

Engaging Communities for Local Economic Development: Lessons from the Philippines

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Abstract

Moves towards political decentralisation across Asia have had extensive repercussions on the role that government, civil society, the business sector and international donor agencies play in development. In the Philippines, political decentralisation has accompanied economic decentralisation, with the responsibility for income generation shifting to local government units. Despite this, dominant economic discourses continue to promote neo-liberal economic reforms, such as the increasing withdrawal of government from the provision of basic services and an emphasis on income generation through foreign investment and export-oriented industrialisation. These reforms have been particularly difficult for local governments in rural areas that do not have the appropriate infrastructure, resources or capacity to attract such investment.

Drawing on data collected through action research with NGO and local government staff in Jagna, Bohol, this paper explores emerging development partnerships between government, donor agencies, non-government organisations and community members. I explore alternative means for encouraging community participation in local economic development and suggest ways that local governments can maximise the use of available resources and skills to reduce dependency on external funding.

Keywords

Development partnerships, livelihoods, economic development, NGOs, Asia

Introduction

Political decentralisation across Asia has posed a new challenge to local governments, donor agencies and non-government organisations to find innovative ways to improve local economic development. For bilateral donor agencies who have typically worked through centralised governance structures, this challenge means finding new ways to assist development projects at the local level (AusAID 2001). For small rural government units, decentralisation has resulted in a search for alternative sources of local income to reduce dependence on outside investment. In the Philippines this need for increased local revenue has encouraged some local government units to forge cooperative partnerships with locally based non-government organisations and the business sector.

As the theme of this conference demonstrates, international development agencies promote multi-stakeholder partnerships and community engagement as crucial to locally-based economic development. This paper will describe how the Jagna Community Partnering Project (JCPP) in the Philippines has attempted to generate local economic development by building on locally available resources, encouraging new forms of community engagement and building stronger alliances between government, non-government organisations (NGOs), donor agencies and civil society.

The JCPP is one of four pilot projects of the ARC-AusAID Linkage project entitled Negotiating Alternative Economic Strategies for Regional Development in Indonesia and the Philippines. The project is funded from March 2003 to March 2007 and is a collaboration between the Departments of Human Geography and Anthropology at the Australian National University, the Australian Research Council (ARC) and AusAID. Project partners in each study site include the local government units (LGUs) and selected NGOs. This paper will focus on the implementation of the project in Jagna, Bohol in the Central Visayas Region of the Philippines. The other three project sites not covered in this paper are situated in Iligan City in Mindanao in the Philippines, and in Indonesia, Bajawa in Flores and Bau Bau in Buton.

The main aim of the Jagna Community Partnering Project is to develop group livelihood projects using the resources and skills already available within the community. In Jagna, the project was implemented by the Jagna Municipal Council, an NGO called Unlad Kabayan-Bohol and the Australian National University (ANU). The Municipal Government facilitated access to resources and funding while attempting to create an enabling environment for enterprise development through capacity building activities, planning and policy development. Unlad Kabayan, which was originally established to work with returned migrant workers to build small-scale enterprises, provided expertise on enterprise development and community mobilisation. The staff of the ANU were responsible for providing guidance on the action research component of the project. To facilitate collaboration between the implementing agencies, one worker from each organisation was employed on a full-time basis to initiate the project. The three agencies shared equal responsibility for decisions about the daily management and overall methodology of the project.

In this paper I will first describe the project site and give an overview of the theoretical framework and methodology used in the project. I will then use this overview as the basis for a more detailed discussion on how the project fostered new partnerships and increased community participation through the development of four group enterprises in Jagna.

The Project Site

Jagna is a small municipality of approximately 30,000 people that promotes itself as a growing commercial port and the main gateway to Northern Mindanao. Agriculture remains

the predominant industry however, particularly wet rice cultivation and copra production. Jagna is situated 63 kilometres from the capital of the island and has therefore been overlooked for involvement in any large-scale development plans of the provincial government or of large financial investors. The resulting lack of industry and a low per capita income in Jagna has contributed to many workers migrating to larger regional cities or overseas.

While Jagna is not a wealthy community, it does boast basic infrastructure such as roads, the port, a large market, piped water systems, electricity and basic telecommunication facilities. The island's karst landscape holds some ecotourism potential in that it boasts a number of small waterfalls, caves and coral reefs. The population is reasonably well educated with most people completing high school and many going on to college. The labour migrants provide an important source of cash, skills and knowledge to the community.

In addition to these resources, Jagna has also managed to escape the conflict situations that have plagued much of the Philippines and has elected a progressive mayor and municipal council who are dedicated to good governance, long-term planning, community consultation and partnerships with the local NGO community. These factors have created significant potential for local economic development in Jagna, making it ideal as a site for this project.

Theoretical Framework

The main aim of the JCPP was to develop group livelihood projects. Instead of taking the mainstream approach of funding enterprises through grants or loans, this project enacted a new methodology that built on informal and traditional economic practices, mobilised locally available resources and developed new strategies for engaging with local social and economic networks. This methodology was informed by two theoretical approaches: Assets Based Community Development and the Diverse Economies Framework.

Assets Based Community Development (ABCD) was first developed by Kretzman and McKnight (1993) in their work with disadvantaged urban communities in the United States. The basic premise of the ABCD approach is that instead of focussing on the needs and problems of the community as in conventional community development models, initial assessment should focus on the available resources and capacities of the community. Taking this as its starting point, the ensuing analysis shifts from a 'glass is half-empty' perspective and a focus on what needs to be brought into the community to address problems, to a 'glass is half-full' conclusion and decisions about how to strengthen and build on what is already available in the community. It is an empowering methodology for communities, which aims to shift their view of themselves as passive recipients of assistance to active participants armed with skills, knowledge and resources. As highlighted by Cunningham and Mathie (2003), this empowering perspective is an important basis for any community mobilisation.

The impact of this approach can be gleaned from the following diagrams of the needs and assets of Jagna, the study site for the project. In the first, I adopt the traditional approach of mapping needs. Looking at a community from this perspective, the problems seem almost overwhelming, encouraging the view that vast resources need to be accessed externally to 'fix' the problems. In the second diagram however, I map some of the resources and capacities available within the community. A very different picture of Jagna is painted, with solutions appearing from within the community itself.

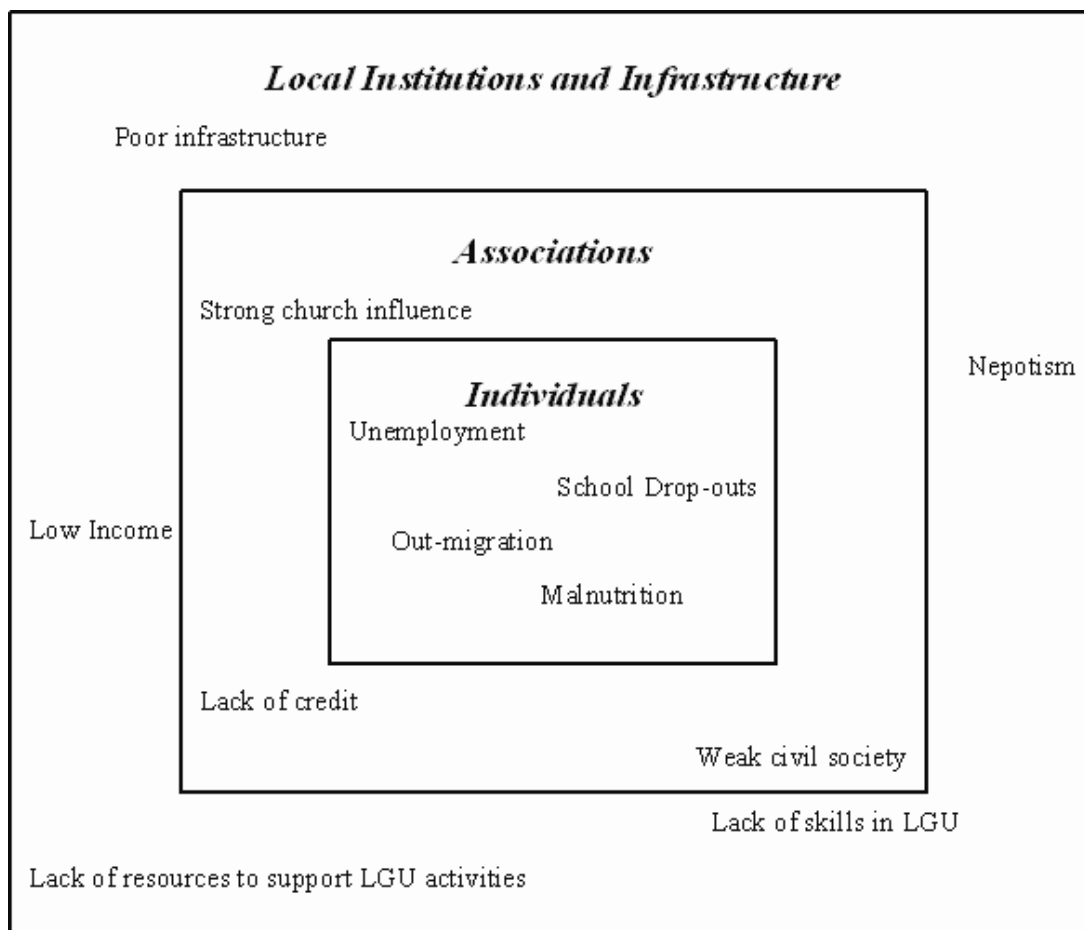


Figure 1. Needs Map of Jagna, Bohol (adapted from Kretzman and McKnight 1993)

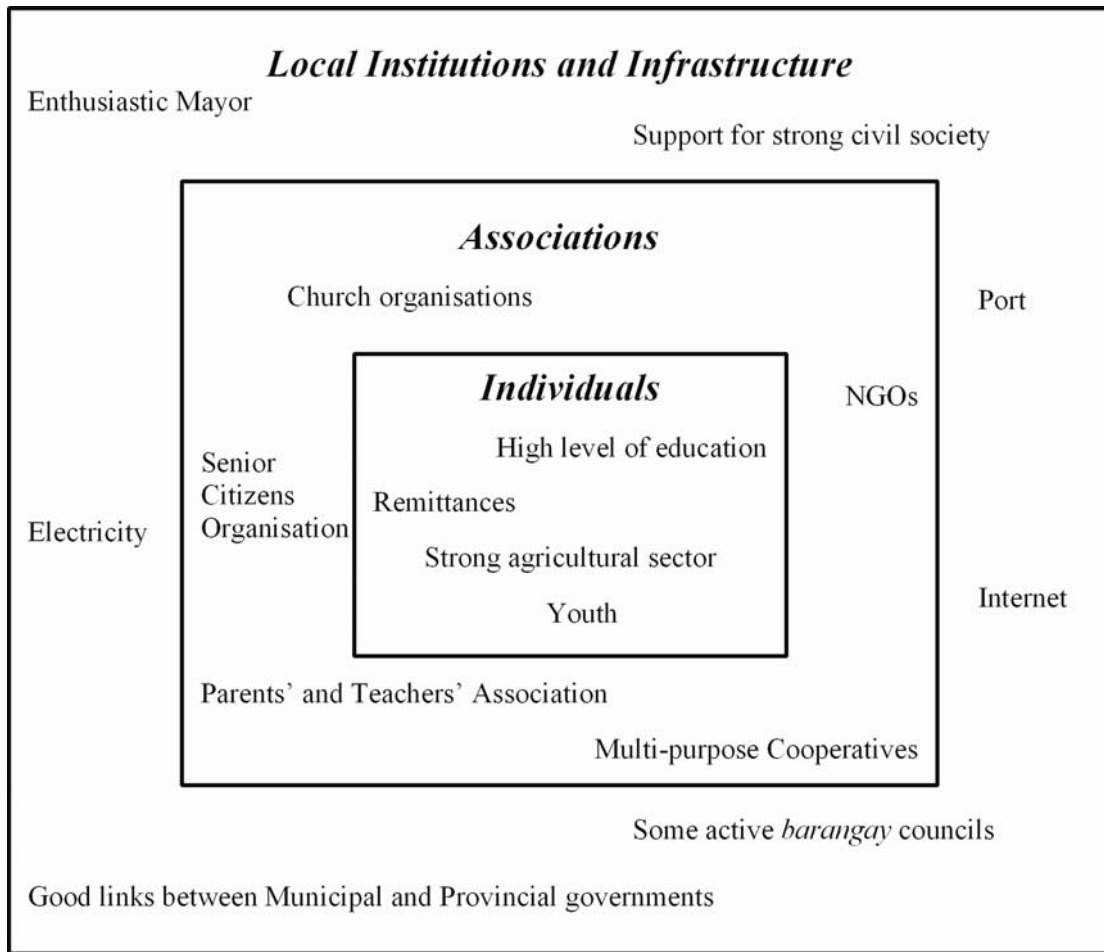


Figure 2. Assets Map of Jagna, Bohol (adapted from Kretzman and McKnight, 1993)

The JCPP used the ABCD model to shift the project participants' perspectives of their community from 'needy' and lacking in resources to a community consisting of networks based on a range of physical, cultural, social, political and financial resources. This focus on networks locates people as the centre of the resource base of a region and highlights the importance of building effective relationships of support and communication between local government authorities and others within the community. By focussing on what different sections of Jagna have to offer, the project approach creates the possibility for a range of community members to participate in economic development, rather than leave them waiting passively for outside assistance. To implement an assets based approach, the project did not offer any initial financial assistance to the enterprise groups, encouraging them instead to start small-scale production using locally available resources. I will explain how this approach was operationalised in later sections.

The second representational strategy employed in the Jagna Community Partnering Project is the concept of Diverse Economies as developed by Gibson-Graham (1996). Emerging from post-Marxist critiques of political economy, the Diverse Economies theory is designed to expand the possibilities for economic development beyond a capital-centric focus on the growth

of formal markets, wage labour and capitalist enterprise. Instead it draws work in the areas of economic anthropology (Gudeman 2001) and economic geography (Thrift and Olds 1996), that acknowledge the range of informal economic practices employed to support livelihoods and capitalist market mechanisms, such as barter, gift giving, labour exchange practices and volunteer work.

Gibson-Graham (1996, 2001) argues that by ignoring informal economic practices and only recognising capitalist forms as valid, development practitioners, academics and policy makers harm communities that engage in them by denying their agency and power to resist the more damaging aspects of capitalist practices. Ignoring the existence of these practices strengthens the view of capitalism and globalisation as inevitable, thus justifying neo-liberal policies that perpetuate the exploitation and neo-colonial domination of individuals and the developing world (Escobar 1995, Escobar 2001, Prazniak and Dirlik 2001). Contrastingly, recognising alternative economic practices creates spaces of doubt about the assumed omnipotence of capitalist growth as the only way to achieve economic development and offers new alternatives for improving the livelihoods and welfare of people more directly. It is important to note that the Diverse Economies approach does not preclude capitalist development, but instead attempts to develop a more holistic picture of the economy. This framework also supports the possibility of ethical principles relating to cultural, social and environmental sustainability being included in economic development planning.

In Jagna, the range of informal economic practices people engage in are extensive. With agriculture as the dominant industry, cash is in limited supply and most people rely on alternative means of accessing goods and services. To illustrate this point, I have mapped some examples of the economic practices we collected in Jagna onto the Diverse Economies Framework as developed by Gibson-Graham (1996). The labels in normal or bold font are taken from the original framework as mapped by Gibson-Graham (1996), whereas examples from Jagna are italicised.

Transactions	Labour	Organisational Form
<p>MARKET</p> <p><i>e.g. Town market, door-to-door fish vendors</i></p>	<p>WAGE</p> <p><i>e.g. government employees, farm labourers, shop assistants</i></p>	<p>CAPITALIST</p> <p><i>e.g. retail businesses, lumber yard, telecommunications company</i></p>
<p>ALTERNATIVE MARKET</p> <p>Local trading systems Alternative currencies Underground market* Co-op exchange Barter</p> <p><i>e.g. barter, private lending, drug trade*</i></p>	<p>ALTERNATIVE PAID</p> <p>Cooperative Self-employed Indentured* In kind</p> <p><i>e.g. overseas contract labourers, farm labourers who are paid with a share of the harvest, pensioners</i></p>	<p>ALTERNATIVE CAPITALIST</p> <p>Environmental ethic Social ethic State enterprise Non-profit organisations</p> <p><i>e.g. Alter Trade Corporation, port authority</i></p>
<p>NON-MARKET</p> <p>Household flows Gifts Indigenous exchange Theft*</p> <p><i>e.g. church donations, exchange of food and gifts during fiestas, offerings to harvest spirits</i></p>	<p>UNPAID</p> <p>Volunteer Housework Family care</p> <p><i>e.g. civac, hungos</i></p>	<p>NON-CAPITALIST</p> <p>Communal Independent/Self-Employed Feudal/ Peasant* Slave*</p> <p><i>e.g. tenant farmers</i></p>

Figure 3. The Diverse Economy of Jagna (adapted from Gibson-Graham 1996)

The first row in the table represents the types of transactions, labour and organisational forms that would typically be defined as the mainstream or formal capitalist economy. The shaded area represents alternative economic practices that make up what Gibson-Graham (1996)

refers to as the 'community economy'. The practices marked with a star are those practices that are questionable from an ethical or legal standpoint.

In the second row, alternative market transactions refer to transactions where alternative payments are made for a product or service. Examples from Jagna include widespread bartering (generally for rice), alternative credit systems such as the lending of money by private individuals in the community for a negotiated interest rate and the illicit drug trade. Alternative paid labour refers to situations where the standard wage labour does not apply, such as self-employed workers, overseas contract workers, pensioners who receive an income from the state and farm labourers who are paid through a share of the harvest. Alternative capitalist organisations distribute any surpluses generated through production differently to the way capitalist firms typically do. Instead of profits going to benefit an individual or group of business owners/managers, alternative capitalist enterprises use the surplus for other means, such as investing in social or environmental causes or ensuring the provision of government services. In the case of Jagna, this includes the Alter Trade Corporation, an NGO that assists organic banana growers to export their crops to Japan at a socially just price while encouraging producers to save and invest in community development.

The third row of the Diverse Economies Framework describes non-capitalist forms of transactions, labour and organisational forms. Examples of non-market transactions in Jagna include donations to church organisations, gift giving between households during festivals and offerings to spirits during harvest time. There are also a number of unpaid forms of labour in the community, including the practice of *hungos*, which involves farmers assisting each other through the exchange of labour during harvest season and *civac*, which refers to monthly volunteer work undertaken by citizens in community projects such as street cleaning or the construction and maintenance of public infrastructure. Finally, non-capitalist organisations are not geared towards the production of surplus and are more focussed on subsistence production. Examples from Jagna include tenant farmers who remain under feudal-type arrangements with large landowners and self-employed business people.

It is easy to note from the Diverse Economies Framework for Jagna, that while the formal capitalist economy is quite limited in scope and therefore offers few possibilities for increased economic development, the community economy is quite extensive in its array of economic activities. As a community still dependent on agriculture, the majority of the population in Jagna relies heavily on these alternative economic practices for their livelihoods. It has been the failure of past and present development practitioners to recognise the complexity of the community economy (because of their focus on the formal capitalist economy) that has led to many development initiatives being ultimately unsustainable.

Methodology

During the implementation of the project in 2004, the project team employed a range of methods to identify available resources, document alternative economic practices, and mobilise existing social and economic networks. These activities were designed to maximise the participation of all sectors of the community and thus create the potential for new partnerships between government, NGOs, the business sector and general community members for local economic development. The main project activities included:

- interviewing various stakeholders about the local economy, including traditional economic practices such as farmer labour exchange (*hungos* or *tingub*), traditional savings groups (*repa repa*) and mortuary aid (*dajong*)
- compiling an inventory of locally available assets (in terms of knowledge, skills, institutions and physical infrastructure) and needs of the community by surveying groups in each *barangay*¹, interviewing government officials, scanning available documents and conducting participatory research activities such as transect walks with various community representatives
- meeting with different community organisations, NGOs, *barangay* and municipal councils continuously throughout the year to collect and disseminate research results and make decisions about project activities
- reviewing government and NGO documents
- advertising the project to attract group members
- training project staff and enterprise group members on the project methodology and basic business skills
- conducting field trips for group members to learn about similar livelihood projects
- assisting groups to conduct feasibility studies on their preferred enterprise ideas. This consisted of a market study, financial analysis and technical study.
- experimenting with production techniques.

To maximise community participation, regular meetings were held across the municipality and the project was advertised throughout the year at meetings and public presentations as well as on posters and local radio. The only prerequisite for participation was that members were prepared to donate their time and labour to conduct the feasibility study before they received any technical training and started production. Furthermore, no initial capital was provided to the groups, as the goal of the project was to start enterprises using the available resources in the community.

These conditions reduced the number of people interested in participating in the enterprise groups and generated a level of scepticism and opposition towards the project. Many people in the community were accustomed to grants and loans being provided for such projects and so

¹ The *barangay* is the smallest administrative unit of governance in the Philippines. A ward would be the equivalent in Australia.

some people believed that the project staff were not genuine in their endeavours. Others in the community only wanted to get involved to receive technical training, but were not interested in joining a group project or learning business skills. Some people did not want to research the feasibility of the enterprise ideas themselves and wanted the project staff to select the enterprises for them. Even some government and NGO staff opposed the idea of the groups doing their own feasibility study, arguing that the 'marginalised' did not have the time nor capacity to complete it. Other people, particularly older men in the community, were discouraged by the small-scale and localised nature of the project, arguing that it should involve substantial capital funding and adopt a national or international export market focus.

While such criticism initially discouraged the project staff, research results about the wide range of assets, skills and alternative economic practices in the community strengthened their belief that enterprises could be started within Jagna. Armed with this knowledge, the project team presented their data to various groups across the municipality, highlighting examples of what was regularly achieved in Jagna through volunteer labour and locally available resources. They also facilitated discussions with community members on the past experiences they had had with development projects that had offered funding or training but with little return. Time and again, this discussion prompted community members to recount experiences when they had relied on outside agencies to supply resources that had never arrived, or when they had incurred heavy debts from micro-credit schemes that had crippled their fledgling business. The project team used these discussions to highlight how the assets-based and diverse economies approaches could potentially reduce such problems.

After four months of meeting with different groups to present these arguments, four small enterprise groups were chosen: a women's dressmaking group, a ginger processing group, a small coconut farmers group and the Jagna Porters' Association. With the exception of the porters, each group completed their feasibility studies in February or March 2005, with experimentation and training activities continuing at the time of writing (May 2005). The ginger, dressmaking and coconut groups are already producing and selling goods and are planning how to refine their production, formalise their group structure and improve their marketing techniques to attract larger-scale investment to ensure the sustainability of each enterprise after the project finishes in 2007. In the next section, I describe each of the enterprise groups and how the project has attempted to build new partnerships, engaged community and ensure an assets-based approach since their inception. The information is presented in narrative form and is based on a range of data including field notes, meeting minutes, project reports and interviews and focus group discussions I held with group members and project staff.

Women's Dressmaking Group

During the initial assets mapping stage of the project, the project team discovered that a large number of women in Jagna had been trained in dressmaking. A review of the existing

businesses in Jagna did not reflect this trend however, with identified market niches in the areas of office and school uniforms and in the hire of graduation gowns, wedding gowns and fancy dress costumes. Despite the abundance of training programs over the years, this market niche persisted as very few of the trained individuals had sufficient capital or business skills to start their own businesses. Some who had tried through micro-credit schemes had failed to repay their debts and others who had attempted home-based production did not know how to market their products. As a result, many women in Jagna had the skills, interest and even equipment available to start a dressmaking enterprise.

After numerous community meetings, skills auditing and other research activities, a group of ten women trained in dressmaking from three separate *barangays* volunteered to start the enterprise. Feasibility study activities confirmed a local and immediate demand for graduation gowns and so in March 2005 they began production of graduation gowns for hire to local schools. In order to generate enough capital to start production, interested schools paid the group a rental deposit in advance. The women donated their labour and time with the understanding that future projects would generate enough money to pay each member a basic wage.

One of the main challenges facing this group was that not all of the members knew each other at the outset of the project because they came from different *barangays*. As a result, most were not enthusiastic about working in a group and some planned to break away from the group and develop individual businesses once they had developed their technical skills. This feeling slowly dissipated as the feasibility studies and production progressed and the women began to learn about the diverse activities and skills required for sustaining a business. They learned about the benefits of specialising in different tasks and came to value the wider networks of support they gained from working in a group. As one woman stated during a meeting, "at first I just wanted to work on my own, but it is good to be social and all working together... and because there were more of us, we could advertise the togas [graduation gowns] to more people."

Another challenge facing the group was the scepticism of other people in their communities including local *barangay* councillors, neighbours and some of their husbands. They questioned why the women were spending so much time and energy on the feasibility study and production when there was no capital provided by the project. Some community members thought that the women were wasting their time because they believed that the project staff were not dedicated and that the project fail. They argued that if the project team were serious, they would do the feasibility study for them. While at first these comments discouraged the women, as they progressed with the feasibility study, they slowly developed confidence and a sense of ownership over their project. During meetings they shared their worries and developed strategies for answering their critics. One of these strategies included reciting examples of other projects they had been involved in that were well funded but had not delivered on promises.

Another strategy involved discussing examples of other activities such as fiestas, where they donate resources and labour without financial remuneration. They would ask “Why not put our efforts into something that will give us long term benefits?” The project team supported them by continuously reminding them of their long-term plans and highlighting the achievements of the group as they progressed. The fact that they succeeded in making the graduation gowns and now own them as an asset to rent out in the future is particularly encouraging and inspiring for the group. The future challenge facing the women is to maintain solidarity in spite of inevitable internal group politics, as well as gather momentum and enthusiasm for further projects so there is continual production and income generation.

Despite the pressure on the group, evidence is emerging that their steadfastness during the feasibility study and initial production is reaping rewards. Some of the council members who were originally opposed to the idea of the dressmaking group now plan to allocate money for them from their enterprise development fund and many of the neighbours who had derided the women for working without pay later supported the group by hiring their gowns during the graduation period. Furthermore, a brother of one of the women has donated the use of his vacant house for future production.

Women’s Ginger Processing Group

The ‘ginger group’ were formed as a subset of an existing women’s association that limited their services to providing credit and organising social activities. Nine of the members wanted to expand the association’s activities into income generation. Similar to the dressmaking group, the idea of ginger processing evolved from a long process of mapping skills and available resources against levels of enthusiasm. In terms of skills, three of these women had received training in making a ginger tea called *salabat* which is known locally to have health benefits. While the women generally make this tea for household use, sometimes selling it on an order basis, the members felt that there was a growing demand for it in the local market. In addition to a perceived demand for this tea, Jagna also has a significant supply of ginger, which farmers have difficulty in selling. As the feasibility activities and the field trip confirmed a significant market niche within Jagna and in surrounding municipalities, the group started experimenting with production techniques in December 2004. By March 2005 they received regular orders each week for around six small local stores and various households and are continuing to make a small profit each week. While they have been saving these profits so they can invest in some equipment, they are planning to start paying themselves a modest wage from July 2005. All of this has been achieved without any outside investment.

Similar to the other three groups, the first major hurdle for the group was the feasibility study. All of the women were reluctant to undertake the marketing and financial studies, wanting instead to start production immediately. This attitude changed during their first trip to survey the local market however, with two of the women deciding they wanted to be responsible for the

marketing of the product and one becoming interested in maintaining the financial records. Although they continued to participate in production, these women said that they had become interested in marketing and finances because they enjoyed the social aspect of marketing and had realised how many market contacts they had through their personal networks.

Like the dressmaking group, the ginger group explored alternative sources of financial support to expand their production. At first they discussed holding a *gala* (fundraising dance), which they had used in the past to raise initial capital for their credit service. During the feasibility study however, the Department of Social Work and Development offered them a substantial loan. Interestingly, while their initial reaction to the offer was one of excitement, they soon started to question the wisdom of putting themselves in debt even before they had decided whether the enterprise was feasible. Some of the members had experienced problems in the past with repaying such loans and others argued that they believed that the assets-based approach of the project methodology was valid. Knowing that they would eventually require larger funding for equipment however they did not want to forgo the opportunity completely. As a compromise, the women asked the project team to assist them in negotiating an arrangement with the department whereby the group would only accept the loan if the enterprise was deemed viable at the end of their feasibility activities. The group was granted the loan in February 2005, however the women have still not spent any of it, preferring to use it only when they are ready to expand their production.

Unlike the dressmakers who initially had problems trusting each other, the ginger group work well together as they are all neighbours from the same *barangay* and they have worked together before in the larger women's organisation. These past experiences have facilitated bonding because their organisation has been run efficiently and does not have a history of corruption. In this way, our project mobilised and expanded an existing network, linking it to other groups in Jagna such as the ginger farmers, the NGO partner and to government agencies such as the Department of Science and Technology who provided them with technical advice. The project team also facilitated funding negotiations with the Department of Social Work and Development and established supportive networks with the other enterprise groups. One example of this inter-group support was the dressmaking women making aprons and caps for the ginger women in return for a supply of ginger tea. Another is the fact that the ginger, dressmaking and coconut groups have been advertising each other's products throughout the municipality. To strengthen this collaboration, the project team is planning a workshop later in 2005 for the enterprise groups to share their experiences of production and strategies for building the business and managing group dynamics.

The Porters' Group

The Porters' Group is comprised of ten men who work at the local wharf as baggage handlers. They all belong to the existing Jagna Porters Multi-purpose Cooperative and are trying to build

an enterprise to support the meagre incomes of its 49 members. The group is currently researching the feasibility of a trucking business, a market niche they identified while working at the port. The gap in transportation services was also identified by the project team during the needs mapping activity, with upland farmers complaining of the difficulty they have in transporting their produce to nearby markets. Initially the porters focused their feasibility activities on the port but soon discovered that there were at least six existing service providers for the port. As a result, they changed their focus and since May have started to work with the upland farmers to establish whether a business based on hauling agricultural produce is indeed feasible.

As opposed to the other enterprise groups, the Porters' Group have focussed more on a gap or need in deciding which enterprise to research, rather than on the existing assets. While the group have a number of resources available to them, such as the savings of the cooperative and an available workforce, they would still require a large grant or loan to start the business.

Another challenge facing the group is that as labourers, they do not enjoy a reputable standing in the wider community and so the local government has been hesitant to extend assistance the group. This has greatly affected the morale of the group members, who do not enjoy a high level of trust even within their cooperative. There is a long history of members being uncooperative and inactive during group activities and many of the members do not trust the office bearers because of an incident when a former treasurer misused funds. Furthermore, the group members themselves have very little confidence in their abilities to complete the feasibility study and run a business, often citing the fact that only one of them has a college degree. The group is therefore not working cooperatively and as a result, have not yet finished their feasibility study, three months after the dressmaking, ginger and coconut groups finalised theirs.

Coconut Farmers' Group

As stated earlier, coconuts are one of the main crops produced in Jagna, with most produce being converted into copra² that is exported to oil mills on other islands. As copra prices are dictated by the world market, farmers are often uncertain how much they will receive for their produce. Furthermore, the Jagna copra industry is monopolised by a single copra buyer who pays minimum prices. Consequently, many coconut farmers in Jagna expressed interest in producing alternative coconut products to supplement household income.

In relation to this demand, the municipal and *barangay* councils have organised a range of training programs on the production of different coconut products such as coconut candy, virgin oil (a cold pressed coconut oil that is said to have medicinal qualities) and *nata de coco* (a

² Copra is coconut flesh that has been smoked and dried. It is processed in large factories to produce coconut oil.

confectionery made from fermented coconut water). There have been very few economic outcomes from these training sessions however, with production remaining household-based.

Owing to the availability of skills, raw materials and interest in producing alternative coconut products, the JCPP invited community members to join a feasibility study group. The subsequent group of six women and four men decided to conduct their feasibility study on two coconut products for which there was a significant local and regional market demand: virgin oil and *nata de coco*.

Initially, most of the group wanted to produce virgin oil, as it was being promoted in the media and by the Philippine Coconut Authority as having export potential, strong local demand and a high profit return. It was also popular within the group as it was a relatively new product and was reputed to have medicinal benefits. After surveying the local market however, the group found that those surveyed could not afford the cost of the product and most had not even heard of it before and so were not interested in buying it.

Nata de coco was in demand in the local market however, because the only local supplier had left the business two years previously and many parents and schools wanted to buy *nata de coco* as a healthy snack alternative for children. After doing the financial analysis, the group found that despite the low cost of *nata de coco*, the high local demand would ensure a stable return. The shift in focus from virgin oil to *nata de coco* production highlights the importance of the participants themselves undertaking the feasibility study. If the project had established a *nata de coco* group when the concept of virgin oil was promoted so heavily in the media, people may not have been interested in joining. Because the group had been involved in decision making from the outset however, they developed a strong sense of collective ownership, responsibility and enthusiasm for *nata de coco* production.

The group started experimenting with production techniques in late January 2005 and by May were successfully filling weekly orders to small stores in five different *barangays*. Each of the group members donated coconuts and sugar during the initial experimentation and production, while the project provided a small loan of \$200 (Australian) so the group could purchase basic equipment. The group is already repaying this loan and each of the group members now receives a small wage for their labour. Ongoing technical expertise is provided by the NGO partner and by provincial staff of the Department of Science and Technology, with the municipal government promising funding during the second half of 2005 for the group to expand production and establish a small production centre.

The major challenge for the coconut group has been that the members come from six different *barangays* and so most did not know each other before they joined the group. As with the dressmaking group, at least half of the members admitted to initially planning to leave the group

after they had received technical training to start individual businesses. They decided not to leave the group because the feasibility activities (and in particular, the field trip) had helped them to bond socially and appreciate each other's skills. Because the group has been working together well since they started production in January, they have attracted a lot of community interest and support, with four new members with expertise in making *nata de coco* joining the group. The group plans to expand membership across the municipality once the production and marketing aspects of the business are stabilised over the next few years.

Conclusion

The activities and challenges of each enterprise group in Jagna mirrors those occurring in the other project sites of Iligan City in the Philippines and in Bajawa and Bau Bau in Indonesia. Each group has a long journey ahead in terms of formalising their business structure, securing grants or loans to improve production and sustaining relationships between with the NGO and government departments. Based on interviews with NGO workers involved in enterprise development across Bohol, the groups will need ongoing support from project workers for at least five years to conduct further training, monitoring and conflict mediation. To ensure this support, the local government worker employed full-time on the project will continue working for the municipal council which has a five-year plan to expand enterprise development within Jagna.

While it is premature to make any definitive statements about the effectiveness of the JCPP approach in establishing sustainable livelihood projects, some key lessons have emerged. Firstly, the Diverse Economies approach offers a new approach to mapping and planning local economic development. Not only does it offer a more sophisticated means to understanding economic networks within a community, but in combination with an assets-based approach it encourages people to think more creativity about the ways they can use their resources, skills and labour to build new enterprises. It was through community-based discussions about what resources were available through different social and economic networks within the community that enabled the dressmakers, ginger women and coconut farmers to initiate production using volunteer labour and donated materials and money from within Jagna.

The potential for self-sufficiency was also strengthened by the groups conducting their own feasibility studies, through which they began to develop a strong sense of collective ownership over their activities and attract interest and resources from personal networks. If it were not for this process, people in the community would not have been amenable to the idea of producing *nata de coco* instead of virgin oil, nor would the groups have had time to bond and build trust before production started in full.

Initial evidence also suggests that the project methodology has created space for a wide range of community members to participate in local economic development and that this has laid the

foundation for new development partnerships in Jagna. So far, the project has succeeded in working across *barangay* and family groups; in assisting people to access funding and technical expertise from *barangay*, municipal and provincial levels of government; in strengthening the partnership between an NGO and the municipal government; and even between the different enterprise groups. These are only the first steps in establishing long-term enterprises, but hopefully these partnerships of support and a focus on the creative use of existing skills and resources within the community will continue to sustain each group into the future.

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