

SUSTAINABLE SHARED GROWTH SEMINAR #32 REPORT

2022
MAR

RURAL ORGANIZATIONS



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COLLEGE OF PUBLIC AFFAIRS AND DEVELOPMENT (CPAf)/UPLB AND
SEKIGUCHI GLOBAL RESEARCH ASSOCIATION (SGRA)/ATSUMI FOUNDATION (AISF)

32nd Sustainable Shared Growth Seminar



FEB. 19, 2020 9AM TO 12NN (PH TIME)

RURAL ORGANIZATIONS

ONLINE!

PRESENTATIONS

DIR. BLAN PANTOJA | AN AGRARIAN REFORM PERSPECTIVE

Community Innovation Studies Center, CPAf, UPLB

PROF. ROSETTE ROGELIO | AGRARIAN REFORM BENEFICIARY ORGANIZATIONS

Department of Social Sciences, UPLB

DR. NICO JAYSON ANASTACIO | AN AGRICULTURAL COOPERATIVE

Center for Strategic Planning and Policy Studies, CPAf, UPLB

DISCUSSANTS

PROF. GENY LAPINA |

College of Economics and Management, UPLB

DR. MAX MAQUITO |

CPAf/UPLB and SGRA/AISF



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REGISTER THROUGH THE LINK OR QR CODE (FOR FREE)

INTRODUCTION

The Sustainable Shared Growth Seminars are also known as the KKK seminars. KKK stands for Kahusayan (Efficiency), Katarungan (Equity), and Kalikasan (Environment), which represents the economic goals of sustainable shared growth. It is also the name of the revolutionary organization that fought for the independence of the Philippines from Spain. Unlike in Western or Asian (Japanese) context, for the Philippines, therefore, KKK stands for what is noble in her traditions, and is very much against repression. We feel that the Philippines is in dire need of sustainable shared growth, and requires nothing short of a revolution, albeit peaceful, in our way of thinking and acting on these issues.

This seminar series is organized by the Sekiguchi Global Research Association of the Atsumi International Foundation, based in Sekiguchi, Bunkyo-ku, Tokyo, Japan. The Nihongo equivalent for KKK are kouritsu (efficiency), kouhei (equity), and kankyou (environment), for which the Japanese characters are 効率, 公平, 環境, respectively.

Seminar #29 was co-organized with the College of Public Affairs and Development of the University of the Philippines Los Baños, and was held on July 27, 2021, and was held fully online due to the on-going pandemic. The theme of this seminar was "In Search of Community Currencies".

FEBRUARY 19, 2022

Rural Organizations

KKK SEMINAR #32

OPENING REMARKS: JUNKO IMANISHI

CHIEF REPRESENTATIVE, SGRA

おはようございます

Good morning!

I would like to welcome you to the 32nd Sustainable Shared Growth Seminar. This is the 5th webinar of this series for this Japanese fiscal year, organized by the Sekiguchi Global Research Association (or SGRA in short) of the Atsumi in collaboration with the College of Public Affairs and Development of UPLB.

The theme for this webinar is Rural Organization. I understand from Dr. Max Maquito that this is a common theme for the presenters and discussants. The idea of looking into rural organizations first came to him as a member of the PhD advising committee for Dr. Nico Anastacio one of our presenters, and Prof. Geny Lapina, who are both looking at Philippine agriculture from an organizational perspective. Prof. Rosette Rogelio, another presenter, presented at the 2nd International Conference for Governance and Development of CPAf on Agrarian Reform organizations.

"My experience with Japanese farmers has been through another NGO helping the farmers of Fukushima recover from the destruction of the 2011 earthquake "



JUNKO IMANISHI

Chief Representative, Sekiguchi Global Research Association (SGRA)

Managing Director

Atsumi International Foundation

"harmony amidst diversity"

OPENING REMARKS: JUNKO IMANISHI

CHIEF REPRESENTATIVE, SGRA

And last but not least, Director Blan Pantoja presentation on status of the Philippine Agrarian Reform appears to be a key topic for today's webinar. For Max, rural organizations are related to decentralization, which he considers as an important principle for sustainable shared growth.

My experience with Japanese farmers has been through another NGO helping the farmers of Fukushima recover from the destruction of the 2011 earthquake. SGRA has been regularly participating in this NGO's activities since 2013(?). Fukushima is considered to be the bread basket or , in Japanese, we call it the kitchen of Tokyo. One thing I was very impressed about was the high ability of the farmers there to organize and communicate their situation. I believe this is one ability that improved the welfare of Japanese farmers. I am sure that it would also be the same for our fellow archipelago, the Philippines

I wish us all much learning from today's webinar on rural organization.

...by the banks of the River Edo!
(Max)

Sekiguchi, Bunkyo-ku, Tokyo

*sakura (桜)
almost full bloom!*



PROGRAM

OPENING REMARKS

JUNKO IMANISHI

Chief Representative, Sekiguchi Global Research Association
Atsumi International Foundation

SEMINAR MANAGER

CHAIR AND MODERATOR | KAREN JANIYA

Center for Strategic Planning and Policy Studies, CPAf, UPLB

PROGRAM

PRESENTATIONS

PRESENTATION #1 | AN AGRARIAN REFORM PERSPECTIVE

Dir. Blan Pantoja, CISC, CPAf, UPLB

PRESENTATION #2 | THE ROLE OF RURAL ORGANIZATIONS IN RURAL DEVELOPMENT: EXPERIENCES FROM MULTIPURPOSE COOPERATIVES IN STA. MARIA, LAGUNA

Prof. Rosette Rogelio, Dept. of Social Sciences, CAS, UPLB

PRESENTATION #3 | UNDERSTANDING AGRICULTURAL COOPERATIVES IN THE PHILIPPINES

Dr. Nico Jayson Anastacio, CPAf, UPLB

DISCUSSANTS |

- Prof. Geny Lapina, College of Economics and Management, UPLB
- Dr. Max Maquito, CPAf UPLB and SGRA/AISF

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Presentation #1

PRESENTATION #1 | AN AGRARIAN REFORM PERSPECTIVE

Director Blan Pantoja (CISC, CPAf, UPLB)

Why is Agrarian Reform Important?

- an intervention to alleviate poverty and promote social equity in the countryside
anchored on the philosophy that income and wealth could be democratized by equalizing access to land and other productive resources through equitable land ownership distribution
seeks to correct the country's concentration of land ownership in only a few people

Major Components of CARP

- **Land Tenure Improvement (LTI)**
 - entails both physical land transfer and non-land transfer activities
- two schemes **1) land distribution** (redistribution of public, government and private agricultural lands to qualified landless farmers and farworkers. ; **2) non-land transfer schemes:** i) leasehold arrangement; ii) stock distribution option; iii) production and profit sharing
- **Program Beneficiaries Development (PBD)**
provision of education extension services, credit, infrastructure support, institutional development marketing and management assistance and support to coops and farmers' organizations
- **Agrarian Justice Delivery (AJD)**
 - deals with the settlement of cases which are related to landlord and tenant relationships aswell as those pertaining to land valuation

Source: From the Presentation of Dir. Blan Pantoja

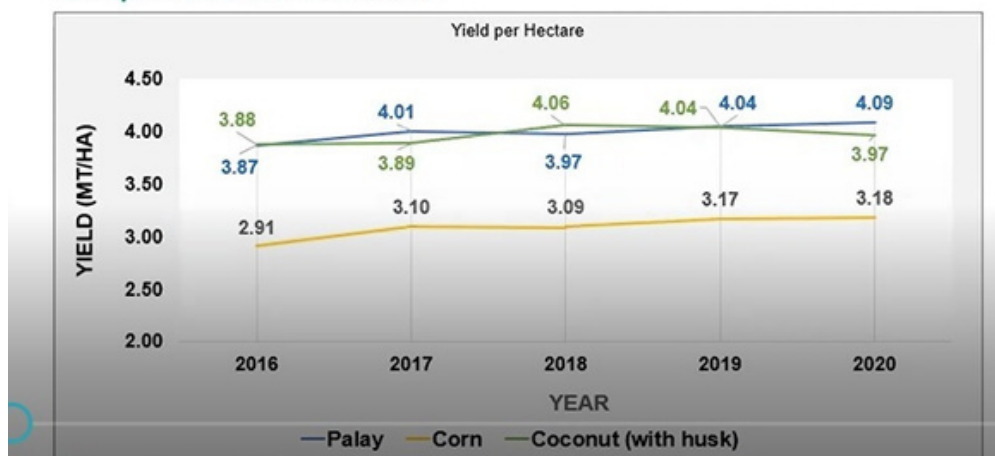
Presentation #1

PRESENTATION #1 | AN AGRARIAN REFORM PERSPECTIVE

Director Blan Pantoja

Agricultural Situation in the Philippines

- Yield per hectare of major crops hardly rose and are not comparable to experimental trial results



DIR. BLAN PANTOJA

What are the factors affecting the status of our ARBOs? I'm answering this question with questions also.

Agrarian Reform Community (ARC) Strategy

- Adopts a holistic development approach employing a tripartite arrangement among government organizations (GOs), non-government organizations (NGOs) and people's organizations (POs)
- DAR and/or other GOs provide and/or facilitate:
 - The construction of physical infrastructure facilities such as irrigation, roads and bridges
 - Economic support in the form of credit accessing and marketing also provided
 - Institutional assistance in the form of training to enhance farmers' technological, entrepreneurial and organizational capability
- NGOs take charge of community organizing and capacity building
- POs - community-based organizations composed of CARP beneficiaries and other farmers; e.g., cooperatives, farmers' associations, irrigators' associations; now called Agrarian Reform Beneficiaries Organizations (ARBOs)

Source: From the Presentation of Dir. Blan Pantoja

Presentation #1

PRESENTATION #1 | AN AGRARIAN REFORM PERSPECTIVE

Director Blan Pantoja

Status of ARBOs in the Philippines - Implications

- Only minority (10%) of the ARBOs have the capacities, skills, knowledge, appropriate PSPs and plans to ably operate enterprises that will help increase farm income and productivity and thereby uplift status of their members as well as those in the community
- Majority of the ARBOs seem to be in their struggling stage and will still have to capacitate and strengthen themselves; are still dependent on support provided by external sources
- Given this picture, how can the ARBOs serve as prime movers of development in the agricultural sector?
- Despite the numerous interventions including training, how come many ARBOs are still relatively "weak"?

Expected Role of ARBOs

- Conduit of support services
 1. Source of production inputs, farm machinery and post-harvested facilities
 2. Training
 3. Credit/financial assistance
 4. Market consolidator
 5. Value-adding to products of members and other farmers in the community
- Operate enterprises that will enhance income of ARBO members and other community residents

Source: From the Presentation of Dir. Blan Pantoja

Presentation #1

PRESENTATION #1 | AN AGRARIAN REFORM PERSPECTIVE

Director Blan Pantoja

Recommendations

- Small is beautiful vs. economies of scale
- Land consolidation being put forward - role of ARBOs become more critical
- Convergence and coordination among government agencies need to be in place particularly with the Mandanas ruling empowers the LGUs
- Integration and consolidation not only at the community level but across agrarian communities in a municipality then the province to the region until the national level
- interventions should be an identified need from the beneficiaries

Source: From the Presentation of Dir. Blan Pantoja



KAREN JANIYA (CHAIR/MC)

Thank you for sharing the history of our agrarian reform, the various support services, and the status of our Agrarian Reform Beneficiary Organizations. There has been multiple extensions but we haven't really received the gains from these policies

PRESENTER



Ms. Blanquita R. Pantoja

Ms. Blanquita R. Pantoja is currently the Director of the Community Innovations and Studies Center and the Research Coordinator at the College of Public Affairs and Development, UPLB. She has extensive experience in Research and Extension in agriculture, particularly agrarian reform and agrarian institutions. She has a Masters Master of Science in Agricultural Economics Graduate School, U.P. Los Baños and a Bachelor of Science in Agricultural Economics College of Development Economics and Management (CDEM).

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Presentation #2

PRESENTATION #2 | THE ROLE OF RURAL ORGANIZATIONS IN RURAL DEVELOPMENT:

EXPERIENCES FROM MULTIPURPOSE COOPERATIVES IN STA. MARIA, LAGUNA

Prof. Rosette Anne Rogelio (Dept. of Social Sciences, CAS, UPLB)

RURAL ORGANIZATIONS IN RURAL DEVELOPMENT

- the collective coordination of small farmers through cooperatives or farmers' associations has become critical for **increased productivity and incomes of the farm sector** (Ballesteros and Ancheta, 2020)
- “To have a greater role in higher value chain such as product transformation and marketing, farmers especially smallholders **need to cooperate and organize themselves**. Small farmers usually do not have the capital or technology or facility to carry out these other processes thus a unified arrangement such as the ARBO is needed to enable them to have **greater participation** in the trade of more sophisticated products” (Ballesteros and Ancheta, 2020, p. 9).

BACKGROUND

- Philippine agrarian reform program
- Tripartite cooperation
- ARBOs → cooperatives

Farmer beneficiaries (ARBOs)



NGOs and private organizations



Government agencies

Source: From the Presentation of Prof. Rosette Rogelio

Presentation #2

PRESENTATION #2 | THE ROLE OF RURAL ORGANIZATIONS IN RURAL DEVELOPMENT:

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Prof. Rosette Anne Rogelio (Dept. of Social Sciences, CAS, UPLB)

RURAL ORGANIZATIONS IN RURAL DEVELOPMENT

- the collective coordination of small farmers through cooperatives or farmers' associations has become critical for **increased productivity** and **incomes of the farm sector** (Ballesteros and Ancheta, 2020)
- "To have a greater role in higher value chain such as product transformation and marketing, farmers especially smallholders **need to cooperate and organize themselves**. Small farmers usually do not have the capital or technology or facility to carry out these other processes thus a unified arrangement such as the ARBO is needed to enable them to have **greater participation** in the trade of more sophisticated products" (Ballesteros and Ancheta, 2020, p. 9).

KEY TAKEAWAYS

- Establishing rural organizations such as ARBOs is an effective approach in rural development. It allows for the citizen engagement and participation in development initiatives of both local and national government. ARBOs prove to be important as they help in implementation of national policies (CARP) in local communities; ARBOs are formalized institutions where farmer beneficiaries can carry out legal business operations; and ARBOs have formalized procedures that help in member participation and sustainability of organization.
- ARBOs face challenges along the way so interventions should always be ready in order to maximize the contribution of rural organizations in rural development.

Source: From the Presentation of Prof. Rosette Rogelio

Presentation #2

PRESENTATION #2 | THE ROLE OF RURAL ORGANIZATIONS IN RURAL DEVELOPMENT:

EXPERIENCES FROM MULTIPURPOSE COOPERATIVES IN STA. MARIA, LAGUNA

Prof. Rosette Anne Rogelio (Dept. of Social Sciences, CAS, UPLB)

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Source: From the Presentation of Prof. Rosette Rogelio



KAREN JANIYA (CHAIR/MC)

Indeed in the Philippines, most of the interventions are coursed through organizations. Usually individual farmers are encouraged to organize themselves to access these services that come with these government interventions.



PRESENTER

Prof. Rosette Anne Rogelio

Rosette Anne O. Rogelio is an Assistant Professor of Sociology at the Department of Social Sciences in UP Los Baños. She obtained her bachelor's degree in Sociology and master's degree in Sociology minor in Agrarian and Rurban Development Studies in UPLB. Her research endeavors mostly deal with women and gender studies, sociology of the family, and rural development studies, College of Development Economics and Management (CDEM).

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Presentation #3

PRESENTATION #3 | UNDERSTANDING AGRICULTURAL COOPERATIVES IN THE PHILIPPINES

Dr. Nico Anastacio (CPAf/UPLB)

Agricultural cooperative

- ▶ The establishment of agricultural cooperatives is among the most recognized policy instruments employed in the Philippines to address the needs of the agricultural stakeholders (Castillo, 2003).

Stagnation of the cooperative and issues on its internal mechanisms

Leadership

Participation

Source: From the Presentation of Dr. Nico Anastacio

Presentation #3

PRESENTATION #3 | UNDERSTANDING AGRICULTURAL COOPERATIVES IN THE PHILIPPINES

Dr. Nico Anastacio (CPAf/UPLB)

Leadership concerns in agricultural cooperatives

- Succession of leaders
- Monopoly of decisions

Membership participation concerns in agricultural cooperatives

- Lack of incentives to participate
- Sense of ownership of the organization
- Non-conformity to cooperative values

Last note

Despite of these challenges, agricultural cooperatives are still considered a critical driver of agricultural and rural development as it:

- ▶ Bridges government support to individual farmers
- ▶ Assists in translating agricultural problems to viable solutions; and
- ▶ Capacitate farmers as leaders of their communities.



Source: From the Presentation of Dr. Nico Anastacio

Presentation #3

PRESENTATION #3 | UNDERSTANDING AGRICULTURAL COOPERATIVES IN THE PHILIPPINES

Dr. Nico Anastacio (CPAf/UPLB)

Theory of cooperation

"Successful cooperation in or by formal organizations is the abnormal, not the normal, condition."

- Chester Barnard

Source: From the Presentation of Dr. Nico Anastacio

PRESENTER



Dr. Nico Jayson Anastacio

Dr. Nico Jayson C. Anastacio is currently working as a university researcher at the Center for Strategic Planning and Policy Studies (CSPPS) of the College of Public Affairs and Development (CPAf), University of the Philippines Los Banos (UPLB). He graduated from his PhD degree program in Development Studies from UPLB with a dissertation on the effects of the internal mechanisms and external pressures on the role of a Philippine agricultural cooperative in technology adoption. Aside from cooperative studies, Dr. Anastacio is also interested in understanding the different governance dynamics in local tourism industries in the Philippines such as within the context of agritourism and ecotourism industries. Gender studies is also among his research interests. Dr. Anastacio is also a licensed environmental planner.

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DISCUSSANTS

DISCUSSANT



PROF. GENY F. LAPINA

1Mr. Geny Lapiña is an Assistant Professor at the Department of Agricultural and Applied Economics, College of Economics and Management, University of the Philippines Los Baños. He completed his BS in Agricultural Economics from the College of Economics and Management of UPLB and his Masters in Development Economics from the School of Economics, University of the Philippines Diliman. Currently, he is working on his PhD in Development Studies from the College of Public Affairs at UPLB.

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DISCUSSANT



Dr. Max Maquito

In his "previous life", the author was a mechanical engineer at a state-owned shipyard, after finishing his BS at the Engineering Department of the University of the Philippines, Diliman. A scholarship enabled him to shift specialization and earn his MS Industrial Economics from the Center of Research of Communication (now within the University of Asia and the Pacific). Right after which, he was able to get into the Japanese Ministry of Education scholarship to get into the PhD in Economics program of the University of Tokyo. A scholarship from the Atsumi International Foundation enabled him to finish his doctorate in Economics He was an Adjunct Professor in Temple University Japan campus, before coming back to the Philippines to join CPAf, where he is now an Assistant Professor. His long stay in Japan, and working with the Atsumi International Foundation have fueled his lifelong research and advocacy on sustainable shared growth. E-Mail: maquito.uplb@gmail.com

DISCUSSION

by Prof. Geny Lapina

- Agrarian Reform – macroeconomic perspective
- Organization perspective from social science
- Elaboration of cooperatives

Some take aways

- **Lots of experience** on implementation, interventions, capacity building, and conduct of follow-through activities
- **Rural organizations** as conduits / channel for facilitating development (rules-based, financing, training services, others)
- **Capacities and skills** – leadership, management, experience, and training (takes time and dedication) but incentives matter too
- **Participation**
 - Organizations/cooperative – succession leadership, encouraging participation
 - Markets: innovation and creativity – but do we cultivate that in our society and does government enable us to do so (doing business?) but also matching this with cooperatives that have a different set of principles

So what seems amiss?

- We have lessons and recommendations but why is reform so hard?
- Why are there more failures and what makes others succeed?
(SIDC and other Batangas Coops seem to succeed)

Objectives of land reform and perhaps rural organizations too



- Political (stability, power structure in society)
- Economic objectives (efficiency and equity)
- Social objectives (“social justice”)
- Cultural aspirations
- Environmental concerns

Source: From the Discussion of Prof. Geny Lapina

DISCUSSION

by Prof. Geny Lapina

Political

- Rules based - but as we know this is a struggle is a struggle for our country but how much of the national political failures permeate and affect society which then filter to rural organizations?
- Political power and participation - how much of the national shortcomings filter down to affect current ARBOs and other Rural Organizations (cooperatives)

Economics

- Market economy is a strong force but how much does this affect our society? How can cooperation and competition co-exist? In the case of cooperatives - how this will permeate members
- Incentives matter and it affects us all

Social and Cultural

- We have a diverse culture and perhaps an angle to understand is where are the cooperatives that work? What is unique in those contexts and settings? SIDC had been requesting that their case be studied/documentated
 - How to move away from a "one-size fits all" type of planning and even policies?
 - What are the aspirations and how do we leverage these to make rural organizations work much better?
1. Matching individual/family aspirations, rural organization aspirations, and national aspirations

Source: From the Discussion of Prof. Geny Lapina

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DISCUSSION

by Dr. Max Maquito

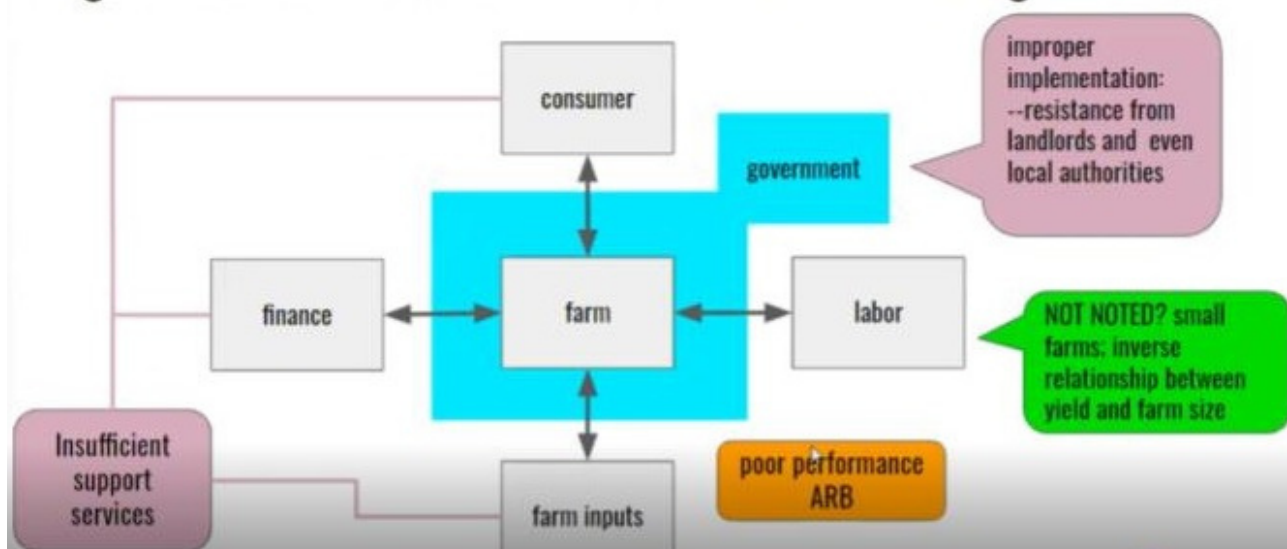
Outline

- Background of the Sustainable Shared Growth Seminars
- Policy question: is downsizing ---> upsizing desirable?
- Theoretical Framework Economics of Rural Organization
- ---> points on the presentations



Philippines	KKK* Criteria	Farm Downsizing (Agrarian Reform)
X	Efficiency	?
X	Equity	✓
X	Eco	?

Efficiency of Downsizing: Economics of Rural Organizations → Nexus of contracts w/ missing markets



Source: From the Discussion of Dr. Max Maquito

DISCUSSION

by Dr. Max Maquito



Higher yields and more biodiversity on smaller farms

Vincent Ricciardi^{1,2}✉, Zia Mehrabi^{1,2,3}, Hannah Wittman^{2,3}, Dana James^{2,3} and Navin Ramankutty^{1,2,3}

- Small farms constitute most of the world's farms and are a central focus of sustainable agricultural development. However, the relationship between farm size and production, profitability, biodiversity and greenhouse gas emissions remains contested. Here, we synthesize current knowledge through an evidence review and meta-analysis and show that smaller farms, on average, have higher yields and harbour greater crop and non-crop biodiversity at the farm and landscape scales than do larger farms. We find little conclusive evidence for differences in resource-use efficiency, greenhouse gas emission intensity and profits. Our findings highlight the importance of farm size in mediating some environmental and social outcomes relevant to sustainable development. We identify a series of research priorities to inform land- and market-based policies that affect smallholders globally.

Source: From the Discussion of Dr. Max Maquito

DISCUSSION

by Dr.Max Maquito

01

For Dir. Blan Pantoja

- Has there been efforts to clarify the causes of underperformance of ARBs, which disentangles the effects of various causes such as, land size and the quality/quantity of supporting services?
- Given the role of supporting services, are effective conduit organizations scarce?
 - IT-Enabled Maturity Assessment of ARBOS -- most ARBOS are immature
 - Only a few Agrarian Reform Community? (good to know though that it is 55% of ARBs as of 2021) is there active monitoring and/or assessment?
 - A lot of good research questions on the type of interventions (including extension, one size fits all) integration of ARBOs (better than upsizing) → coordinate with Community Development program/graduate students
 - Good: land consolidation in terms of operations, BUT: need effective ARBOs or cooperatives

DISCUSSION

by Dr. Max Maquito

02

For Prof. Rosette Rogelio

- In the Philippine context, Ballesteros and Ancheta (2020) noted some contributions of farmers' organizations such that "the collective coordination of small farmers through cooperatives or farmers' associations has become critical for increased productivity and incomes of the farm sector" (p. 6). Given the mostly small-scale operations of farms of Filipino farmers, being in a farmers' organization helps in decreasing costs for inputs, increasing outputs and easily connect to markets (Ballesteros and Ancheta, 2020).
- Does this indicate the following?
 - Downsizing results in productive farms
 - Provided there is sufficient support services (including management knowhow)

03

For Dr. Nico Anastacio

- The underperformance of the Mango Cooperative
 - Is not an ARBO, but were there ARBs participating in the cooperative?
 - If so, could these have been sustainably productive with appropriate support services?
 - Other reasons? (inappropriate technology from foreign donor, etc.)
- Community Development approach for Cooperatives?
 - Cooperation is key
 - CD is about the process of cooperation to create social capital
 - Concern for community



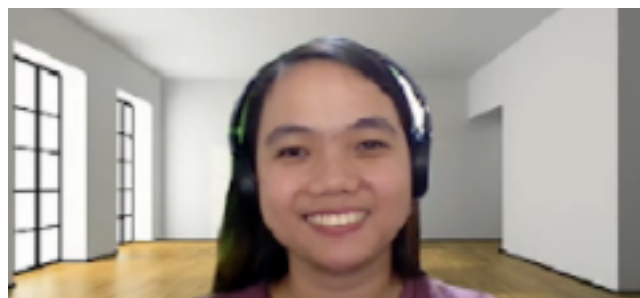
KAREN JANIYA (CHAIR/MC)

I had graduate school flashbacks, since I've had AGRI ECO 251 under Ma'am Pabuayon, and SPPS 201 under Sir Max



**DIR. BLAN
PANTOJA**

CISC, CPAf, UPLB



**PROF. ROSETTE
ANNE ROGELIO**

Dept. of Social Sciences,
CAS, UPLB



**DR. NICO
ANASTACIO**

CPAf, UPLB



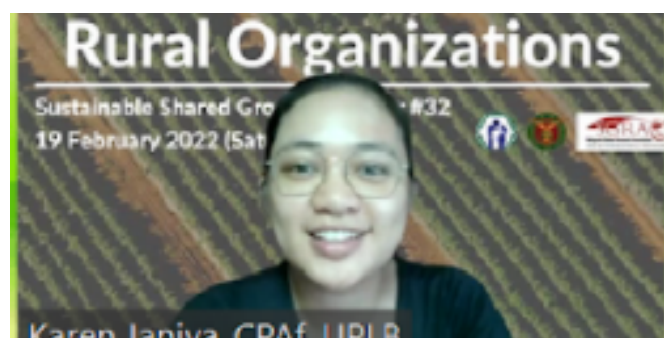
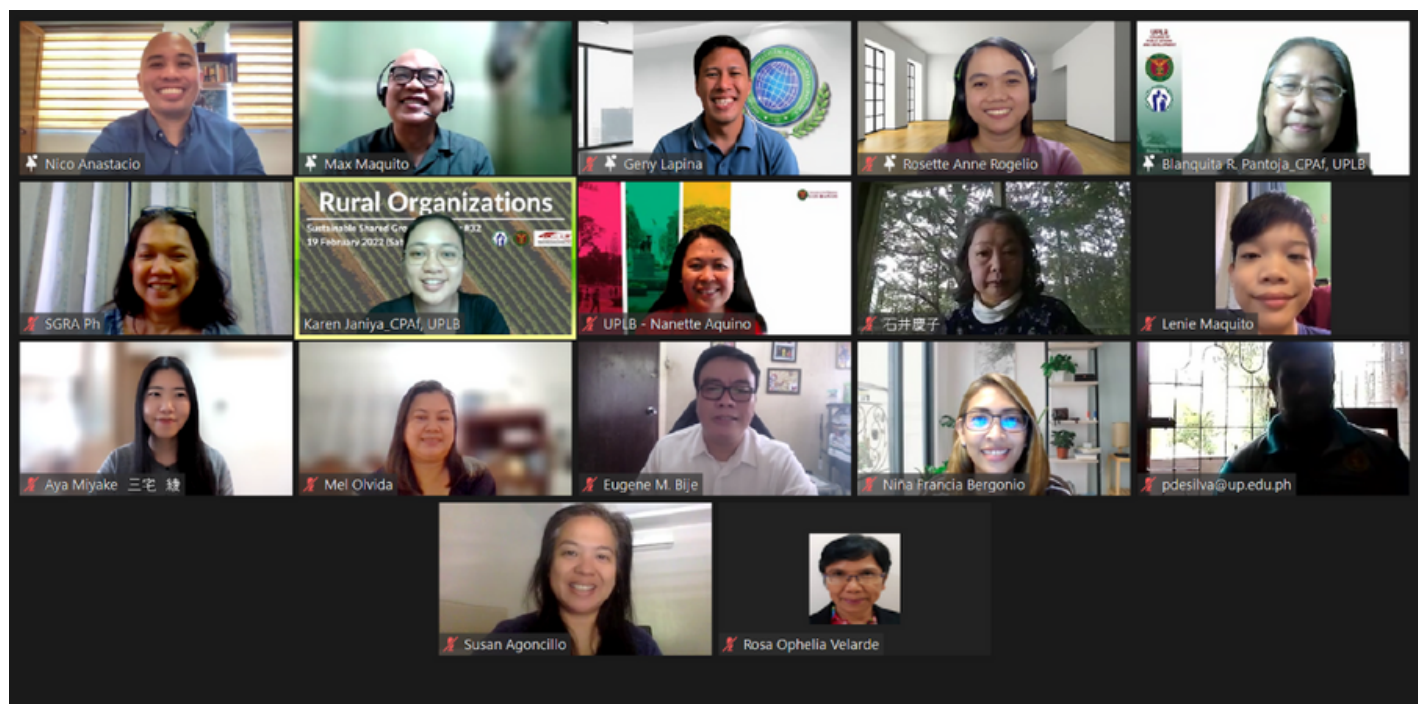
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**DR. MAX
MAQUITO**

CPAf, UPLB





ST. MARY'S CATHEDRAL (SPRING 2022)

Sekiguchi, Bunkyo-ku, Tokyo

thank you!

32ND SUSTAINABLE SHARED GROWTH SEMINAR: RURAL ORGANIZATIONS

DR MAX MAQUITO

Is small no longer beautiful?

Over the last couple of years, this topic on rural organizations has been brewing in my mind

The 32nd Sustainable Shared Growth (KKK) webinar held on Feb. 19 explored the importance of rural organizations. It was organized by the Sekiguchi Global Research Association (SGRA) of Atsumi International Scholarship Foundation and College of Public Affairs and Development, UPLB.

It was the first event in the KKK seminar series that focused on rural organizations. My UPLB colleagues, aProf. Rosette Anne Rogelio (College of Arts and Sciences), Director Blanquita R. Pantoja and Dr. Nico Jayson C. Anastacio (College of Public Affairs and Development), and aProf. Geny F. Lapina (College of Economics and Management) provided thought-provoking presentations.

the crucial clarification during her presentation that her proposal for upsizing is “land consolidation in operations, not in ownerships.”



DR MAX MAQUITO

Sustainable Shared Growth Seminar
Convenor

32ND SUSTAINABLE SHARED GROWTH SEMINAR: RURAL ORGANIZATIONS

DR MAX MAQUITO

As the seminar was ongoing, there was further confirmation of my feeling that we are at the cusp of shifting the policy regime from one that advocated farm downsizing (embodied in the agrarian reform program in the Philippines for the last 33 years) to upsizing.

To evaluate the policy shift in the context of rural organizations, I used the Economics of Rural Organization (EORO) framework of Hoff, Braverman, and Stiglitz.. Applying the neoclassical economic analysis, the EORO framework is well informed about the studies being done on institutions especially in developing countries. However, it does not lead toward market fundamentalism. This suits me just fine. I have really grown quite skeptical of policy recommendations that effectively leaves everything to the market. It is not to say that markets are not needed, but simply to debunk the cult of the invisible hand. EORO, therefore, is for government intervention in the markets, but an intervention that should be based on a clear understanding of what is really the cause of an observed problem.

Studies have attributed the failure of agrarian reform beneficiaries (ARBs) to at least two factors. One is the resistance of some landlords and even some local government authorities to the national government's implementation of agrarian reform. Another is the lack of sufficient support services for the beneficiaries.

The EORO framework deepens and expands our understanding of these factors. One additional factor the framework brings to the table is the inverse relationship between farm size and yield especially in the case of small farms. Various studies on farm sizes have confirmed this inverse relationship.

32ND SUSTAINABLE SHARED GROWTH SEMINAR: RURAL ORGANIZATIONS

DR MAX MAQUITO

The additional factor effectively is in support of downsizing rather than upsizing. It is becoming apparent that in the analysis of the underperformance of ARBs, there has been no systematic effort to disentangle the effects of this inverse relationship, which, if present, is for downsizing. On the other hand, factors such as insufficient support services and resistance from landlords/local authorities are against downsizing. Invoking economies of scale (average costs goes down with increasing farm size), therefore, to support upsizing may in fact be an erroneous recommendation, should the inverse relationship actually exist.

Happily, Director Blan makes the crucial clarification during her presentation that her proposal for upsizing is “land consolidation in operations, not in ownerships.” Small farms could be integrated, while maintaining individual ownerships to avail of economies of scale (more precisely, the external economies of scale) in the provision of support services, enabling them to be more productive -- certainly a very much welcomed proposal that is both efficient and equitable.

I cited, however, one caveat. Crucial to the successful implementation of land consolidation in operations is that conduits for support services are in top condition. All presenters are very much aware through their respective experiences, however, that the major conduits, namely, ARBOs, including agricultural cooperatives, and Agrarian Reform Communities, could be ineffective in delivering these services. A mad rush to this type of upsizing, therefore, could very well result in another three decades or so thrown down the drain.

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A host of very good questions, the answers to which lead to improving the conduits of support services, were also raised. These questions really require systematic study that could and should engage faculty, researchers, and graduate students (especially those concerned with Community Development) at CPAf. It goes without saying that agricultural extension training sessions, for example, should have content which is more memorable than the venues or meals. These should be appropriate to the needs and absorption capabilities of participants, or can be attended by a wide circle of direct beneficiaries.

Nevertheless, proposals do exist where land consolidation in ownerships is claimed to improve Agrarian Reform farm efficiencies. The evidence and logic of this proposal, especially with regards to efficiency and equity, should be studied very carefully for reasons stated above. It seems that upsizing, no matter how it is defined, has to seriously question the premises on which it stands. It seems that upsizing, no matter how it is defined, has to seriously question the premises on which it stands: (1) the absence of an inverse relationship between farm size and yield, in the case of land consolidation in ownerships, or (2) the existence of effective conduits of support services, in the case of land consolidation in operations..

There were two additional and interrelated issues raised during the seminar worthy of note: land conversion and out-of-farm youths. There has been a trend of farms being converted to non-agricultural purposes which is very palpable even in the vicinity of Los Baños. Moreover, it is becoming harder for farming families to retain their youth to work in the farms. There has been a generation of youths who are to look for jobs elsewhere. A common cause of these two issues cited in the seminar are the poor profitability of agriculture, and a mindset, usually instilled at an impressionable age, that "planting rice is never fun". Proper education of the young with regards to agriculture would be very helpful to remedy these two issues.

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Ultimately, improving farm productivity or efficiency is an imperative, to which I added the third socio-economic goal of the KKK seminars: to be environmentally friendly (or eko for short, as the Japanese would put it). A meta-analysis of the literature entitled “Higher yields and more biodiversity on smaller farms” (Nature Sustainability, July 2021) cannot be more articulate. Small farms could indeed be beautiful for they are efficient, equitable, and eko.

This seminar has given me an important takeaway. In consultation with Sekiguchi Global Research Association (SGRA) Chief Representative Junko Imanishi (Managing Director of Atsumi International Foundation), I have proposed that rural organizations be taken up again as a topic of the next cycle of KKK seminars. Junko has even expressed her personal interest on the topic, as SGRA itself is involved with an NGO of Japanese farmers in Fukushima trying to recover their communities from the devastation of the 2011 earthquake-tsunami-nuclear disaster. To the proposed list of KKK seminars, I have added: the Philippine construction industry (regional perspectives); decentralized ASEAN integration (the role of LGUs); land value taxation; and notes on regional/community development. Should the proposal be accepted, I would like to call on CPAf/UPLB and the general public for their continued if not greater support. We are in dire need of mechanisms for us to be more efficient, equitable, and eko. The KKK seminars are here to help in this quest.

KKK seminars are regular activities of the Atsumi International Scholarship Foundation’s Sekiguchi Global Research Association (SGRA). The KKK32 seminar was co-organized by the UPLB College of Public Affairs and Development.

NEXT STEPS

Upcoming Sustainable Shared Growth seminars for the next Japanese fiscal year 2022-23 (tentative)

Seminar #33

Philippine Construction Industry: Regional Perspectives

Seminar #34

Decentralized Integration of ASEAN: Role of LGUs

Seminar #35

Land Value Taxation

Seminar #36

Notes on Regional/Community Development

Seminar #37

Rural Organizations

NEXT STEPS

Upcoming Sustainable Shared Growth seminars for the next Japanese fiscal year 2022-23 (tentative)

AFC6 Papers on LVT and Decentralization and Shared Growth (for presentation August 2022)

6th Asia Future Conference @ Taiwan

The Proposed Philippine National Valuation Act: A Legislative Basis for Land Value Taxation

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Abstract

In the Asia Future Conference (AFC) numbers four (AFC4) and five (AFC5), and various seminars held by the Sekiguchi Global Research Association in the Philippines, the significance of a Land Value Tax (LVT) as a mechanism for sustainable shared growth (efficiency, equity, and environmental friendliness) has been much deliberated upon. In this paper we evaluate a legislative basis for LVT in the Philippines, the proposed Real Property Valuation and Assessment Reform (RPVAR), which has very recently passed its third and final reading in Congress. With the stronger push towards decentralization, the ability of Local Government Units (LGUs) to generate their own funds becomes even more important. Overall, we consider the proposed act as a crucial move in the right direction. Real property taxes form the bulk of internal funds generated, and the ability to keep land value assessments updated is indispensable for LGUs to deliver the devolved public services. We propose some important points, however, for consideration in future deliberations and formulation of the implementing rules and regulations so that this mechanism is fully leveraged for sustainable shared growth. In particular, we propose the usefulness of adopting a revenue neutrality approach (presented in AFC4) and considering the incentives of local government units to improve on its generation of local sources of revenue (presented in AFC5). Lastly, we propose the consideration of the capacity of the local assessors and treasurers as lead implementers of the proposed act.

Keywords: land value tax, real property valuation, reform

NEXT STEPS

Upcoming Sustainable Shared Growth seminars for the next Japanese fiscal year 2022-23 (tentative)

AFC6 Papers on LVT and Decentralization and Shared Growth (for presentation) August 2022)

6th Asia Future Conference @ Taiwan

Implications of Full Devolution on Vertical and Horizontal Gaps in Fiscal Decentralization: The Case of a Fast Starter
 Damcelle Torres-Cortes and Ferdinand C. Maquito
 College of Public Affairs and Development, University of the Philippines Los Baños

ABSTRACT

In its report “East Asia Decentralizes: Making Local Government Work”, the World Bank categorized the Philippines as a “fast starter”. In 2022, the Philippines will be moving towards full devolution following the 2018 pronouncement of the Philippine Supreme Court, which held that customs duties and other national taxes should be part of the total income apportioned to local government units (LGUs). This effectively increases the constitutionally mandated share of all LGUs thereby infusing more funds for public services at the grassroots. But additional resources entail greater responsibilities. Goods and services previously provided by state agencies will then be fully entrusted to LGUs consistent with the Local Government Code.

Based on interdisciplinary literature on local governance and development in the Philippines and other countries, we explore possible repercussions of a full devolution on two important goals of fiscal decentralization. The first concerns closing the *vertical gap* or the variance between the resources available to LGUs and the funds actually needed to finance all devolved services. The second goal involves bridging *horizontal gaps* or disparities in income between poor localities and more developed counterparts across LGUs. Though the real effects of the court's ruling can only be seen after its implementation, we surface critical considerations for ensuring that the increase in national transfers addresses both vertical and horizontal gaps and ultimately contributes to shared growth. Our findings generate lessons on the promise, challenges, and limitations of fiscal decentralization that can be relevant to developing countries, especially in East Asia.

Keywords: decentralization, devolution, shared growth, vertical gap, horizontal gap, Philippines, East Asia

NEXT STEPS



<http://www.aisf.or.jp/AFC/2021/>

About the Theme

BUILDING A FUTURE ASIA — Solving Problems, Together

The future of Asia holds great potential, and the world is paying attention to the development of the region. Over the past 30 years, Asia has achieved remarkable progress, with rapidly rising consumption levels and successful integration into global trade, capital, talent and innovation flows. In the decades to come, Asian economies will not only participate in but also determine the direction of these flows. From the Internet and technology to international trade, Asia has long become a main player in many fields. The key issue today is no longer how fast Asia is rising, but what forms of leadership it will generate. Although Asian countries contain diverse languages, races and religions and have different forms of government and economic systems, they share similar development histories and backgrounds.

Asia accounted for less than 1/3 of the world's total GDP in the year 2000 but is expected to exceed 50% of it by 2040. By then, Asia is also expected to account for 40% of total world consumption. Asia has not only achieved economic progress but human development through increased human longevity and literacy rates as well as the rapid spread of technology and the Internet. As a result of this, however, over-used resources and health insurance have become urgent social issues.

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The rise of Asia has not only lifted hundreds of millions of people out of extreme poverty, but has also widened the gap between the rich and the poor.

Urbanization is driving economic development and improving education and public health services, but poverty and other development challenges remain. With rapid population growth many cities are unable to provide adequate housing, infrastructure and other related services. Asian countries and regions need to achieve more inclusive and sustainable economic growth in order to cope with the pressures of inequality and environmental issues. In addition to environmental and economic sustainability, Asian countries should also work together for Asia's future toward peace.

About the Asia Future Conference

The twenty-first century has seen the world thrust into a maelstrom of change and unpredictability. We remain hopeful in the face of rapid technological advancements, but many of us struggle to regain our bearings as longstanding social structures become upended. Internationalization and globalization have long been heralded as the keys for the future, yet a truly global path forward remains elusive, serving only to heighten the sense of uncertainty. As global citizens in this era of change, we are called anew to reexamine our world and our collective future and to seek new multidimensional and inclusive perspectives on myriad global issues.

The achievement of rapid economic development has also led to dramatic changes in Asia. With the onset of global environmental issues and an increasingly globalized social economy, problems that transcend national barriers are on the rise. Amidst rapid globalization there is a simultaneous process of localization, leading to problems such as nationalism taking root. The citizens and groups that make up society must think not only about the pursuit of individual wealth, but of the benefits for the rest of society. In order to solve the problems brought about by globalization, it is necessary to cross and cooperate across national and disciplinary borders, and to analyze issues from a multidimensional perspective.

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The Asia Future Conference was established with this reality in mind. International and interdisciplinary at its core, the Asia Future Conference encourages diverse approaches to global issues that are mindful of the advancement of science, technology and business and also take into consideration issues of the environment, politics, education, the arts, and culture. The Asia Future Conference is organized by the Sekiguchi Global Research Association (SGRA) in partnership with likeminded institutions, and provides a venue for the exchange of knowledge, information, ideas, and culture not only for SGRA members, but also for former foreign students of Japan from educational institutions around the world, their own students and collaborators, and anyone interested in Japan.

SGRA began operating in Tokyo in July 2000 as a division of the Atsumi International Foundation, a charitable organization. At its core is a community of non-Japanese researchers who come from all over the world to conduct advanced studies in Japan and obtain doctoral degrees from Japanese graduate institutions. SGRA identifies issues related to globalization and seeks to disseminate research results to a wide audience through forums, reports, and the internet. SGRA's aim is to reach society at large rather than a specific group of specialists through wide-ranging research activities that are inherently interdisciplinary and international. The essential objective of SGRA is to contribute to the realization of responsible global citizens.

Garnering the support and cooperation of various like-minded institutions, the 1st AFC was held in March 2013 in Bangkok, Thailand, the 2nd in August 2014 in Bali, Indonesia, the 3rd in September 2016 in Kita Kyushu City and the 4th in August 2018 in Seoul, South Korea. The 5th AFC was most recently held in Manila, the Philippines, in January 2020. All of the conferences were made memorable by the many passionate presentations as well as fruitful exchanges that took place. The 6th AFC will be held in Taipei, Taiwan in August 2022. We look forward to welcoming a diverse and dynamic group of conference participants.

NEXT STEPS

AFC 6 ROUNDTABLE

“COMMUNITY AND GLOBAL CAPITALISM: IT’S A SMALL WORLD AFTER ALL”

SERIES: CONTEMPLATING THE WORLD FROM SOUTHEAST ASIAN LENS

August 29, 2022 (AM)

Organized with the Community Development Team of CPAf/UPLB (Dr. Josefina T. Dizon and Dr. John E.M. Perez) and AISF Scholar Dr. Jakfar Idrus



DR. JOPAY DIZON (PH)
CPAf/UPLB (PH)



DR. JOHN PEREZ (PH)
CPAf/UPLB (PH)



DR. JAK IDRUS (IDN)
KORUSHIKAN UNIVERSITY (JP)

ACKNOWLEDGEMENTS

Behind-the-Scene Assistance

- Karen Janiya (1)
 - CSPPS, CPAf
- Dr. Nico Anastacio (2)
 - CSPSS, CPAf
- Lenie M. Miro (3)
 - SGRA PH



**We thank you for
your continued
support in our
efforts to contribute
to Sustainable
Shared Growth.
Be safe!**

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**SUSTAINABLE
SHARED GROWTH
SEMINAR #32
REPORT**