Economic and Social Development Board, *Thailand National Report to the United Nations Conference on Environment and Development*. Bangkok, 1992.
- United Nations Development Programme (UNDP), "The Grameen Bank: Replicating a Success Story," in *Cooperative South*, December 1991.
- UNDP, *Human Development Report 1993*. Oxford University Press, New York, 1993.
- J. Vanatsapong, "From Khor Jor Kor to land Reform Programme and the last land of Sie Chom Poo villagers," in *Siam weekly*, 40(2):40-1, 1993.
- _____ "One year after the termination of the Khor Jor Kor: an expensive lesson of the northeast," in *Siam Weekly*, 40(4):20-4, 1993.
- P. Vorapien, "New hope in concept after hard lessons in conservation," in *The Bangkok Post*, 21 July 1993:25-6, 1993.
- S. Wankaew, et al., *Resource Utilisation and Social Conflicts: the dynamic of becoming a NIC and development alternatives*. Alternative Development Studies Programme, Chulalongkorn University Social Research Institute, Bangkok, 1993.
- P.G. Warr, *Thailand's Economic Miracle*. National Thai Studies Centre, Australian National University, Canberra, 1993.
- P. Wañanapoom, et al., "A survey of perceived implementation problems and proposed remedies in national rural development planning in Thailand," in *Research Monograph No. 8*. Asian Institute of Technology, Bangkok, 1986.
- Watson, *Atlas Advanced*. Collins & Longmans, London, 1968.
- World Commission on Environment and Development, *Food 2000: global policies for sustainable agriculture*. Zed Books, London, 1987.



LIST of PARTICIPANTS

Bangladesh

Mr. A.B.M. Shamsul Huda
Executive Director
Association for Land Reform and
Development (ALRD)
9/17 Iqbal Road, Mohammadpur,
Dhaka 1207 Bangladesh
Tel: (880-2) 317092
Fax: (880-2) 813095 (ATTN: ALRD)

Dr. Atiur Rahman
Senior Research Fellow
Bangladesh Institute for Development
Studies (BIDS)
E-17 Agargaon, Dhaka 1207
Bangladesh
Tel: (880-2) 329172
Fax: (880-2) 813023
E-mail:
SHAMUNNAY@DRIKTAP.TOOL.NL

India

Mr. P.M. Tripathi
President
Association of Voluntary Agencies in
Rural Development (AVARD)
5 (FF) Institutional Area
Deen Dayal Upadhyaya Marg,
New Delhi 110 002 India
Tel: (91-11) 3314690, 3316782
Fax: (91-11) 3712501
Telex: 03161167 ab fair in
E-mail: charkha@unv.ernet.in

Mr. Sanjoy Ghose
General Secretary
AVARD
Mr. Ajay Mehta
Chief Executive
Seva Mandir
Old Fatehpura, Udaipur 313001
Rajasthan, India
Tel: (91-294) 524083
Fax: (91-294) 560047, 560047

Mr. M.V. Rajasekharan
Executive Trustee and Coordinator
Asian Institute for Rural Development
(AIRD)
7-A Ratnavilasa Road, Basavanagudi,
Bangalore 560 004, India
Telefax: (91-80) 6604091
Tel: (91-80) 6611859 (res.)

Dr. G.N. Reddi
Chairman
South Asia Rural Reconstruction
Association (SARRA)
506, 9th Main, 3rd Cross,
HAL II Stage, Indiranagar
Bangalore 560 008 India
Tel: (91-80) 5282227
Fax: (91-80) 5282-627 Attn. Box 153
Telex: 528-4608 BSPL IN

Mr. N. Krishnaswamy
Representative
Gandhi Peace Foundation
221 Deen Dayal Upadhyaya Marg.,
New Delhi 110002 India
Tel: (91-11) 3311734, 3317491

Indonesia

Mr. Muhamad Zulkarnaen
Programme Director
Wahana Lingkungan Hidup Indonesia
(WALHI)
Jl. Pulo Mar Utra I/F-8
Jakarta, Indonesia
Tel: (62-21) 7941672
Fax: (62-21) 7941673

Mr. Asmara Nababan
Executive Secretary
International NGO Forum on
Indonesian Development (INFID)
Jalan Duren Tiga Selatan No. 15,
Jakarta 12760 Indonesia
Telefax: (62-21) 7995400
E-mail: infid@nusa.or.id

Mr. Em. Haryadi
Director
BINA SWADAYA
Jl. Gunung Sahari 111/7
P.O. Box 1456, Jakarta-Pusat, Indonesia
Tel: (62-21) 4204402
Fax: (62-21) 4204812

Mr. Ali Azhar Akbar
Program Coordinator
E-Law Centre
Jl. Mampang Prapatan XV/41, Indonesia
Tel: (62-21) 7941672
Fax: (62-21) 7941673

Japan

Mr. Makoto Imada
Program Director
The Sasakawa Peace Foundation (SPF)
3-12-12, Mita Minato-ku
Tokyo 108 Japan
Tel: (81-3) 37696933
Fax: (81-3) 37692090
Telex: 242-3665 SPFJ
E-mail: imada@spf.or.jp

Mr. Koshiro Takada
Program Officer
SPF
Tel: (81-3) 37696926
Fax: (81-3) 37692090
Telex: 242-3665 SPFJ
E-mail: takada@spf.or.jp

Yoshiko Wakayama
Program Officer
SPF
Tel: (81-3) 37692081
Fax: (81-3) 37692090

Ms. Shoko Yamada
Assistant Program Officer
SPF
Tel: (81-3) 37696927
Fax: (81-3) 37692090

Malaysia

Mr. Bishan Singh Bahadur and
Mr. Tan Chek Teng
Management Institute for Social
Change (MINSOC)
B-2114, 1st Floor, Jalan Merpati 25300
Kuantan, Pahang Darul Makmur,
Malaysia
Tel: (60-9) 5133160
Fax: (60-9) 5144982

Mr. Gurmit Singh
Adviser
Environmental Protection Society
Malaysia (EPSM)
P.O. Box 382, 46740 PJ Malaysia
Tel: (60-3) 7757767
Fax: (60-3) 7754039

Mr. Jimmy Chan
Executive Member
Malaysian Consultative Council
Buddhism, Christianity,
Hinduism and Sikhism (MCCBCHS)
528, Jalan Bukit Nanas
50250 Kuala Lumpur, Malaysia
Tel: (60-3) 7569542
Fax: (60-3) 2308608

Mr. Thiruvagasam
President
Persatuan Saiva Siddhanta
No. 8C Jalan Paoh
Off Jalan Joke Yew,
Kuala Lumpur, Malaysia
Tel: (60-3) 2216460 (res.)

Mr. G.M. Subramaniam A/L
Munusamy
Assistant Secretary
Malaysian Hindu Sangam
20 Jln. Kolam Air 4, Off Jln. Ipoh
Kuala Lumpur, Malaysia
Tel: (60-3) 4427824

Ms. Josie Zaini
President
Education and Research Association
(ERA)
P.O. Box 16, 30700 Ipoh, Perak,
Malaysia
Tel: (60-5) 5273401
Fax: (60-5) 5273401

Mr. Alfred Vengadasalam
Industrial Relations and Research
Executive
National Union Employee Comp.
Manufacturing Rubber Products
No. 28 Jln Utas A, 15 A
Seksyen 15, Shah Alam
Selangor Darul Ahsar, Malaysia
Tel: (60-3) 5501640
Fax: (60-3) 5501170

Mr. Wan Abdul Aziz Ahmad
Deputy General Manager
Sustainable Development Network
Malaysia (SUSDEN)/KADA
KADA, P.O. Box 127, 15710 Kota
Bharu, Kelantan, Malaysia
Tel: (60-9) 7447088
Fax: (60-9) 7441053

Mr. Anis Yusoff
Consultant
Asia Pacific 2000
United Nations Development
Programme (UNDP)
P.O. Box 12544, 50782,
Kuala Lumpur, Malaysia
Tel: (60-3) 2559122 ext. 214
Fax: (60-3) 2532361

Mr. Premesh Chandran
Pusat Bara/Youth Center
7, Jln. 12/15, 46200 P.J., Malaysia
Tel: (60-3) 7552942
Fax: (60-3) 7582300

Mr. Syed Abdus Samad
Executive Secretary
Association of Development Research
and Training Institutes of Asia and the
Pacific (ADIPA)/ Asian and Pacific
Development Centre (APDC)
Pesiaran Duta, P.O. Box 12224 Kuala
Lumpur 50770 Malaysia
Tel: (60-3) 2548088
Fax: (60-3) 2550316

Mr. Syed Shahir
Executive Secretary
National Union of Transport Equipment
and Allied Industries Workers No. 30A,
Jalan Utas A
Section 15, 40000 Shah Alam Selangor,
Malaysia
Tel: (60-3) 559242
Fax: (60-3) 5506863

Nepal

Mr. Hari Bhakta Adhikari
Acting Chairman
NGO Federation of Nepal
P.O. Box 7768
Dillibazar (Behind Batuleghar)
Kathmandu, Nepal
Tel: (977-1) 410936
Fax: (977-1) 419148

Dr. Rishi Raj Adhikari
Author
Rural Reconstruction Nepal (NGF-N)
G.P.O. Box 8130, Lazimpat,
Kathmandu, Nepal
Tel: (977-1) 415418
Fax: (977-1) 418296
E-mail: rrrn@rrnpc.mos.com.np

Ms. Bimala Yogi
Delegate
Nepal Women's Community Service
Centre Dang
P.O. Box 7768, Dillibazar (Behind
Batuleghar) Kathmandu, Nepal
Tel: (977-1) 410936
Fax: (977-1) 419148

Pakistan

Dr. M. Sadiq Malik
Executive President
Rural Development Foundation of
Pakistan (RDF)
31 Mauve Area, G-9/1, RDF Centre,
P.O. Box 1170, Islamabad
Pakistan
Tel: (92-51) 858972, 260373
Fax: (92-51) 261386
Telex: 5811 NAIBA PK, 5945 CTOIB

Mr. Hassan Khusro Mir
Executive Vice-President
RDF

Mr. Azmat Altaf Elahi Malik
Vice-President and Executive Director
Malik Maula Bakhsh Memorial Trust
(MMBMT)
House No. 6-B, Street, 70, F-8/3
Islamabad, Pakistan
Tel: (92-51) 255513
Fax: (92-51) 256668

Philippines

Mr. Sabas Mabulo
Executive Director
Pag-asang Bicolnon Foundation, Inc.
(PAG-BICOL)
154-J Tena's Apartment
Jacob St., 4400 Naga City
Philippines
Tel: (63-5421) 739024
E-mail: PhilDHRRRA@phil.gn.apc.org

Mr. Joel V. Mangahas
Assistant Professor
College of Public Administration
University of the Philippines
Diliman, Quezon City
Philippines
Tel: (63-2) 989085
Fax: (63-2) 993861

Fr. Antonio J. Ledesma, S.J.
Chairman
South East Asia Rural Social
Leadership
Institute (SEARSOLIN)
P.O. Box 89, Cagayan de Oro City 9000
Philippines
Tel: (63-8822) 724096
Fax: (63-8822) 722994

Ms. Ma. Estrella A. Penunia
 Director
 Center for Community Services (CCS)
 Social Development Complex
 Ateneo de Manila University
 Loyola Heights, Quezon City
 Philippines
 Tel: (63-2) 9244542, 9244546
 Telefax: (63-2) 9244542

Mr. Antonio B. Quizon
 Executive Director
 Asian NGO Coalition for Agrarian
 Reform and Rural Development
 (ANGOC)
 No. 14-A, Eleventh Jamboree St.
 Barangay Sacred Heart Kamuning,
 Quezon City 1103
 Metro Manila, Philippines
 Tel: (63-2) 993315, 973019
 Telefax: (63-2) 9215122
 Telex: 67772 ANGOC PN
 Cable: ANGOCARRD, Manila
 E-mail: angoc@igc.apc.org -or-
 angoc@econet.apc.org

Mr. David M. Ingles
 Deputy Executive Director
 ANGOC

Sri Lanka
 Mr. L. M. Samarasinghe
 Executive Director
 National NGO Council of Sri Lanka
 (NNGOC)
 380, Bauddhaloka Mawatha
 Colombo-7, Sri Lanka
 Tel: (94-1) 686056
 Fax: (94-1) 698315

Ms. Indrani Iriyagolle
 Director/President
 NGO Council of Sri Lanka & Sinhala
 Women's Organization/Sinhala
 Kanthabhivurdhi Sanguidanaya (SKS)
 Office, G-6-7, National Housing
 Complex, Vipulasena Mawatha,
 Colombo 10, Sri Lanka
 Tel: (94-1) 685552

Mr. Olcott Gunasekera
 Chairman/President
 National NGO Council of Sri Lanka
 (NNGOC)/ Dharmavijaya Foundation
 380/7, Bauddhaloka Mawatha
 Colombo-7, Sri Lanka
 Tel: (94-1) 698870
 Fax: (94-1) 683016

Dr. S. Kumaraswamy
 Director
 Agroskills, Ltd.
 77/1 Isipathana Mawata
 Colombo 5, Sri Lanka
 Tel: (94-1) 508129
 Fax: (94-1) 584124, 586635

Mr. Cyril Ekanayake
 General Secretary
 Lanka Jalhika Sarvodaya Shramadana
 Sangamaya (SARVODAYA)
 98, Rawathawatte Road
 Moratuwa, Sri Lanka
 Tel: (94-1) 647158, 647159
 Fax: (94-1) 647084

Thailand
 Mr. Taweekiat Prasertcharoensuk
 Vice-Chairperson
 NGO Coordinating Committee on
 Development (NGO-COD)
 409 Soi Rohitsook Bracharajbampen
 Road, Huay-Khwang, Bangkok,
 Thailand
 Tel: (66-2) 6910437-8
 Fax: (66-2) 6910438

Mr. Chatchawan Thongdeelert
 Chairperson
 NGO-COD/Northern Region
 36/1 Tanin Road,
 Chang Puek Sub District, Muang
 Chiangmai 50300 Thailand
 Tel: (66-53) 212617
 Fax: (66-53) 222671

Mr. Anek Nakabutara
 Secretary-General
 NGO-COD/National Committee
 39 Rimklong Cholpratan Road
 Suthep Sub District, Muang Chiangmai
 50200 Thailand
 Tel: (66-53) 212417
 (66-53) 804525-6

Resource Persons
 Ms. Medha Patkar
 Narmada Bachao Andolan (NBA)
 B-13, Shivam Flats Racecourse Road,
 Near Working Women's Hostel
 Baroda — Gujarat, India
 Tel: c/o (91-265) 554979
 Fax: (91-265) 424799

Mr. Walden Bello
 Professor
 University of the
 Philippines
 Sociology Department
 University of the
 Philippines
 Diliman, Quezon City,
 Philippines
 Tel: (63-2) 7317295
 Fax: (63-2) 7317295
 Mr. Anwar Fazal

Regional Coordinator
 Asia-Pacific 2000
 United Nations Development
 Programme (UNDP)
 Wisma UN, Blok C, Komplek Pejabat
 Damansara, Jalan Dungun,
 Damansara Heights, 50490 Kuala
 Lumpur, Malaysia
 Tel: (60-3) 255-9122
 Fax: (60-3) 255-2870

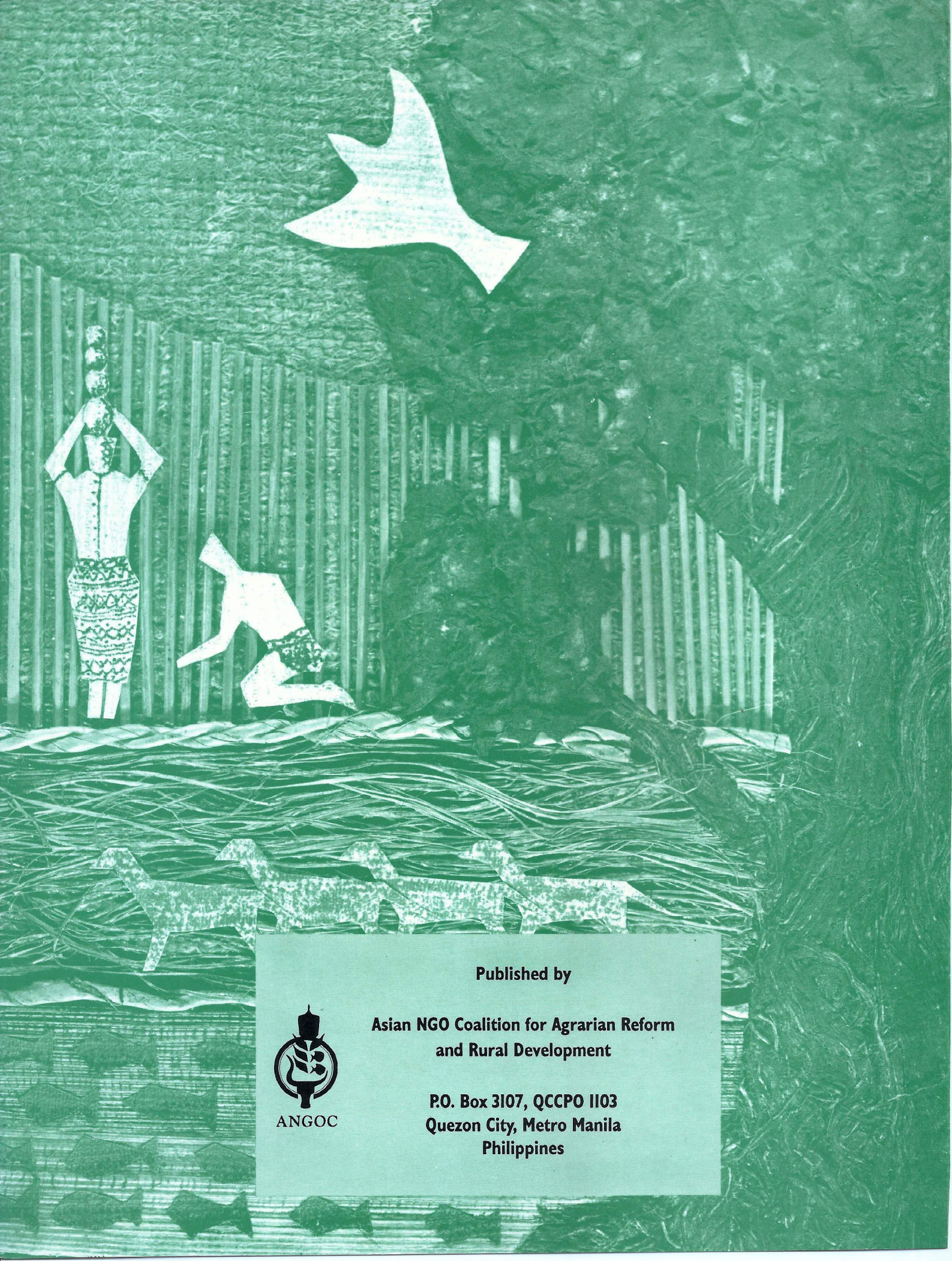
Dr. Harka Gurung
 Director
 Asian and Pacific Development Centre
 (APDC)
 Persiaran Duta, 50480
 Kuala Lumpur, Malaysia
 Tel: (60-3) 254-8088

Observer
 Ms. Bandu Masakorala
 Joint Secretary
 NGO Council of Sri Lanka & Sinhala
 Women's Organization/Sinhala
 Kanthabhivurdhi Sanguidanaya (SKS)
 Office, G-6-7, National Housing
 Complex, Vipulasena Mawatha
 Colombo 10, Sri Lanka
 Tel: (94-1) 685552

Secretariat
 ANGOC
 Ms. Ma. Teresa Debuque
 Mr. Nathaniel Don Marquez
 Ms. Florida Alma Briones
 Ms. Marivic Mandalihan

MINSOC
 Ms. Norizan Othman
 Ms. Fauziah Othman





Published by

Asian NGO Coalition for Agrarian Reform
and Rural Development



ANGOC

P.O. Box 3107, QCCPO 1103
Quezon City, Metro Manila
Philippines