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NGOs ORGANIZING COOPERATIVES: THE PHILIPPINE EXPERIENCE

Teresa S. Encarnacion Tadem

ABSTRACT

Pre-1986 Philippine governments promoted cooperatives as an anti-communist strategy but were unable to make them viable. After the People Power Revolution of 1986, Left activists promoted cooperatives through NGOs to achieve social justice. Buscayno organized at the grassroots with support from the Aquino Administration. Morales worked at the centre to change the environment for cooperatives by legislation and budget support. The cooperative movement expanded rapidly, but faced huge problems: competition from rice cartels, mismanagement, natural disasters, the temptation for farmers to sell land to real estate developers, and shifts in political patronage. Despite these challenges, the movement continues to grow.

INTRODUCTION

During the post-Marcos period, members of the Philippine Left, i.e., the Communist Party of the Philippines (CPP), its united front organization, the National Democratic Front (NDF) and the New People’s Army (NPA) found important expression in NGO work, particularly development work. This was viewed as an integral part of a larger progressive movement that aims to relieve problems of inequality and injustice at the grassroots when neither militant anti-government struggle nor nationwide and substantial reforms seem likely avenues for change. Development NGOs emerged which were independent of the old political formations and which strengthened their ties with mass communities and people’s organizations (CPD, 1991: 13).

In the Philippine Left experience, development work has always been viewed as secondary to the armed struggle. There were, however, NDF mass organizations which believed that the socio-economic projects these organizations were setting up and implementing had a crucial role
in the movement, and that economic assistance should be channelled to these livelihood schemes rather than be used for buying arms. This view gained further prominence with the split of the CPP in the 1992 which encouraged disgruntled national democratic groups to enter into new political spaces which were being explored by the left groups which emerged during the downfall of the Marcos dictatorship. National democratic activists either chose to join these other left formations or create new ones (Rocamora, 1993).

One of the more popular avenues for change was development work through NGOs. These NGOs provided these left activists with an opportunity to continue “serving the masses” through the implementation of economic projects, particularly in the countryside. This was most welcomed, especially by war-weary NPA communities, who wanted to focus on improving their economic conditions. Development work through NGOs provided a venue for harnessing what the Left perceived as the “middle forces” which fought against the Marcos dictatorship. It also allowed the integration of “new politics” issues such as environment and gender which appealed to the middle class. Thus, a broad coalition alliance was made possible through NGO development work.

One of the more popular vehicles through which NGOs have sought to attain their objectives is the cooperative movement. This was most particularly seen during the post-Marcos period. After the 1986 People Power Revolution, NGO-assisted cooperatives increased from an average of four cooperatives per NGO in 1988 to five cooperatives per NGO in 1990 (San Pascual, 1991: 3). The rebirth of cooperatives during the post-Marcos period is not attributed to government but to people’s initiatives mainly through NGOs and people’s organizations. Although the average growth rate of cooperatives from 1981 to 1985 was 0.05% (Angkoop, 1993: 27), official figures reveal that there was a significant 125% increase of cooperatives in the country from 1985 to 1990 (PSSR, 1992: 105). For 2000, Cooperative Development Agency (CDA) statistics show that there are 57,470 registered cooperatives with at least a membership of 5 million individuals as compared to 1990, when there were only 212 cooperatives. The most popular of these cooperatives are the multi-purpose agricultural cooperatives which increased from 134 in 1990 to 32,574 in 2000. Agriculture multi-purpose cooperatives (AMCs), constitute 57 percent of the total cooperatives in 1997. A far second in number, amounting to only 28 percent of the total cooperatives are the non-agricultural multi-purpose cooperatives (CDA, 2001).
This paper discusses the challenges confronted by NGOs in cooperative organizing as experienced by two former leading personalities of the Left: Horacio “Boy” Morales, former NDF head, and Bernabe “Dante” Buscayno, founder of NPA. Both Buscayno and Morales used NGOs to establish cooperatives in various parts of the country. The paper will look into the initiatives they have taken in reviving a dormant cooperative movement into a vehicle of economic empowerment for thousands of Filipino farmers. More importantly, it will look into the successes as well as the obstacles in using the cooperative not only as a vehicle for popular empowerment but also for furthering development and democratization.

BACKGROUND ON THE PHILIPPINE COOPERATIVE MOVEMENT

The importance of NGO development work in the cooperative sector is best seen in the light of the failure of the government’s agenda, particularly in its attempt to use this rural organization as an antidote for peasant unrest.

The Philippine peasantry grew increasingly disillusioned with the local elite who promised them land in return for their support during the Philippine revolution of 1896 and the Philippine American War of 1898. Sporadic uprisings broke out in the 1920s and the 1930s. The deterioration of the world economy adversely affected the country’s export crops. With the decline of the prices of these commodities, peasants were evicted from their homes and land, while those who continued working became heavily indebted (Constantino, 1975: 359).

After 1950, the government attempted to pacify the peasants by resuscitating cooperatives (among other measures). The first government cooperative programmes in 1953 were established in the bastions of the Hukbong Mapagpalaya ng Bayan (HMB), the armed communist guerrilla movement of the old Communist Party of the Philippines (CPP), generally referred to as the Partido Komunista ng Pilipinas (PKP) (Constantino, 1975: 359). The Agricultural Credit and Cooperative Financing Administration (ACCFA) and Cooperative Financing Administration were created to organize farmers into Farmer’s Cooperative Marketing Associations (FACOMAs) and to lend farmer members credit through such associations.

This cooperative experiment was, however, besieged with problems, including the slow development of the cooperative principle of capitalization by the savings of members. FACOMAs also became
highly politicized as they were used as stepping stones to local political office. Thus, the economic functions of the cooperative movement were constantly threatened. A survey done by US-based Arthur D. Little Inc., a firm of economic consultants, revealed that there was an extensive mismanagement of both the FACOMAs and the ACCFA. Of P86 million of outstanding ACCFA loans at the end of 1958, two-thirds, or P57 million were left unpaid. The blame was placed on the rampant graft and corruption occurring in these two government agencies, made possible by an inadequate accounting system and incompetence or gross negligence due to complacency (Golay, 1961: 288–9).

Despite this dismal performance during the pre-martial law period, former President Ferdinand Marcos saw the value of the cooperatives when he declared martial law in 1972. The government’s cooperative policy was subsumed within the administration’s land reform policy as stipulated by Presidential Decree (PD) No. 2 issued on 26 September 1972 declaring the entire country a land reform area. On 21 October 1972, Marcos promulgated PD 27 emancipating the tiller from bondage. PD 27 aimed to transform tenants in rice and corn areas into owners of the land they were tilling by allowing tenants to purchase their farmlands on instalment. This decree required that all agrarian reform beneficiaries must become members of a farmers’ cooperative known as the *Samahan Nayon* (SN). Marcos saw the cooperative replacing the landlord. The Code of Agrarian Reform (R.A. 6389) passed in 1971 sought to “establish cooperative cultivatorship among those who live and work on the land as tillers” and to “create a truly viable social and economic structure conducive to greater productivity and higher farm incomes through a cooperative system of production, processing, marketing, distribution, credit and services” (Golez et al., 1987: 132). The SN was basically a “body corporate composed primarily of small farmers residing and/or farming within the geographical limits of barrio (village) for the purpose of improving the quality of life of the people” (Quintana, 198: 134).

Like the cooperatives during the pre-martial law period, the *Samahan Nayon* did not perform up to par. A study by the University of the Philippines, Los Banos revealed that only 40 percent of the SN members considered the programme a success while 11 percent said it was a failure and the rest viewed the programme as making no big difference (Terso, 1989: 57–9). A study commissioned by the Cooperative Foundation of the Philippines Inc. (CFPI) found the foremost obstacle to cooperative success was the inability of the Barangay Guarantee Fund
(BGF), which was supposed to provide the initial capital to organize an area marketing cooperative (AMC), to pay for the liabilities of defaulting members. It became apparent that the major reason why farmers became members of the SN was because membership was a condition for the issuance of the Certificate of Land Transfer (CLT). SN members were not interested in the Barrio Savings Fund (BSF), whereby an SN member was required to contribute a membership fee of P10,000 (US$200) and annual dues of P5.00 (US$0.10) to the SN general fund. The reason for this disinterest is that the loan which the farmers were paying to the BSF did not go to production (Terso, 1989: 57–9). The same problem applied to the BGF, to which every SN member (even those who did not benefit from agrarian reform) was supposed to contribute one cavan of palay (unhusked rice) per hectare per harvest (or its equivalent in cash). It was difficult to convince the SN members to contribute to the BGF when they got no benefit in return. The farmer cooperative marketing associations (FACOMAs) also had problems of mismanagement. The professional managers who were trained to run these did not perform well (Terso, 1989: 57–9).

Studies have also shown that the weakness of the Samahan Nayons could be partly blamed on the cooperative education and training which was often not relevant to the needs of the cooperatives and their members (Rola, 1989: 73). There was also a lack of dedicated leaders. Several of them did not attend to their duties because they were preoccupied with their work at home or in the office (Rola, 1989: 73). The SN members were also to blame for the failure of the cooperative as they were mainly motivated by self-interest. Studies revealed that an overwhelming majority of the members considered it an honour to be an SN member and they perceived significant benefits to be derived from joining the organization. Thus, the members were more keen to get something out of the organization rather than to give it their time and effort (Quintana, 1989: 135).

Another major obstacle to the success of the cooperative movement was the failure of government to effectively implement a land reform programme. Although the Marcos government’s PD 27, which subjected the landlord’s rice and corn lands exceeding seven hectares to land reform and distribution to tenant-beneficiaries, was seen as a great improvement over previous laws, the structure of social inequality continued to prevail. Cooperatives were also tied to rural banks, commonly known to be owned and managed by landowning families (Po, 1980: 87). The government’s model of development cooperatives
assumed that rural communities were pluralistic and that all social classes had an equal chance to participate in the local economy. The reality, however, was that 70 percent of the population lived in rural areas and 80 percent of land was controlled by a small elite. Even the government-sponsored cooperatives were dominated and controlled by rich landlords. Tenant farmers and landless agricultural workers were often excluded from these programmes because they did not have the necessary collateral for loans (Kabalikat, 1990: 1, 4).

**NGO CONCERNS IN COOPERATIVE DEVELOPMENT**

Despite the dismal failure of the cooperative movement, two leading personalities of the Left movement embarked on their own cooperative ventures through NGOs. Horacio "Boy" Morales used the Cooperative Foundation of the Philippines Inc. (CFPI), a quasi-government agency where he was Executive Director, to launch a national advocacy campaign for a better environment for cooperative organizing as well as to organize cooperatives all over the country. Bernabe "Commander Dante" Buscayno, on the other hand, established his own NGO, the People's Livelihood Foundation (PLF), to focus on cooperative organizing in his hometown province, Tarlac, where he had earlier organized the New People's Army. Both Morales and Buscayno adopted development principles which the NGO movement had been utilizing in their previous economic projects.

Morales saw CFPI as a vehicle for improving the socio-economic conditions of the people in a just and democratic environment. He believed improvement was only possible when the people had equal and direct access to and control over political and economic power for sustainable development. It is within this context that the CFPI sought to promote, organize, and develop cooperatives for the poor as instruments for social justice and people empowerment (Teh, 1990: 6). As pointed out by Morales, "any program ... for social justice and economic development must contain a strategy which would reverse the concentration ... of wealth, power and resources in our society" (Kabalikat, 1990: 5).

Morales viewed self-reliance and self-management as key strategies of people empowerment to transfer economic and political power at the community level to those outside the power enclave. He pointed out that there was a need for structural change in "the effective control, access, or ownership of key resources such as land or facilities through a
redistributive process” (DRS, 1988: 36).

NGOs generally believed that if people were actively engaged in the conceptualization and implementation of economic projects, they would not only take these seriously but more importantly, they would have the political will to attain their goals. Government-initiated cooperatives failed because the members were not involved in the organization’s decision-making process, much of the planning was left in the hands of the state and its technocrats, and the farmers were merely the recipients of cooperative “benefits”. Worse, the farmers were even forced to join these cooperatives as in the case of the agrarian reform beneficiaries of the martial law regime’s *Samahan Nayon* programme. Thus, for Buscayno, the major players in the cooperative experience would have to be the members who would address problems and formulate solutions based on their analysis of their own situation (Buscayno, 1990).

Morales argued that provincial federations of people’s organizations should be created to take on the responsibility of making provincial development plans (Morales, 1990: 10). Buscayno argued that popular participation was not only limited to the organization but was also concerned with intervening in societal problems that impinged on its members and the larger community (Buscayno, 1990).

Buscayno also emphasized the leadership aspect. He contended that the leader must not only understand personal interests but should be able to link this with the society’s general welfare. Aside from the cooperative organizer and manager, a core of leaders had to be developed to link the economic venture with external developments specifically in the immediate community and in the country as a whole (Buscayno, 1990).

NGOs also noted that these educational programmes are not only technical but more importantly, political. NGOs wanted to make the people aware of sources of potential opposition to their economic projects, including agrarian reform. Thus, NGOs also carried out educational programmes about re-organizing tenurial relations and resisting to land usurpation. To strengthen themselves as a force to be reckoned with in Philippine society, NGOs have found it necessary to form alliances to push for their development agenda. Working together with people’s organizations, NGOs have forged broad coalition fronts which might not have been possible on an inter-ideological basis. Thus, a united front of the progressive movement based on political and socio-economic issues raised by NGOs/POs has been the mode of coalition politics. CFPI’s function was to build cooperatives to handle socio-
economic activities and community organizations to take care of the basic needs of society’s marginalized sectors. These organizations were intended to form the basis of power in the community through political structures, such as people’s councils, which would interact with the government (DRS, 1988, 36).

The 1986 People Power Revolution also inspired sectors of the mainstream Left to focus on the use of “legal” as well as “extra-legal” means to preserve as well as enlarge the “democratic space”. NGOs joined in the electoral game to pursue their cooperative development goals. Although these organizations generally view elections as the game of the politico-economic elite, they also see the electoral arena as an avenue for bringing about change to cooperative policies, as well as a chance to conscientize the populace on issues such as cooperative development. The NGO movement’s solidarity has allowed it to engage the government in the development discourse on cooperatives. More state agencies now rely on these organizations to carry out economic projects at the grassroots level. It is not rare for NGOs to carry out cooperative pre-membership seminars which are generally the task of the state.

NGOs have also initiated economic projects among marginalized communities. They pay attention to the cooperative members’ capability to generate their own capital and not to rely on outside loans. The experience of cooperatives both before and during the martial law period showed that there were little savings generated by the members. NGOs have blamed the past record of mismanagement on the inadequacy and ineffectiveness of government training programmes. They argue for proper cooperative education, including pre-membership seminars for cooperatives as well as follow-up seminars.

**IMPLEMENTING THE VISION THROUGH NGO-GOVERNMENT COOPERATION**

Buscayno’s People’s Livelihood Foundation (PLF) was registered with the Securities and Exchange Commission (SEC) as a foundation in August 1988. The initial membership was 506 farmers. By April 1990, the Tarlac Integrated Livelihood Cooperative (TILCO), a spin-off from the PLF, was formed and registered with the Cooperative Development Agency (CDA), a newly formed government cooperative regulatory body. Buscayno chose to tap government resources in terms of credit, infrastructure, and technological resources (Buscayno, 1990). PLF’s strategy was NGO-government cooperation.
This was possible because Buscayno had earlier allied with Benigno Aquino in opposition to Marcos, and the late Benigno’s wife, Corazon C. Aquino, had now become the nation’s president. PLF was able to gain access to the resources of various government agencies which knew that this was a presidential pet project. Thus, the Department of Agriculture (DA), the Department of Agrarian Reform (DAR), the National Irrigation Authority (NIA), the Technology and Livelihood Resource Center (TLRC), the Land Bank of the Philippines (LBP), and other line agencies coordinated with one another in giving assistance.

The TLRC provided the technical training and skills for cooperative members while the LBP loaned money to the farmers at a low interest rate (12 percent a year). Because of the loan from the Land Bank, the farmers were spared from going to usurers who charged as much as 10 to 15 per cent interest a month on loans in cash or kind such as production inputs like fertilizers and pesticides. A farmer commented that the usurers had actually taken the place of the landlords (Encarnacion, 1993). With the training which the farmers received from the TLRC as well as from the Department of Agriculture, the farmers were able to increase their yield from 40 to 80 cavans of rice per season which was usually twice-a-year.

The cooperative members also welcomed the luxury of having their agricultural inputs such as fertilizers, seedlings and pesticides, delivered to them by the cooperative. The construction of farm-to-market roads in the various PLF barangays (the smallest political unit in the country) and the establishment of post-harvest facilities such as warehousing, drying, milling, grading and marketing at the heart of the PLF areas made it easier for farmers to market their produce and at the same time fetch a higher price. Dry palay (unhusked rice) fetches a higher price as compared to wet palay. In the process, the farmers also learned the intricacies of grains trading.

These cooperative schemes were aimed to prevent the farmers from falling prey to the adverse socio-economic forces in the Philippine agrarian sector. Middleman traders usually buy from the producer at a low price and sell to the consumer at a high price. They are accused of being rice hoarders. They control 22 percent of the inventory of the rice stocks sold in MetroManila alone (Romero, 1995: 6). They have also been known to assume the role of usurers who farmers run to when in need. They work closely with the country’s rice cartels which currently control 90 percent of the palay and rice trading in the country through around 22,000 rice dealers. The biggest rice cartel is part of the so-called
"Binondo cartel" which is run by Filipino-Chinese rice traders (AngKoop, 1989).

Government assistance to the cooperatives immediately had tangible results. In October 1988, the PLF was formally launched in six barangays in Capas, where Buscayno earlier had organized the NPA. There were fifty farmer-beneficiaries tilling an area of 1,019 hectares of rice and averaging about 0.5 to 2 hectares each. In less than two years, the total number of regular active members jumped to 3,911 tilling approximately 8,000 hectares of farm land. And by 24 April 1990, the cooperative had 4,933 regular active members tilling approximately 10,312 hectares of land. From the original sixteen employees in 1988, the number reached its peak of 197 in March 1991 (PLF-TILCO, 1991). PLF expanded from a primary-purpose cooperative producing rice into a multi-purpose one with activities ranging from rice marketing to reforestation.

**IMPLEMENTING THE VISION THROUGH POLITICAL ADVOCACY**

Morales’ CFPI did not rely on government assistance but on external sources, mainly Dutch NGOs such as the Inter-Church Coordination Committee for Development Projects (ICCO) and the Catholic Organization for Development Cooperation (CEBEMO). Unlike the PLF, the CFPI chose to pursue its cooperative struggle at the national level. Its primary job, pursued during 1986–7, was to demand a new cooperative code.

After the 1986 People Power revolution, the Aquino Administration appointed Morales as the head of a newly established task force to assess the role which cooperatives could play under the new political dispensation. In May 1986, the task force recommended the “inclusion of a provision on state policy concerning cooperatives in the proposed constitution, rationalization of various laws pertaining to cooperatives and the integration of the disparate functions by different government agencies concerned with cooperatives under one agency” (Gaffud, 1990: 29).

CFPI’s efforts, together with those of the cooperative movement’s members, bore fruit on 10 March 1990 when two new laws on cooperatives were promulgated. The Republic Act (R.A.) 6938, known as the Cooperative Code of the Philippines, created an organic law for cooperatives and R.A. 6939 established the Cooperative Development Authority (CDA) as the government agency to implement the
Cooperative Code. The CDA seeks to “foster and promote the growth and viability of cooperatives among people of limited means” with the objectives of “harnessing people power, assuring their self-reliance and nurturing their economic well-being towards the establishment of a just and equitable society” (CDA Primer, n.d.).

Despite the implementation of a new cooperative code, CFPI together with the other cooperative sector’s members continued to lobby for more government support in the areas of financing and access to capital for cooperatives, infrastructural support, the creation of a favourable marketing environment for these organizations and the formalization and institutionalization of the cooperative movement (Gaffud, 1990a). CFPI also believed that it had a role to play in cooperative training, working in alliance with government agencies (CDA, DA, and LBP).

CFPI pursued political advocacy not only at the national level, but also at the local level. The CFPI recognized there were social forces opposed to the cooperatives. For example, in the CFPI-organized Kaunlaran Multi-Purpose Cooperative Inc. (MPCI), former landowners attempted to regain their former land from cooperative members who had benefited from agrarian reform. The landowners filed a case against five members of the cooperative claiming that the land distributed to these five farmers was not supposed to be subject to agrarian reform (this was a common strategy by landowners). The CFPI, realizing that the ownership of land was the very basis of the farmers’ membership in the cooperative, sought the assistance of the Partnership for Agrarian Reform and Rural Development Services (PARRDS), an alliance of NGOs engaged in assisting farmers over issues of agrarian reform and rural development.

Together with PARRDS, the CFPI informed the farmers of their rights. They also organized meetings with the municipal agrarian reform officer (MARO) and the provincial agrarian reform officer (PARO) concerning the landowners’ harassment cases against the farmers. PARRDS also provided lawyers for the farmers, and raised the harassment issue at their forums with PARO. These forums generally seek to pinpoint trouble spots in the government’s agrarian reform programme, and more importantly, to take action. Former DAR Secretary Ernesto Garilao repeatedly expressed his appreciation for the NGOs’ efforts as DAR needed NGO support against powerful landowners.
CHALLENGES TO CONFRONT

The CFPI and the PLF have adopted apparently contrasting strategies in the attainment of their cooperative vision. In the case of the PLF, the approach is very localized with massive government assistance. In the case of the CFPI, the focus is on political advocacy for a better cooperative environment at the national and local level. What the PLF and the CFPI share in common, however, is the need for government assistance in the cooperative venture—specifically, the need for government agencies to assist cooperatives to do their jobs. This emphasis, however, is double-edged. The PLF became too dependent on government assistance. Thus, when Aquino was no longer president, the NGO did not get the same assistance from the Ramos Administration, despite the fact that Ramos himself openly advocated cooperative development. Buscayno had supported another candidate rather than Ramos for the presidency. Thus, government support for cooperatives also brings in political patronage.

The challenge is to seek government assistance that will not lead to dependence. It is a reality that cooperatives need government support. One of CFPI’s cooperatives, the Bakabakahan Multipurpose Cooperative Inc. (MPCI), collapsed because the members decided to sell their land for P1 million pesos (US$2,000) to real estate developers. The farmers argued that they were not earning enough from their land, despite being organized into a cooperative, because of the absence of government support.

Both the PLF and CFPI-assisted cooperatives had a difficult time marketing their palay harvest because of the existence of the rice cartels and the middle traders whose network for palay selling had been established for decades. They could easily dictate the price of rice. The government National Food Authority (NFA), which is tasked to buy palay from farmers, was unable to do its job. As pointed out from 1990–1994, the agency has failed to meet its procurement target of palay which is needed to stabilize the price of rice in the market. The alternative trading marketing association organized by CFPI to link the producers directly to the consumers, was unable to eliminate the middlemen and rice cartels who control the palay buying and selling. The PLF viewed this as the government’s failure to provide an alternative marketing arm which can go against the monopoly of the country’s rice cartels. When the PLF farmers could not pay their debts, they went back to the usurers and middle traders who offered loans at usurious rates.
There is also the reality that the agricultural sector is high risk. The ashfall from the eruption of Mt. Pinatubo in 1991 dried up the irrigation system of PLF cooperative members. Some farmers shifted to sugarcane planting because this required less water. But the PLF farmers in general could no longer pay back their loans leading to a massive default. The PLF had to borrow P42 million (US$823,529.00) from the Land Bank.

There were also internal factors which hindered the success of the cooperative. The PLF suffers from problems of mismanagement similar to those of previous state-initiated cooperative ventures. Because of the massive amount of government assistance, PLF expanded too rapidly. The loan from the Land Bank was used to finance new projects but the returns were not enough to pay back the farmers’ loans, leading to massive default. The rapid expansion of the cooperative also led to inefficient loan collections. Cooperative collectors tasked with collecting loans from farmers absconded with the money. As Buscayno noted, there was really a need to professionalize the running of the cooperative.

Another problem was leadership. There was a tendency of the PLF farmers to perceive Buscayno as their patron because through him the organization was able to access government resources. In the CFPI’s Tarcan Mulawin MCPI, on the other hand, Tata Lucio, the cooperative head, was deemed “authoritarian” but the members did not want him removed because they perceived that he was the best person in the cooperative to access funds.

The PLF experience also created some soul-searching on the part of the Land Bank which was blamed for failing to monitor its loans. Because of the PLF default, the Bank introduced new policies imposing more caution on lending and stringent supervising processes.

CONCLUSION

Despite all these challenges and hindrances to cooperative organizing, both Buscayno and Morales contributed to the popularity of cooperatives as a vehicle for the economic survival of farmers. Despite the collapse of the PLF, Buscayno’s cooperative experiment inspired its members, as well as other farmers all over the country, to set up their own agricultural cooperatives. Furthermore, the PLF also made the government aware of the need to support people-initiated cooperatives. The enthusiastic support for cooperatives which began during the Aquino Administration with the PLF as the model cooperative was continued by the Ramos Administration. The government decreed that it will no longer lend to
individual farmers but to cooperatives, forcing farmers to organize into this kind of economic venture. One can only look positively into this as cooperatives can provide the foundation for farmers to come together to pursue other issues, such as, pressuring government for further support. In Tarlac, because of the PLF, farmers learned to approach local politicians and government agencies for financial support to start off their cooperative.

The CFPI’s cooperative advocacy work at the national and local levels has contributed immensely to a vastly improved cooperative environment. The establishment of the Cooperative Development Authority (CDA) is a testimony of the people’s efforts to regulate the cooperative movement. It has been ten years since both the PLF and CFPI began their experiments, and as shown by the statistics, cooperatives have continued to grow. Morales has also brought his advocacy work all the way to government where he was the Department of Agrarian Reform (DAR) Secretary in the Estrada Administration. The DAR plays a crucial role in cooperative organizing as the most popular cooperative are agricultural cooperatives. The CFPI, like the PLF, however has decided to dissolve itself due to lack of funds. But its NGO members have joined a bigger cooperative umbrella, the Cooperative Union of the Philippines (CUP).

Thus, the CFPI and the PLF have shown how the cooperative can be used for empowering the farmers at the grassroots level. This will hopefully not only alleviate their impoverished status but also transform them into a force for further democratizing Philippine society.

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