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THE UNITED WAY PHILIPPINES, INC.:
A CASE STUDY OF ORGANIZATIONAL TRANSFER IN PHILANTHROPY

By

Ma. Teresita (Angie) Cruz

A dissertation submitted to the Graduate Faculty in Sociology
in partial fulfillment of the requirements for the degree of
Doctor of Philosophy, The City University of New York

1995

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This manuscript has been read and accepted for the Graduate Faculty in Sociology in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

May 1, 1995
Date

William K. Krum
Chair of Examining Committee

May 1, 1995
Date

L. Churchill
Executive Officer

Lindsey Churchill

Paul A. Attewell

Supervisory Committee

THE CITY UNIVERSITY OF NEW YORK

Abstract

**THE UNITED WAY PHILIPPINES, INC.:
A CASE STUDY OF ORGANIZATIONAL TRANSFER IN PHILANTHROPY**

by

Ma. Teresita (Angie) Cruz

Adviser: Professor William Kornblum

This dissertation examines two distinct, yet interrelated phenomena: (a) the experience of applying the United Way as a community model of philanthropy in the Philippines: (b) the role of a sociologist as an agent of change.

This study shows that the United Way has not approximated the success it has achieved in the U.S. and other parts of the world, whichever measure of success is used. The study compares a number of dimensions relevant to both American and Philippine societies, specifically: community resources of wealth, income, grass roots welfare organizations, and other features of local civil society, including notions of culture and moral standards. The analysis includes a comparison of the internal and external environments within which the model developed in the two nations. A historical dimension is added as the development of the two countries' economy and political life is traced, as well as the emergence of voluntarism and

the welfare state.

To provide a wider perspective on the organized practice of philanthropy in the Philippines and to illustrate that certain NGOs have achieved greater success within the same external environment, the operations of three other philanthropic organizations were documented: "Tulay sa Pag-Unlad" or TSPI (Bridge for Progress), Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDhrra), and the Philippine Business for Social Progress (PBSP).

This dissertation also details the experience of the sociologist as an agent of change. At the beginning, the focus of the experience was more on the organizational transformation to be accomplished rather than mere research. The research goal emerged upon the analysis of the action and the resulting change. Further research was subsequently conducted. The outcome is not merely a research report. In addition to an analysis of the findings and the transformational process, an organization was fundamentally changed and revitalized. In addition, a new set of procedures was introduced, which can be helpful for shaping human interaction and for enhancing an innovative, though unconventional role, for social scientists.

IN LOVING MEMORY

To my beloved parents . . .

Dr. Primitivo T. Cruz

and

Mrs. Edita Asuncion-Cruz

Thank you for teaching me how to care.

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Alleluia! To God be the honor and the glory.

TABLE OF CONTENTS

THE UNITED WAY PHILIPPINES, INC.:

A CASE STUDY OF ORGANIZATIONAL TRANSFER IN PHILANTHROPY

Chapter I: PHILANTHROPY AND SOCIETY.....	1
Significance of the Study of the	
Philippine Experience.....	1
The Evolution of Philanthropy.....	6
Methodology.....	10
Organization of the Study.....	13
Chapter II: COMPARATIVE SOCIOLOGY OF PHILANTHROPY.....	17
Philanthropy from a Historical Point of View.....	17
Philanthropy in the U.S.....	24
Chapter III: THE UNITED WAY MOVEMENT.....	36
History of the Movement.....	36
The United Way: An Organizational Description....	43
United Way International.....	57
Chapter IV: PHILANTHROPY: THE PHILIPPINE EXPERIENCE....	61
Brief History of the Philippines.....	61
Development of Philanthropy in the Philippines...	78
Chapter V: THE UNITED WAY PHILIPPINES, INC.....	86
History of the Movement.....	86
United Way Provincial Chapters: Cases in Point...	86
Insights and Conclusions.....	107
Chapter VI: OTHER PHILANTHROPIC ORGANIZATIONS IN THE	
 PHILIPPINES: A COMPARATIVE ANALYSIS.....	120
"Tulay sa Pag-Unlad", Inc. or TSPI (Bridge for	
Progress).....	121
Philippine Partnership for the Development of	
Human Resources (PhilDhrra).....	137
Philippine Business for Social Progress (PBSP)...	150

Chapter VII: THE SOCIOLOGIST AS AN AGENT OF CHANGE.....	166
Organizational Diagnosis: Crisis of Leadership.....	168
OrganizationalTransformation.....	177
Chapter VIII: CONCLUSIONS AND IMPLICATIONS: SUGGESTIONS FOR THE FUTURE.....	208
UWPI: An Imported Model of Community Philanthropy.....	208
The Role of a Sociologist as a Change Agent.....	216
Bibliography.....	237

LIST OF TABLES

Table 1:	Production Share and Labor Absorption of Major Sectors, Selected Years: 1970, 1980, 1990, 1992.....	221
Table 2:	Performance of the Economy, 1979-1980 and 1980-1991.....	222
Table 3:	UWPI: Comparative Statements of Support, Revenue and Expenses, and Changes in Fund Balance, 1990-1992.....	223
Table 4:	Funds Raised by the UWPI Provincial Chapters, 1991-1993.....	224
Table 5:	UWPI Comparative Balance Sheet, 1990-1992.....	225
Table 6:	Amounts Raised from Fund Campaign Activities (Sample UW Provincial Chapters, 1988-1993).....	226
Table 7:	TSPI Comparative Statements of Support, Revenues and Expenses, and Changes in Fund Balance, 1982-1991.....	227
Table 8:	PhilDhrra Financial Report Summary, 1988-1991.....	228
Table 9:	PBSP Financial Highlights, 1971-1991.....	229
Table 10:	Comparative Data on Operating Costs Vs. Total Income Among Selected Philanthropic Organizations in the Philippines, 1986-1991.....	230

LIST OF FIGURES

Figure 1:	Where the Money Comes From.....	231
Figure 2:	Where the Money Goes.....	232
Figure 3:	National Agencies Receiving Most Funding, 1992.....	233
Figure 4:	Designation Trends, 1991 - 1992.....	234
Figure 5:	National Amount Raised by United Way, 1962 - 1992.....	235
Figure 6:	UWPI Revenues, 1980-1986, 1987-1992.....	236

CHAPTER I

PHILANTHROPY AND SOCIETY

The United Way is the largest philanthropic federation in this country, and perhaps in the whole world. The success of the movement is phenomenal, gauged by the billions of dollars it has raised through the years and the recognition it has gained as one of the most effective community models of philanthropy, consisting of hundreds of professionals, thousands of volunteers, and millions of donors.

From an international perspective, the United Way model has proven to be exportable. At present, there are about 200 United Ways operating in about 32 countries in the world. They range from the most industrially developed like England, Japan, and Singapore to the slowest in development, like Jamaica, India, and the Philippines (Glaser, 1994). In answer to the numerous requests for technical assistance by United Ways overseas, United Way International (UWI) was established.

SIGNIFICANCE OF THE STUDY OF THE PHILIPPINE EXPERIENCE

My interest in the subject of this dissertation goes beyond the remarkable success of the United Way movement; nor

does it stem only from the fact that my roots can be traced to the Philippines. Rather, it was my employment as UWI's special consultant to the Philippines which provided me not only with the opportunity for a direct transformational involvement with UWPI but also to study it from the closest possible range, from within.

This dissertation explores questions of what happens when a concept of community philanthropy, developed in an advanced industrial society, is applied to a developing area of the world. The successes and failures of this transplantation process, measured through analysis of organizational adaptations, community responses, and changing levels of philanthropic activity at the grass roots level are the specific subjects of the research. More concretely the dissertation examines the experience in the Philippines from 1949 to the present of applying the United Way model, developed first in the United States, of community philanthropy.

For the purpose of this dissertation, I am not making a sociological analysis of all types of philanthropy found in America. Rather I am concentrating on a specific model of federated fund-raising, the United Way, which evolved from community chests, defined as "a contributor-and-fund agency controlled organization whose principal duties are acquiring and spreading information on welfare needs, coordinating the work and reviewing budgets for the participating agencies,

campaigning for contributions to meet the chest's accepted share of these budgets, and disbursing these funds to the agencies" (Andrews, 1953).

This study analyzes the experience in the Philippines with the United Way as a model of community philanthropy. The analysis revolves around a set of comparative dimensions relevant to both American and Philippine societies, specifically: community resources of wealth, income, grass roots welfare organizations, and all other features of local civil society, including notions of culture and moral standards. The analysis includes a comparison of the internal and external environments within which the model developed in the respective nations. A historical dimension is added as the development of the two countries' economy and political life is traced, as well as the emergence of voluntarism and the welfare state.

A number of central research findings emerged from my experience with United Way Philippines, Inc. (UWPI). First, and most basic, is that UWPI had lost and never regained the initial success it enjoyed during its first three decades of existence in the Philippines, under the name Community Chest.

It is certainly unrealistic to expect the model to achieve the same degree of success that it has achieved in the United States, in a developing country like the Philippines, where ironically it is more needed. Like many other developing countries, "the Philippines is not able to cope

effectively with the stringent demands of international protectionism, inadequate technology, natural disasters, corruption and mismanagement, and a self-serving and unconcerned government that lays emphasis on show and image rather than actual public needs and welfare" (Tan, 1983). The Philippines has been reported to have an absolute poverty rate of 58 percent in 1985 with the bottom 40 percent of its population having access to only 10 percent of the wealth, the most unequal income distribution among the developing countries in the region" (World Bank, 1988). These factors may easily be deemed unfavorable to the development of philanthropy in general and much less to the growth of the United Way model in particular, a model which is heavily dependent on the middle and the upwardly mobile working classes for its revenues.

Interestingly, however, the rapid growth of the non-governmental organizations (NGOs) in the Philippines seems to belie the above assumption. The Philippine NGO sector is regarded as one of the most advanced in the ASEAN (Association of Southeast Asian Nations) region in terms of growth, organizational sophistication, and advances in development approaches (Callanta, 1988). In fact, the study reports that other philanthropic organizations in the Philippines, one of which is an adaptation of the United Way model, have achieved impressive levels of success.

Although the United Way model has survived in the

Philippines for more than four decades, it has not achieved nearly the same degree of success as United Way of America. The reasons for this were found in the external environment (i.e., the Filipino society) as well as in the internal environment (i.e., the organization itself). The primary factors in the external environment which were discovered to be detrimental to the success of the organization include: the high levels of poverty of the population; relative absence of a middle class or an upwardly mobile urban working class; the lack of value placed in anonymous giving; and graft and corruption in an unconcerned and self-serving government. In its internal environment, the crisis in leadership, the ignorance/indifference of the board to United Way standards, the inadequacy of professional staff, and meager financial resources have been the biggest challenges.

To provide a wider perspective on the organized practice of philanthropy in the Philippines and to illustrate that certain NGOs have achieved greater success within the same external environment, the operations of three other philanthropic organizations were documented. The three organizations studied were: Tulay sa Pag-unlad, Inc. or TSPI (Bridge for Progress), the Philippine Partnership for the Development of Human Resources in Rural Areas (PHILDHRRRA), and the Philippine Business for Social Progress (PBSP), patterned after the "Dividendo Voluntario Para La Comunidad" of Venezuela, which is the United Way of Venezuela.

THE EVOLUTION OF PHILANTHROPY

This dissertation presents a view of philanthropy as a sociological phenomenon, oriented and directed toward social needs and problems. While it started as a form of charity work by altruistic individuals, families and church organizations, the practice of philanthropy has evolved into an organized effort of structured social institutions (like private voluntary organizations, movements, and others) in response to changing social conditions in a civil society (Salamon, 1992). Thus, my study dwells largely on an in-depth analysis of organized philanthropy in the context of contemporary society. This is definitely in the realm of Sociology since Sociology describes and explains the structures and changes of contemporary social life, including the kinds of groups, social processes and institutions which are predominant in today's world (Wrong & Gracey, 1977).

Since philanthropy or charity is an intrinsic part of religion, sociologists who wrote on religion like Weber, Durkheim, Comte, and others discussed it whether implicitly or explicitly. Rather than studying it on a spiritual plane, however, they discussed philanthropy or "altruism" (as most of them referred to it) almost as a solution to the ultimate source of social conflict in the world today, the struggle between two opposed ideals: the supreme value of the individual and the good of the community or society (Ginsberg, 1968).

As economic and social conditions changed, as civilization developed, there evolved a new prosperity which led to intellectual and cultural florescence and to the development of individual conscience (Armstrong, 1993). With inequality and exploitation emerged society's caretakers, i.e., institutions and individuals, who offer various kinds of care to its members. Caretaking in this sense, is not merely an altruistic act, but a reciprocal relation in which the caretaker gives his services in exchange for a material or non-material gain (Gans, 1962). This idea of reciprocal gift-giving was extensively studied by Marcel Mauss as well, and it became the basis of the principles of social reciprocity and stewardship in trust (Salamon, 1992).

Philanthropy is an important part of our contemporary social life. Modern urban life being as complex as it is, inter-family assistance, spontaneous neighborly kindness, self-reliance, or even governmental administration are no longer enough to deal with societal problems. Consequently, there was a need for philanthropy to be institutionalized (Salamon, 1987).

In the last two decades of the present century, poverty has emerged as perhaps the most serious problem confronting mankind. Anywhere from two-thirds to three-fourths of the world population today live in abject poverty and are hungry a good part of the time (Stockwell and Laidlaw, 1981). Economic development has been easily prescribed as the

solution, but determining ways for the attainment of that goal has not been as easy. In recent decades, there has been a growing dissatisfaction with governmental attempts to deliver comprehensive, equitable services and development plans. It is this sentiment which has served to heighten the visibility and importance of the role NGOs and private funding play in the field of philanthropy (McCarthy and Hodgkinson, 1992). Governments have been found to be inadequate to respond to the public's welfare needs because they are inherently cumbersome, bureaucratic, and unresponsive (O'Connell, 1987).

The United States, in particular, has resisted the worldwide movement toward exclusively governmental approaches to social welfare provision, adding new governmental assistance only with great reluctance and then structuring them in ways that preserve a substantial private role (Andrews, 1978).

With regard to developing countries, the World Bank believes that indigenous NGOs have a better record in providing social services, engaging in community development and helping and acting as advocates for the poor (McCarthy, 1992).

Modern institutionalized philanthropy does not depend solely on the innate generosity of individuals for its success. Philanthropic organizations typically identify and develop sources of funds, e.g. government, corporations, foundations, to sustain their activities which are usually

undertaken through conduit structures (such as chapters, partners, member organizations, and others). The philanthropic activities of these organizations and their conduit structures impact on the lives of the people of communities that they assist.

The continued provision of funds by the resource holders or suppliers to sustain philanthropic activities is affected by the socio-economic, political, and cultural situation in their external environment. On the other hand, there are factors (e.g. leadership, operating policies and procedures) internal to these organizations which affect their long-term survival and, therefore, their philanthropic activities.

United Ways in the United States generate most of their funds from donor citizens from the middle class, though they also receive contributions from government, corporations, and private foundations. The continued availability of funds from these suppliers is dependent on the socio-economic, political, and cultural situation in the country. The long-term survival and remarkable success of United Ways in the U.S. is dependent both on the continued availability of funds from its suppliers and its internal environment. This same frame of thought was expected to apply to UWPI because it was established as a replication of the United Way model in this country. However, that did not become the case.

In the Philippines, there are a number of organized institutional mechanisms (e.g., private voluntary

organizations or non-government organizations) which generate funds either from business corporations (e.g., the Philippine Business for Social Progress), private citizens in the community (e.g., United Way Philippines, Inc.), government/bilateral sources (e.g., the Philippine Partnership for the Development of Human Resources in Rural Areas) or international partners (e.g., Tulay sa Pag-Unlad, Inc.) for different types of philanthropic activities in their respective geographic areas of coverage. One way or the other, the birth of these organizations occurred because of the need to respond to societal problems affecting directly or indirectly the lives of the Filipino people. It was for the very same reason that UWPI was born.

METHODOLOGY

The key factors that played a role in the phenomenal success of the United Way in the United States are: the kind of community (including its moral standards, its response to social pressure, and the pervading spirit of voluntarism), the economic picture, the political climate, the leadership and administration of the organization. These same factors were examined in the Philippines as they relate to the success or failure of the United Way in that country.

The research questions I proposed for this study originally developed from observations I made during my employment as Special Consultant to United Way International

from 1986 to 1991. I was assigned to Asia with the Philippines as my main area of concentration. I had a five-year employment contract and my mission was two-fold: (1) to reorganize the Board of Directors at that time; (2) to revitalize the organization and make it follow the model of United Ways in the United States. Reorganizing the Board was achievable, but trying to make UWPI as functional as American United Ways was another story. It was this discovery that made me seriously wonder about the adaptability of the United Way model to other countries, particularly those which are not as industrially developed as the United States. I have extensive notes and materials from this period of my work.

Although my employment contract with UWI formally ended, my ties with UWPI did not. The contacts I developed with members of the Board of Directors and of the staff have proven stronger than official ties. Consequently, I have become an "unofficial" consultant to the organization, volunteering my services whenever I find myself in the Philippines for whatever reason. These unofficial ties with UWPI made possible this research study. On the other hand, I am not employed in any way by the United Way and I felt free to write as I pleased about the organization and related issues.

Ethnographic and historical methods were used in the development of this dissertation. It combined elements from the research methodology of participant observation, with ethnographic interviews with important figures in the

philanthropies'. It drew on documentary and archival evidence.

Fortunately, the job I performed as Special Consultant to UWPI also permitted me to act as a participant observer. As such, I was able to witness everything that happened in the organization as only an insider would have been able to do. I was also able to visit and observe some of the affiliate chapters throughout the country and interview their leaders and clients. For reporting purposes to my employers, I recorded all the significant events that occurred. Moreover, in my present status as "unofficial volunteer consultant", I was able to continue my in-depth observation of this organization, with a focus on the research questions I had posed in this dissertation.

As part of the methodology, I developed analytical case studies on United Way of America, United Way International, United Way Philippines, and three other philanthropic non-governmental organizations or NGOs in the Philippines.

The research methodology includes a historical dimension: comparisons of the United Way structure in the Philippines during its early stages and the later adaptations as well as the amount of success the United Way had achieved in Manila and the provinces. The different crises the organization had undergone through the years were contextually analyzed.

A dual research strategy was used: (1) the first part involved historical research, synthesizing existing written sources. This yielded a comparative view of the processes of

philanthropic and social changes in the United States and in the Philippines as they affect the United Way movement in the two countries; (2) documentary and interview research on the five organizations under study. As a supplement to the historical and documentary materials, interviews were conducted with leading figures to obtain a glimpse into the non-governmental sector in the Philippines in general and the UWPI in particular.

ORGANIZATION OF THE STUDY

Chapter II, COMPARATIVE SOCIOLOGY OF PHILANTHROPY, focuses on two major topics: the universal definition and historical context of philanthropy and the concept and practice of philanthropy in the United States. This section provides a wider perspective for understanding the concept and practice of philanthropy from a sociological vantage point.

Chapter III, THE UNITED WAY MOVEMENT, provides a detailed description of the United Way model of philanthropy in the United States, its major functions, the factors that contributed to its success, and the extent of its operations as an international philanthropic movement.

Chapter IV, PHILANTHROPY: THE PHILIPPINE EXPERIENCE, is divided into two major parts: an overview of the Philippines

and the historical context of philanthropy in that country. The first section discusses the history of the country, its economic and political life, and its social classes. The second part traces the evolution of philanthropy in the Philippines, from its earliest pre-Western forms to the development of its present sophisticated and very advanced NGO sector. The different historical events, as well as the political, economic, and social developments which influenced Philippine philanthropy are also analyzed.

Chapter V, THE UNITED WAY PHILIPPINES, INC. (UWPI) traces the history and development of UWPI, from its arrival on Philippine shores to the present. It divides the history of its development into five different periods: the coming of the Community Chest, the early upswing of the United Way, the hard times the organization suffered, the transformation of the organization, and the present slow growth. In addition, the internal and external environments in which it has existed are described. To give a broader perspective on the national organization, seven of the provincial chapters and their operations are also discussed.

Chapter VI, OTHER PHILANTHROPIC ORGANIZATIONS IN THE PHILIPPINES: A COMPARATIVE ANALYSIS, details the comparative experience of other philanthropic models in the Philippines, their operations, and the level of success they have

respectively attained. The three NGOs are: Tulay Sa Pag-Unlad or TSPI (Bridge for Progress); Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDhrra); and Philippine Business for Social Progress (PBSP).

The purpose of this chapter is to present three case studies as evidence of the fact that NGOs can operate successfully in the Philippines in spite of an unfavorable external environment. It is a prerequisite for this success, however, that the internal environment of the NGOs be stable and robust.

Chapter VII, THE SOCIOLOGIST AS A CHANGE AGENT, gives a vivid description of my personal experience as a sociologist effecting an institutional change in one of the oldest philanthropic organizations in the Philippines. It analyzes my direct involvement with UWPI as a transformational leader, from the initial organizational diagnosis to the continuing challenges the newly-transformed UWPI has to face. Details of the preliminary investigation, the development of a change strategy, the formation of an informal group of allies, the election victory, and the different concrete steps taken to remedy structural problems are explained.

Chapter VIII, CONCLUSIONS AND IMPLICATIONS: SUGGESTIONS FOR THE FUTURE, analyzes the findings of the study and the insights gained from them. It explains the reasons for the

failure of the United Way model to regain its initial success as a community model of philanthropy in the Philippines. Suggestions on possible strategies to remedy some of its problems are given. In addition, the insights gained from my experience as a change agent are analyzed in light of similar field experiences of other sociologists.

CHAPTER II

COMPARATIVE SOCIOLOGY OF PHILANTHROPY

This chapter traces the development of philanthropy from simple charitable acts between neighbors and among families to the multi-million industry that it has become. From the traditional personal observance of the sublime commandment to love, to help, and to share, philanthropy has evolved into an organized effort of structured social institutions responding to changing social conditions in a civil society (Salamon, 1992).

Philanthropy is defined in the dictionary as "love of mankind, especially as shown in acts of charity." From the earliest of times, it has led people to give freely of their resources including money, property, time and even strength to those perceived as in need.

PHILANTHROPY FROM A HISTORICAL POINT OF VIEW

There is abundant evidence in history that concern for one's fellow human beings dates back to ancient times, as glimpsed from pagan writings from antiquity (Warner, 1989). In general, however, primitive peoples did not practice much almsgiving because there was very little need for it. Very few belonged to the "poor" as a social class taken in the

modern context. Needs were limited to the basic food, clothing, and shelter, and these were provided by the family or clan (Andrews, 1950). Thus, belonging to a big family or a huge clan almost guaranteed access to a soup kitchen, shelter, maternity benefits, unemployment insurance, old age annuity, home relief, and decent burial (Weaver, 1967).

Philanthropy in the East developed along simple, traditional lines. Like other ancient nations, peoples in Asia had demonstrated their willingness to help the needy. There was a strong reliance on the family, which was almost considered a strict divine commandment. Whole villages functioned as expanded families ready to assist whoever might be in need. This propensity to help members of one's own clan or village received a more powerful incentive from religion.

Ancient eastern philanthropy was typified in China's charitable practices. Ages before the coming of Christianity, the Chinese already had provisions to take care of the aged and the sick indigent. There were free schools for poor children and free meals for the needy. Moreover, there were societies which took care of distributing second-hand clothing and paying for marriage and burial expenses for those who could not afford them (Warner, 1989).

The ancient Greeks and Romans had radically different concepts of philanthropy. Their philanthropy was directed

not towards needy poor individuals but more towards the general public (Weaver, 1967). In the strict sense, it was not almsgiving since it was not connected to poverty, nor was it motivated by any feelings of pity.

Plato's Academy was one of the most famous manifestations of the Greek concept of philanthropy (Weaver, 1967). The Academy was founded in Athens about 387 B.C. and its goal was to produce gentlemen, well-rounded men who were not only immersed in theories of ideas but were also involved in music and gymnastics. At his death, Plato left this Academy with an endowment of productive land to a nephew, for the benefit of Plato's students or disciples, a forerunner of the modern philanthropic foundation.

Not to be outdone was Plato's student, Aristotle, who left most of his fortune for the continuation of the Lyceum. Founded by Aristotle with financing from Alexander the Great, the Lyceum provided free education to the intellectually worthy, rather than providing for the poor who might have had a greater need for scholarships. This was in consonance with Aristotle's nature which was not moved by the misfortunes and unhappiness of others, except when they happened to be his friends.

Another notable example of Alexander's philanthropy was Alexandria University in northern Egypt, which he founded. It was known to be the cultural center of the Mediterranean world before it was burnt down by the Mohammedans, one

thousand years after its establishment.

Citizens of pre-Christian Rome followed the examples of Greek philanthropy. Like the Greeks, they preferred to give to the state or other worthy citizens, regardless of need and without the influence of pity. Cicero, one of ancient Rome's great statesmen, wrote that gift suggestions included aqueducts, theaters, and temples. The famous "bread and circuses" provided by the later Roman emperors came more from fear of revolt rather than from pity (Andrews, 1950).

Among all religions, charity is exhorted. It is the hallmark of all major religions formed from the very beginning of civilization (Armstrong, 1993).

Many centuries before the Christian era, there were records of giving and right conduct motivated by a desire to improve one's lot after death. One of the oldest records of benevolence is found in The Book of the Dead, foremost Egyptian religious literature, which dates back to about 4,000 B.C. (Andrews, 1950). In it works of mercy have been itemized such as: giving bread to the hungry, water to the thirsty, clothing to the naked, boat ride to the boaters, and offerings to the gods.

An inscription on the tomb of Harkhuf, an Egyptian nobleman who lived about 2,500 B.C. admitted that his good works were performed because he desired a good life in his god's presence after his death.

In India, Gautama Buddha established a religion based

upon self-restraint and charity for the poor about 450 B.C. His teachings had universal effects, extensively influencing eastern peoples' ways of life and charitable attitudes towards their fellow human beings.

The Hebrews have had a tradition of generous-giving to God and to the poor extending back to their earliest beginnings. The Bible gives an account of the start of the practice of tithing. Jacob, one of the earliest Hebrew patriarchs, had a vision in Bethel which led him to promise to give ten percent of everything he would receive back to God. With that incident, tithing became firmly established among the Hebrews. A number of references to this obligation can be found in the Bible, but it was explicitly given as a law in the Book of Deuteronomy (Chapter 14: Verses 28-29).

Tithing, however, was not exclusively a Hebrew tradition. Other ancient peoples had similar practices, but their donations were considered as a general tax, rather than a gift to God or to the poor.

The Jews had other charitable practices worthy of mention. Every harvest time, a certain corner of each field was left untouched for the poor to harvest. Every seventh year, the fields were to be left fallow so the poor could gather whatever grows spontaneously. For the Jews, charity was a religious duty and they believed that failure to practice it could bring dire consequences.

Among the five pillars of Islam is "zakat", a kind of alms-tithe, that can be spent only for humanitarian purposes, such as redemption of slaves and aid to members of the community, debtors, travelers and others in need. The other pillars are profession of faith, prayer, fast of Ramadan, and pilgrimage to Mekka (Lammens, 1968).

It was Maimonides, the great Jewish philosopher, who listed the eight ways of giving "zedakah" or alms which were progressively more virtuous: to give (1) sadly; (2) less than is fitting but in good humor; (3) only after having been asked to; (4) before being asked; (5) in such a manner that the donor does not know who the recipient is; (6) in such a manner that the recipient does not know who the donor is; (7) in such a way that neither the donor nor the recipient knows the identity of the other. To Maimonides, preserving the anonymity of both the donor and the recipient adds the greatest virtue to the act of giving. He went further when he taught the eighth way: "the highest form of charity is not giving alms but helping the poor rehabilitate themselves by lending them money, taking them into partnership, employing them, or giving them work; for in this way, the end is achieved without any loss of self-respect at all" (Twersky, 1972).

The advent of Christianity set up a fresh and higher standard for Christian givers, which includes such ideals as: giving is better than receiving, one should give until

it hurts; the size of the gift is less important than the spirit in which it is given, and many others.

It was about 150 A.D. when Christians became convinced of the need to organize their charity work. The Church Fund, supported by voluntary gifts, intended for the needy came into being. Gifts to the Church were earmarked not only for its support and its activities, but also for the care of the parish poor, the widows, the aged, the infirm, and others.

In Europe, through the Middle Ages, the Catholic Church held the central position in almsgiving. Districts or deaconates were organized, in each of which were an alms office, an orphanage, and a hospital. A hospital at that time was intended more as a place of hospitality for strangers rather than a place where the sick went to recover. With all the services the church provided, donations were never adequate so the church sometimes had to resort to inducements and compulsions (Weaver, 1967).

Towards the end of the Middle Ages, as the position of the Church weakened and the power and wealth of the state and individual citizens grew stronger, the Church had to relinquish its role as exclusive almoner. Secularization of philanthropy came about and it sprang not from the Church or the state but from the rising middle class. This new philanthropic wave was encouraged through legislation and recognition. Laws were enacted to create, control, and

protect philanthropic funds (Andrews, 1950).

Institutionalization of philanthropy occurred when committed men and women who saw broader social needs and who wanted to do more to meet them banded together and formed associations.

PHILANTHROPY IN THE U.S.

America did not invent philanthropy but its remarkable development in this country is the story of America at its best.

To start with, philanthropy has always been part of the American psyche. Americans are known to have always provided assistance to the needy. As the young country developed, this American altruistic instinct was further reinforced by egoistic instincts springing from religious, educational, and political considerations (Warner, 1989).

In addition, as Alexis de Tocqueville observed, Americans have demonstrated a unique propensity to form associations to support any belief, service, or social activity they may deem worthy. This propensity helped tremendously in the phenomenal development of philanthropy in this country. Americans have founded innumerable non-profit organizations to meet a variety of perceived needs in their respective communities and to promote ideas in which they believe. Social responsibility ceased to be considered

as a mere moral duty when Americans realized that the improvement of their communities also serves their personal long-term interest. In working to enhance their democratic, pluralist society, Americans have distinguished themselves in the field of philanthropy.

History

England had served as America's testing ground for philanthropic experiments, but the latter proceeded more rapidly and along different lines (Bremner, 1960).

From the earliest colonial times, America had followed many of the English examples, starting from the Church's role as chief almoner through the latter part of the 19th century when secular agencies started to assume this function. As these agencies sprouted in the country, they were organized around any imaginable need, such as health, education, children, and others.

Professionalization of philanthropy came with the Charity Organization Society (patterned after that which started in London), followed by the chests and the federations.

Through the years, "the focus of American philanthropy has shifted from the giver to the receiver, from the salving of souls to the solving of problems, from conscience to community" (Boorstin, 1983). Charity was no longer the simplistic provision of mutual aid by concerned individuals

or just the Church's responsibility. "The religious dogma of the brotherhood of man was paralleled by the practical dogma of the equality of man, and the result was a tendency to relieve distress with greater promptness and completeness" (Warner, 1989).

Philanthropy started to include town and county public assistance, financed by local taxes, and supported by local businesses for all kinds of community needs. America achieved its uniqueness in strongly encouraging citizens and corporations to concern themselves with social problems and to take charge of constructive change (Andrews, 1978). An incentive the government has used to this end is the policy of tax exemption for charitable organizations and tax deductibility for gifts made to such institutions.

Present-Day Philanthropy

Private philanthropy has commonly been referred to as the third or independent sector, the first being government and the second, business. The independent sector occupies a significant place in the U.S. economy, and its growth through the years has been phenomenal (Hodgkinson & Weitzman, 1992).

The independent sector has been estimated to comprise about 870,000 organizations. These include tax-exempt voluntary and philanthropic organizations such as schools; hospitals; social service agencies; advocacy organizations;

civic, social, and fraternal organizations; religious organizations, such as churches and synagogues; and foundations. The independent sector employs about six and a half million people. Findings reported in 1992 show that its funds total about \$300 billion from the following sources: private contributions (27.4%); dues, fees, and charges (37.5%); endowments and investment income (8%); and government (27.1%) (Hodgkinson & Weitzman, 1992).

To understand better the concept of philanthropy in modern times, it is important to introduce three basic perspectives from which it can be viewed: (a) suppliers; (b) demanders; (c) marketing mechanisms (Andrews, 1978).

A. Suppliers

Suppliers are responsible for providing the money required for the assistance needed. Records dating back to 1930 show that individual living donors are the pillars of private philanthropy, usually accounting for three quarters or more of total contributions. For the last sixty years, the average amount given has been close to two percent of adjusted gross income for the total U.S. population. A substantial portion of the total amount contributed comes from charitable bequests from individuals. Gifts from individuals, living or dead, have generally exceeded total corporate giving although the amount may vary radically from year to

year (Andrews, 1978).

The origins of foundations in the form of fixed-purpose charitable trusts can be traced to ancient times. Examples of these abound especially in Greek and Roman history. For many centuries, foundations were used in relation to endowments given to universities, churches, hospitals, and other institutions: the principal amount of the endowment remained intact and only its annual income was used for the institution's work and mission.

It was only at the beginning of the twentieth century that the American idea of a foundation came into being, pioneered by Andrew Carnegie and John D. Rockefeller, Sr. (Bremner, 1960). Large endowments were set up, often in perpetuity, with wide latitude in their use. Through the years, five types of foundations have emerged: general-purpose, special-purpose, company-sponsored, family, and community.

Corporate contributions are not as large as those of the other suppliers. As the Filer Commission reported: "Corporate giving remains the last major underdeveloped frontier for private giving to philanthropic causes". Initially, most corporate giving was decided by the president himself, with larger gifts referred to the board. Subsequently, contribution committees were organized. Many of the

larger corporations eventually resorted to company-sponsored foundations. It remains true, however, that most corporate giving is still routine and is strongly influenced by employee concern, stockholders' preferences, and customer pressure.

Where motivation is concerned, corporate giving has never been considered wholly altruistic. Its prime conditions have always been the advantages to its employees, the improvement of its local communities, and good publicity, not necessarily in that order.

B. Demanders

Demanders are agencies or institutions that need the funds raised. They represent the needs that are to be met, chief among which are: religion, education, health and welfare, arts, and foreign aid.

The main springboard for most of the efforts towards these directions has been religion. Through the years, contributions to religion have made up close to half of the total funds raised and nearly all of these have come from individual donors (Andrews, 1953). Many philanthropic institutions were inspired by religious motives, and foremost among these are schools and hospitals.

Ten of the most prestigious of present-day colleges can trace their origins to Pre-revolutionary

era: (Harvard (1636), William and Mary (1693), St. John's at Annapolis (1696), Yale (1701), University of Pennsylvania (1740), Princeton (1746), Columbia (1754), Brown (1764), Rutgers (1766), and Dartmouth (1769) (Marts, 1953). Without exception, all these colleges could not have been founded without the generosity of private philanthropy. Only three of the original ten , William and Mary, University of Pennsylvania, and Rutgers are presently partially dependent on government subsidy from tax appropriations.

Of all philanthropic social institutions, the hospital has been the longest in existence. From the earliest times of its history, the Christian Church has founded and maintained hospitals. In America, the first known hospital was the one built by the East India Company in Manhattan in 1663.

At present, American hospitals can be classified into three groups: the tax-supported, owned and maintained by local or regional units of government to serve the poor and other wards of the state; the voluntary, supported by private philanthropy for the use of the general public; and the proprietary, operated by individual doctors in connection with their private practice or owned by corporations for the use of their employees (Marts, 1953).

Most voluntary hospitals suffer an annual deficit

so regular appeals to meet operating costs are usually made. Unfortunately, their usual supporters started experiencing donor fatigue; hence, the group hospitalization plan had to be resorted to as the only solution.

Even in the field of philanthropy, demand nowadays exceeds the supply. With the billions of dollars raised privately and with government assistance, it is not easy to believe that there still does not seem to be enough funds to go around. The demand is not limited to religion, education or health and welfare. Other demands springing from contemporary movements and social problems relating to civic, humanitarian, and cultural needs have vied for philanthropic contributions. Foremost among them today are civil rights, consumerism, women's issues, and environment.

It is this openness to various creative ideas and changing needs which makes private philanthropy a vital alternative to government provision of services. Since private philanthropy is not coercive, it can reflect the real choices of individuals as to which issues to support. Government assistance which is decided by people's representatives may not filter down to those groups and interests which do not have the majority's support and are not in accord with popular attitudes in society.

C. Marketing Mechanisms

Like most of the other peoples of the world, Americans initially provided assistance to the needy primarily on a "person to person giving" or "neighbor helping neighbor" basis. As the practice became more systematized, different sectors took on leadership roles, starting with the church and followed by secular agencies and the government. The art of inducing people to give had to be developed.

Private philanthropy acquires its financial resources generally through fund-raising which grew out of the interest in the advancement of philanthropy. The costs entailed and the methods used vary with the organization and its leadership. Amateurs and professionals have both engaged in this multi-billion dollar activity (Andrews, 1978).

The institutionalization of charitable giving necessitated the employment of a financial agent whose primary function as an officer of the organization was the personal solicitation of contributions. Decades before the invention of the printing press or the development of postal service which made modern day direct mail campaign feasible, the financial agent travelled extensively to raise funds. The proof of his success is the huge endowments and properties which the medieval churches, universities, and

hospitals were able to acquire (Marts, 1953).

Raising funds had been automatically included in the job of a high-ranking officer of the organization. Many a university president had been hired not only for academic excellence and experience but also for the ability to add to the coffers of the university.

With all the complexities of modern life, fund-raising no longer depends solely on the efforts of one financial agent. Undeniably, there are still many amateur fund-raisers who usually work for local causes using techniques from the simplest door-to-door solicitations, flea markets, bingo games, cake sales to high-cost special events which may take the form of art auctions, benefit concerts, dinners, or dances. However, the desire to realize efficiency which is so allegedly American explains in part the use of professional middlemen and women in the philanthropic process. Professional fund-raising is a business engaged in charitable drives for a fee or sometimes for a portion of the amount raised (which, of course, is considered unethical by the American Association of Fund-Raising Counsel).

Established in 1935, the American Association of Fund-Raising Counsel has proven to be a significant factor in promoting fund-raising as a profession and in assisting the public in understanding its goals and methods. It is directly concerned with the improvement of fund-raising

techniques and the establishment of high ethical standards for fund-raising as an honorable profession. The rise of fund-raising as a profession has been considered an important element in the upsurge of philanthropic giving in this country, together with the increase in wealth and income and the creation of new campaign techniques (Marts, 1953).

Among fund-raising techniques, the intensive financial campaign, considered one of the most effective ways to induce people to give, was introduced in 1890. Two young YMCA officials who worked independently of each other at first but later joined forces, were responsible for the creation of the technique: Lyman L. Pierce and Charles S. Ward. Not wanting their jobs to be limited to fund-raising without any time left for character-building work among YMCA members, the two men designed an intensive fund campaign that would cover only a month or less, if possible. The leading male citizens of the community were utilized, printed matter for their use were prepared, and regular progress reports were given at meetings. The success of the campaign spread throughout the entire YMCA movement and the model was imitated by other fund-raising organizations nationwide.

Although their forerunner, the Charity Organization Society, was born in 1887, philanthropic federations actually took off at about the same time as the intensive

financial campaign. During the World War I era, war chests (small federations of community-based agencies which organized the war efforts) were formed. These war chests ultimately evolved into community chests.

The chests were started during war times when people experienced an upsurge of the desire to give. Government files show that support of all voluntary philanthropic agencies doubled and tripled during the First and Second World Wars. In his comprehensive study of wartime giving in America, George F. Lundy, former vice-president of one of the member firms of the American Association of Fund-Raising Counsel, attributed this phenomenon to two surpluses: a spiritual surplus of patriotism and public concern and a financial surplus of ready cash since there were fewer opportunities to spend it.

The earliest, the most successful, the archetype of federated fund-raising in the United States, albeit, perhaps in the whole world, is the UNITED WAY.

CHAPTER III

THE UNITED WAY MOVEMENT

This chapter traces the development of the United Way as a community model of philanthropy. It describes the factors in the external and internal environments within which it operates, identifying those which have contributed significantly to its success.

The chapter ends with a description of United Way International and its role in international philanthropy.

HISTORY OF THE MOVEMENT

A. Charity Organization Society of Denver

In 1887, a group of religiously affiliated community leaders consisting of a Catholic priest, two Protestant ministers, and a Jewish woman formed the Charity Organization Society (COS) of Denver, considered to be the first federated fund-raising organization in the U.S. (Brilliant, 1990). Patterned after a successful experiment in Liverpool, England in 1863 and in London in 1877, the formation of COS of Denver was a response to a community crisis. Denver, whose population had grown from 5,000 to 10,000 in seven years, was experiencing extreme difficulty meeting the needs of its residents and its boomtown fortune hunters. Many had come to

Denver to strike it rich in search of gold and silver. They failed in their quest and became destitute. Sporadic solicitation seemed not to be enough. The best solution appeared to have been a combined fund-raising appeal: a single, short-term campaign to raise funds for food, shelter, and medical supplies (Aramony, 1987).

It is interesting that although records seem to show that COS of Denver had been a member of an umbrella organization known as Associated Charities, the COS of Denver was not able to convince all of the 23 members to participate in the first campaign. Perhaps, even then, it was utopian to expect complete unity among agencies, notwithstanding the fact that they all were primarily working for the public good. In spite of that apparent lack of cooperation, however, the campaign was successful, primarily because of the efforts of its lay leadership and the business sector's involvement, no matter how limited. It was clear at that early stage that the idea of a federation had a strong appeal.

Due to a number of internal flaws, the most important of which were lack of financial controls and the absence of professional staff, the COS of Denver lasted only for a few years. However, the idea of federated fund-raising could not be quenched; it spread to other cities, including Elmira (N.Y.), Boston (Mass.) and Cincinnati (Ohio), though these Community Chests began independently for the most part, or from influences other than Denver's (Green, 1987).

Two other milestones in the formation of the modern United Way happened in Pittsburgh and in Cleveland.

B. Council of Social Agencies

The Pittsburgh experience, involved a wealthy businessman named Russell Sage. At his death, he left a huge fortune and a reputation that was almost the antithesis of that of a philanthropist. Determined to change that image, his widow set aside \$10 million with which she established the Russell Sage Foundation, aimed at "the improvement of social and living conditions in the U.S." (Green, 1987).

Russell Sage Foundation's major contribution to the development of the United Way model was the establishment of the country's first community-wide planning council, the Council of Social Agencies, made up of representatives of various agencies who met to exchange ideas on how to address problems cooperatively (Green, 1987). The need for such a council was discovered from the results of a survey conducted by the foundation which documented the conditions of the poor and the massive duplication of services among social agencies. Most of such councils will lose their usefulness to the United Way in the years to come, but their function, though performed by another body internal to the organization, will not lose its significance.

C. Cleveland Federation for Charity and Philanthropy

Cleveland is the birthplace of the first modern federated fund-raising organization in the country, the model for present-day United Way. Patterned after the Denver idea, the Cleveland Federation for Charity and Philanthropy was established in May, 1913. It improved the Denver model by providing a professional staff to ensure continuity and developing a stronger involvement with other charity agencies, as well as with local business and city leadership. Two other characteristics of this model have become key concepts of today's United Ways: (1) budget allocation of funds raised according to community needs; (2) contribution solicitation including all people, not just the wealthy.

The idea of federated fund-raising spread rapidly so that in 1918 there were 14 such organizations in the country, recognized as separate entities, distinct from the Charity Organization Societies and with their own national organization, known as the American Association for Community Organizations.

Some changes were wrought with the outbreak of World War I. With national concern for war-related causes taking precedence over local needs, a new organization, the War Chest, was born. War Chests effected a major change in fund-raising: from earlier heavy dependence on wealthy givers and business in the community, fund-raising efforts came to involve a broad spectrum of givers and moved directly into the workplace.

Solicitation was done at the worksite, thus reaching larger numbers of potential givers.

D. Community Chest

It was at this time that the "Community Chest" was born. In 1918, the Rochester War Chest, one of the war chests that had included within it a pre-existing community fund drive changed its name to Community Chest. In due time, a national association of such organizations came into existence, the Community Chests and Councils.

National feelings surged up again during the Second World War and all fund-raising efforts were directed towards war-related needs. Community Chest leaders formed the National War Fund to ameliorate raising and allocating of funds for war-related programs. In 1942, leaders of the AFL, CIO, and the Community Chest movement signed a partnership agreement cementing their cooperation for community service. Another important landmark in federated fund-raising occurred the following year when the mechanism for payroll deduction was put into place. With all these developments, contributions reached an all-time peak. At the height of the war, in 1944, over \$225 million was raised by almost 800 local Community Chests. That figure represented a 50 percent increase from the previous year, the biggest annual increase in United Way contributions in history.

E. United Health and Welfare Fund

A new direction in the federation movement occurred when the United Health and Welfare Fund was formed by Henry Ford II in 1947. To be known later as the United Fund, this federation was created to remedy the problems arising from the overwhelming numbers of independent fund-raising appeals and competition among health agencies, particularly the American Red Cross which had always wanted to run a separate campaign. The United Fund represented one "neutral third party", a mediator among employers, employees, and agencies in the communities, all of which aimed to meet social welfare needs. It dovetailed with the corporations' desire to expand their giving base and to abdicate their role as the primary supporters of charities. Most important to the United Fund movement, however, is the fact that its establishment marked the "formalization of limited access to workplace solicitation" (Brilliant 1990). Since then, agencies which did not participate in the one-time workplace solicitation were not allowed to do it another time. It signalled the beginning of the United Fund monopoly on work-site solicitation.

They tried the model in Detroit and the initial success of that campaign in 1949 proved that the United Fund could be a viable alternative to the in-plant, company-sponsored federations which had sprouted earlier around the country and which already caused problems for corporations, employees and unions. Early conflicts caused by the refusal of some notable

organizations, like the American Cancer Society and the American Red Cross, to participate were resolved and the idea gained powerful supporters across the country, particularly from the business sector.

F. The United Way

In 1963, the United Way name was formally adopted by the Los Angeles community. Thirty three Community Chest and United Fund organizations in Los Angeles County merged to become United Way, Inc.

Since 1918, from the very first federations, there has always been a national organization which served as a vehicle for the exchange of ideas and experiences. The very first national organization was formed by twelve executives who met in Chicago. It became known as the American Association for Community Organizations, the precursor of United Way of America (UWA).

Currently, there are 2,300 United Way organizations nationwide; everyone of them autonomous and independent. About 1,400 of these are members of United Way of America. In exchange for payment of dues, which range from half a percent to one percent of monies collected, UWA provides the locals with various services, including training (at the National Academy of Voluntarism), publicity and promotional materials (through the Communications Program), strategic planning (through the National Corporate Development Program and the Long Range

Planning Committee), management assistance (through Management Community Studies Institute and United Way Systems Institute), evaluation capabilities (through the Standards of Excellence) and personnel recruitment (through the Personnel Development Program). In addition, UWA provides valuable opportunities for networking at various regional, national and international conferences which are characterized invariably by unabashed glamour, pomp and pageantry (Glaser, 1994).

THE UNITED WAY: AN ORGANIZATIONAL DESCRIPTION

A. Definition

The United Way model has been defined as: "a contributor-and-fund agency controlled organization whose principal duties are acquiring and spreading information on welfare needs, coordinating the work and reviewing budgets for the participating agencies, campaigning for contributions to meet the chest's accepted share of these budgets, and disbursing these funds to the agencies" (Andrews, 1953). In short, such a model is known as a community-based federation.

B. Major Functions

From its earliest stages United Way has always had three major functions: (1) coordination and planning for community needs; (2) fund-raising; (3) allocation of funds raised (Brilliant, 1990). United Ways all over the country still adhere to

these three functions.

1. Coordination and Planning for Community Needs:

From the very first model of the United Way movement in Denver, the organization has always taken pride in its avowed role as "the community problem-solver" (Aramony, 1987 and Green, 1987). The ability to solve a problem is dependent on the national analysis of relevant information and the careful selection of effective, goal-oriented strategies - that is what planning means in the United Way schema. It involves the participation of key people in the community and it should be open to unavoidable changes and modifications (Brilliant, 1990).

In the early stages of the United Way development and up to the middle of the twentieth century, planning was primarily the responsibility of councils of agencies. The earliest of these councils were founded in Pittsburgh (1908) and Milwaukee (1909). Organized to study social problems and to coordinate welfare services, these councils were initially related to or were integral parts of an Associated Charities or a Charity Organization Society. Later, some of them evolved into independent organizations. Whether separate entities or parts of a fund-raising organization, these councils' planning and coordinating functions did not always complement the fund-raising role of the organization; consequently, they became less and less desirable to the United Way.

The decade of the sixties saw the decrease in the impor-

tance of the role of planning councils. Citizen involvement was mandated by new government programs. This meant that the function of assessing community needs was no longer limited to the members of planning councils alone but was to include consumers of services and active constituent groups. Thus, citizen advisory committees took on the "citizen review process" to the detriment of the planning councils whose power and mediating influence gradually eroded. United Ways started doing the planning internally, with their own citizen review committees. They found this alternative to be cheaper and better, especially when it became a part of an effective and comprehensive allocations process.

The recommendation of the 1968 Peat, Marwick, Mitchell Report that "Community Funds (as the United Ways were known then) should be involved with community issues and work directly with the public sector rather than through councils" encouraged United Ways to cut back support of the councils. This was a welcome solution in light of rising inflationary costs which their revenues could not meet and the public's demand that more agencies be included in the movement. Consequently, the numbers of the planning councils dwindled through the eighties.

2. Fund-Raising

"Organized charitable fund-raising" -- that is what United Way has really represented for more than a century.

With its tremendous success, there is conclusive proof that community agencies can raise more money together than separately. Fund-raising is the lifeline of the organization.

The United Way Campaign is an annual event, usually short-termed but heavily publicized. It is usually chaired by a Chief Executive Officer or Board Chairman of one of Fortune 500 companies or their equivalent in local communities. Traditionally, the campaign has been launched by an all-network presidential broadcast. A member of his family or a popular entertainer often participates in the campaign kick-off to attract the public's attention and persuade them to contribute. The time of the campaign is limited because United Way experience has shown that short campaigns raised more money than protracted ones since "fervor has no chance to exhale" (Aramony, 1987). However, the education of the public to encourage them to contribute to the United Way starts way before the campaign kick-off; in fact, it goes on year round, through high-powered advertisement in the media, both in print and on the screen. After the kick-off, the actual fund-raising begins. The methods used have undergone tremendous changes. From door-to-door solicitation, from concentrating on a small group of large givers, United Way has enlarged its pool of prospective contributors to include almost everyone who has a job with the mechanism for payroll deductions which was established in 1943.

Although single workplace campaigns continue to provide

United Ways with the majority of their funds, they have never been the only means for raising money. This is where the ingenuity and creativity of United Ways across the country play a part. This is also where their independence and separateness are clearly evident. United Ways in Wisconsin, for example, have raised funds for years from the percentage of the total number of gallons of milk farmers sell to their area dairy cooperative, while in Decatur, Illinois most of the funds come from the money raised from the sale of corn collected in the big corn-bin built in the center of town (Aramony, 1987).

In analyzing the sources of United Way contributions, it appears that 63.8 percent of the funds come from workplace solicitations, and the rest from major gifts from individuals and grants from private foundations (Figure 1). Workplace solicitations are conducted through the mechanism of payroll deduction: 51.3 percent from employees of large corporations and small businesses, and 12.5 percent from non-profit and government personnel. The numbers may vary from year to year but the general apportionment from each source generally remains the same.

United Way has created two societies which produce major gifts from wealthy individuals: the Alexis de Tocqueville Society and the Million Dollar Roundtable. In 1991, members of the former who contribute \$10,000 each have already raised a total of \$75 million. The Million Dollar Roundtable can name

famous millionaires among its supporters, such as Bill Gates of Microsoft and Jenny and Sid Craig of Jenny Craig Weight Loss Centers.

3. Allocation of Funds

Local United Ways' autonomy extended their independence in deciding allocations. Funds are distributed to member agencies which include most of the nationally-affiliated health and welfare agencies such as: the American Cancer Society, American Heart Association, Boys Scouts, YWCA, American Red Cross, Salvation Army and many others. (Figures 2 and 3). It was this traditional core of member agencies that had received over the years large shares of United Way funding nationwide. The allocations process is usually intertwined with the citizen review process. The agencies' programs and budgets are reviewed to arrive at the allocations decisions, a clear application of the "consensus process of volunteer or citizen participation" (Brilliant, 1990). The volunteers charged with the responsibility of allocating funds study budget submissions and program descriptions. They may even visit the agencies, should they deem this necessary, to reach a fair and unbiased decision.

C. Organizational Structure

The organizational structure of the United Way model consists of four components. The size of each component may

vary from one local United Way to another, but all four are usually present even in the national organization. The first component consists of the volunteers, the power base upon which the organization prides itself as being founded. The professional staff which comprises the second component, takes care of the administration of the organization and provides continuity. The leadership comes from the third component, made up of the pillars of the business and labor communities who serve as volunteer board or committee members.

Although external to United Way, the fourth component, which consists of the member agencies, the recipients of the money raised, is considered a vital part of the organization. In exchange for revenues, these agencies agree to submit to annual review and budgetary control by the United Way and to refrain from conducting their own fund-raising activities at the time of the annual United Way campaign, and only for restricted purposes. Most of the member agencies are traditional health and welfare organizations affiliated with a national organization, like the American Cancer Society, American Heart Association, Girls Scouts, Boys Scouts and others. Historically, a team of volunteers who are part of the budget allocation committee decided who got the money and how much. However, since 1982, alternative funds consisting of agencies not funded by the United Way because they do not represent an issue covered by the United Way's definition of health and welfare, posed a threat to United Way's monopoly on

workplace solicitation (Millar, 1990). To defeat this threat, United Way established the "donor option plan" allowing the donor to choose the agency which will receive his/her contribution, whether it is a member agency or not. Figure 4, however, shows that only a small percent of the total campaign is designated: 10.2 percent in 1991 and 12.4 percent in 1992. This indicates the strong trust and confidence of United Way contributors on the organization's ability and competence in allocating their monies depending on community needs. Moreover, this is certainly a proof of the Americans' willingness to engage in anonymous giving.

D. Measures of Success

United Way celebrated its centennial in 1987. Throughout those years, millions of Americans have been exposed to it, as a volunteer, as a member of its staff, or as a contributor. Though they may not have any direct involvement with the organization, most of them are certainly familiar with United Way's famous "helping hand" logo, the open hand with a human doodle and an arching rainbow, seen on innumerable billboards as well as on printed page and the television screen, especially during the football season. Indeed it is safe to say that United Way's fame and popularity, its recognition as the epitome of federated fund-raising in the country, albeit in the whole world, is an evident measure of its success.

However, the recognition that United Way has achieved is

not limited to mere familiarity with its name and logo. Rather, it extends to the very real influence it has exerted in the field of fund-raising and the monopoly on workplace solicitation that it has enjoyed since 1943. United Ways or United Funds or Community Chests as they were previously called have been consistent sources of funds for health and human service agencies since the beginning of this century (Wenocur, Cook, Skeketie, 1984). Most fund-raising experts believe that United Way is by far the largest fund-raiser in the nation (Flanagan 1993, Greenfield 1993). In 1991, it raised \$3.17 billion, awarding grants to more than 44,000 health and human service agencies.

United Way allocations around the country reflect the growth or decline of each local economy. Though small and, perhaps at times, even unable to meet inflationary costs, United Way's steady growth of income has been guaranteed almost every year, except in 1992, the year the Aramony scandal hit the headlines. During the Depression Era in the thirties, United Ways (then known as Community Chests) lived up to the trust and challenge put to them by then President Hoover. Many of these Community Chests, including that in hard-hit Detroit, reached their goals in their Autumn 1930 campaign. In some cases, they even raised larger sums than in previous years. According to a report given by the Association of Community Chests and Council in November, 1930, the major part of the increase was contributed directly by the employees

who were sympathetic to the cause since they also ran the risk of being unemployed at any time and in turn may have to seek aid from the Community Chest.

According to UWA annual reports, United Way revenues started to exceed the \$1 billion mark in 1974; they reached \$2 billion in 1984 and \$3 billion in 1990. (Figure 5) In spite of the notorious Aramony scandal that hit the headlines in the Spring of 1992, contributions still totalled \$3.04 billion in 1992, representing only a 4.01 percent drop from 1991's \$3.17 billion. The new UWA President, Elaine Chao, attributes the difference to the weak economy and recession, rather than to the Aramony factor. These numbers seem to support the findings of the initial surveys taken a few months after the Aramony scandal broke in the news. The survey results showed that 98 percent of respondents would be willing to continue to give to the United Way if they could believe that corrective measures had been undertaken (Glaser, 1993).

E. Key Success Factors

An attempt to explain the key factors in the overwhelming success of the United Way in this country should include an analysis of the internal and external environment within which the organization operates. The internal environment refers to the organizational structure of the United Way, which has been useful in attracting outstanding citizens of the community into the organization. This includes the organizational

leadership and administration. The external environment consists primarily of cultural, political, and socio-economic factors.

1. Cultural

It was Alexis de Tocqueville who wrote that he could not help but admire what he referred to as "peculiar" American traits: "If a citizen becomes aware of a human need that is not being met, he discusses the situation with his neighbor. Suddenly, a committee comes into existence and a new community function is established". Alexis de Tocqueville recognized the propensity of Americans for organizing and joining together to solve community problems and to realize common purposes. To support voluntary organizations, Americans have developed an extraordinary capacity for raising funds. It is this very American trait which helped the United Way achieve its phenomenal success in the field of fund-raising.

United Way is very much the product of the American way of life (Green, 1987). The United Way model fits snugly into the American cultural mold, with its emphasis on voluntarism, and the fundamental values of community, mutual help, and personal responsibility.

It is intrinsic in the nature of the American people to give of their time and resources. That is not uncommon among many of the other peoples of the world. As James Joseph wrote: "Tales of altruism, charity, and philanthropy can be found in

every culture and every community, among those with abundant wealth as well as among those who live on the margins of the economy". However, Americans have to be convinced of the need to be met and of the performance record of the individual or organization soliciting the funds. Once convinced, they give regardless of whether or not they know the direct recipients of their contributions; nor do they care if they get anything in return.

The United Way, as described earlier, acts as an intermediary between donors and charities (Ruppaner, 1989). It typifies anonymous giving since it directs gifts without designation from donors. It does not get involved with direct service provision, thereby avoiding the temptation to concoct projects cast in the foundation mold (Boorstin, 1983).

United Way was founded in response to the need for health and welfare funding and for the purpose of distributing those funds effectively. It was American efficiency which created an "organized" voluntary sector and, therefore, institutionalized it (Glaser, 1993). United Way, as it is known today, is a product of multiple historic influences because it has virtually touched every aspect of American life in one way or another. It organized the charitable activities of long ago, revolving around simple acts of charity towards neighbors and friends in need, to add the efficiency Americans by their very nature usually require. The resulting product is a voluntary organization, institutionalized and made more effective in

meeting human needs. Since the model is steeped in American tradition and is reflective of community needs, it worked.

2. Political

It is not a mere coincidence that the voluntary spirit and the charity it engenders reached their zenith in this country, believed to have the greatest democracy in the world. Rather, it may be more accurate to say that democracy is more conducive to the growth of philanthropy than any other form of government.

Among the democratic values which the United Way has incorporated well into the movement is the pre-eminence given to the community and its interests. More than anything else, it is this professed dedication to the common good that has contributed greatly to the UW success.

The relative stability and peace which the U.S. enjoys have certainly been conducive to charitable giving, although one cannot discount the fact that some upheavals, such as riots and natural disasters, also help since they tug at the emotions of people, encouraging them to give generously. One just has to look at the overwhelming response of Americans to the War Funds to know the truth of the above statement. Moreover, a stable civil order reduces tensions and creates an environment favorable to the business sector. Gains in the business sector can be translated into greater UW revenues since business plays a vital role in the federation.

In another context, UWs have also played politics excellently to achieve success. They have so often been described as highly politicized types of organizations (Smith,). Not only are they very visible in the community, but they also exert an important influence on the local community power structure. Moreover, UWs closely reflect the prevailing power structure of the larger environment, both local and national.

3. Socio-Economic

In his book, *INSIDE THE UNITED WAY SCANDAL*, John Glaser wrote that "the UW owes its success to two enduring institutions of American life: corporations and organized labor". This statement is proven true in the history of the movement.

From the earliest predecessor of the UW in Denver, business has always played an important role in the movement. Though their participation was limited at the beginning, business leaders soon realized that "enlightened self-interest expressed in responsible corporate activity was good not only for business but for society as well" (Glaser, 1993). This is an attitude which has been very important to the involvement of corporations in charitable activity. At present, a quarter of UW's total revenues come from direct corporate contributions.

As contributors, business leaders imposed the same lofty business standards on the charities they supported expecting funds to be raised and distributed efficiently. The conserva-

tism that permeated the UW movement and its business-like orientation impressed them. Once they were convinced that UW adhered to corporate standards, they supported the movement faithfully. The employers of the community became UW's "collection agents" (Drucker, 1990).

With the growth of big business, the development of labor organizations followed. Unions had to be organized in light of the drop in wages and the intolerable working conditions which resulted from the influx of immigrants who were hungry for any job. The 1930s marked an important milestone in labor history: unions were given the right to organize and bargain collectively. "Big business and big labor found common purpose in the UW" (Glaser, 1993). With its neutral, centrist position, UW provided unique opportunities for both management and labor to work together for the well-being of the community, though their motives may have been different. UW works closely with the labor movement, encouraging strong labor participation in its activities and representation by labor in policy-making. The position of Director of Labor Participation is important in the UWA. Over 60 percent of UW funds are raised from factory workers and employees of large business corporations through payroll deductions.

UNITED WAY INTERNATIONAL

At present, there are about 200 United Ways operating in

about 32 countries worldwide. They range from the most industrially-developed countries like England, Singapore, and Japan to the slowest in development, like Jamaica, India, and the Philippines. They are located on every continent, and function much like those in the United States -- all autonomous, non-profit organizations governed by a volunteer board of directors that raise and allocate funds for member health and human service agencies. United Ways outside of the United States raised more than \$422 million in the 1990 campaigns (Glaser, 1993).

Until recently, there was no formal effort exerted to propagate the United Way model overseas. Since 1928, United Way-type organizations have arisen in various parts of the world under many different forms of government. In Singapore, for example, a young woman by the name of Bee Wan Tan started United Way. As a social work student in Wisconsin, she got exposed to the United Way movement and thought it could be beneficial to her country (Aramony, 1987). In Indonesia, Ukraine, and the Czech and Slovak Republics, the movement is on the planning stage. Requests for assistance to establish United Way-type organizations are in process at this time in Albania, Bulgaria, Ghana, and Ecuador (Thorud, 1993).

The growing number of requests for technical assistance overseas led United Way of America to establish United Way International (UWI) in 1974, with its own board of directors and two full-time staff members. UWI is a tax-exempt, non-

profit charitable organization that provides consultation and technical assistance to United Way organizations throughout the world. Its mission is to work with the leadership of United Ways in other countries, as well as with foreign corporations, labor leaders, and officials to develop community-wide fund-raising campaigns to help meet local needs (Aramony, 1987). The organization, however, does not provide routine funding to its affiliates in other countries.

Among the services UWI offers are: technical and management assistance to existing or potential United Ways overseas, feasibility studies, corporate involvement, orientation to the United Way concepts, training and coordination, and exchange of information. These services are provided by consultants, usually retired executives from United Way's "old boys' network", who cooperated the most with United Way of America. These consultants are not given any salary, but they are allowed to bring their wives on their assignments. All their expenses, usually for first class accommodations, are paid for by UWI.

Since William Aramony, the United Way of America President who was found guilty of various crimes including misuse of funds and sexual harassment, was also the President of UWI, the latter organization was not exempt from the consequences of the scandal. John Glaser, UWI's Chief Operating Officer, went on administrative leave, and was later forced to resign. Russey Sumariwala, a retired United Way of

America executive and often a UWI consultant, was recruited to head UWI temporarily while Gary Thorud, an expert in international philanthropy, is being trained to be Glaser's replacement (Thorud, 1993).

CHAPTER IV

PHILANTHROPY: THE PHILIPPINE EXPERIENCE

Experts are in agreement that an important foundation on which the study of an organization or a community should be built is a firm historical base (Whyte, 1986). Data collected on current structural and social processes cannot be analyzed accurately without reference to a historical context.

This chapter provides a historical background on the Philippines and relates it to the development of philanthropy in that country.

BRIEF HISTORY OF THE PHILIPPINES

The Philippines is an archipelago in the southeastern part of Asia with a land area of about 116,000 square miles. It consists of more than 7,000 islands but only about 15 percent of those are inhabited. The biggest islands are Luzon and Mindanao, but there is a cluster of principal smaller islands situated between the two known as the Visayas group.

The history of the Philippines is reflected in the general character of contemporary Filipino culture (Corpus, 1963). Although the Malay influence is still evident, especially, in their language and cuisine, this has almost been submerged in the greater influence that Spain and America have had on Philippine culture.

A. Pre-Western Philippines

The Filipino people were predominantly of Malay stock, migrants from Indonesia and Malaysia. First-hand eye-witness accounts with regard to the culture of pre-Hispanic Philippines, mostly from the first missionaries to the country, show that despite the fragmented nature of their society, the early Filipinos had reached a respectable degree of culture (Bernad, 1983). There is evidence of an amazing degree of literacy with almost every inhabitant, regardless of sex, able to read and write. They had their native "abakada" (alphabet), composed of three vowels and 13 consonants. Various literary art forms were handed down by oral tradition. Other arts were also evident, such as sculpture, dance, and music. In addition, the different dialects spoken by each tribe had reached a high stage of development.

These early Filipinos lived in widely-scattered, almost isolated communities known as "barangays" (villages), named after the boat that brought the original migrants from their homes in Indonesia and Malaysia (Corpuz, 1963). The "barangay" was more of a kinship group than a political society, made up essentially of extended families.

Interpersonal and social relations in such communities tended to be informal and the government was based on kinship rule and customs, rather than on enacted laws and administrative regulations. The values governing social relations and individual behavior were the values of the

kinship group. The "barangay" system has endured the test of time: it is still used as the smallest unit of government in modern-day Philippines, although they are now governed by uniform national laws.

Self-sufficient economically because of abundant natural resources and tropical geography, the "barangays" did not have an exchange economy. Whatever rudimentary barter there was, it was practiced with alien visitors to the archipelago, such as the Indians, the Chinese, and other Malay peoples.

The general absence of temples and churches for public worship in pre-Hispanic Philippines suggests the level of religious development. With the exception of the people in Mindanao and Sulu, where Islam had already been established, most of the people practiced pagan worship, dominated by a system of beliefs in signs and omens, features of the natural environment, personified forces in lightning and thunder, and gods that had power over all the facets of their lives. They had one Supreme Being lording it over the lesser gods, known as the "Bathala". Their strong belief in an after-life, became the springboard used by the Spaniards when they went about their mission of conversion.

B. Spanish Rule (1521-1898)

Of the foreign powers that occupied the Philippines, Spain and the United States left the strongest influences on the country.

The hispanization of the Philippines started in 1521 when the Portuguese explorer, Ferdinand Magellan, in the service of Spain, reached the country as he was trying to prove his theory that the earth is round. That marked the beginning of the colonization and Christianization of the Philippines by Spain.

Catholicism proved to be the most important legacy of Spain to the Filipinos. Among the colonizing teams were always included Spanish friars whose goal was the conversion of the "Indios" into the Catholic religion. This legacy stayed on long after the 350 years of Spanish rule ended; 90 percent of modern-day Filipinos are Catholic.

The Church played a major role in the urban re-settlement of the Filipinos. For purposes of local government, the country was organized into "pueblos" (town) and "alcaldias" (provinces). The church was in the heart of the town plan and Filipinos were required to re-settle "debajo de las campanas" (under the bells). The parish church adjacent to the town hall on the "plaza" (town square or center) demonstrated the process and spirit of Spanish colonial town-making: civil administration side by side with ecclesiastical administration.

The population of the "pueblo" was divided into barangays (villages), each under its own "cabeza" or head whose primary responsibility was to collect "tributos" (levies or taxes) from each adult member of his "barangay". Another function of

the "cabeza" was to enforce personal labor services for supposedly public purposes. In exchange, the "cabeza" gained social status and was exempt from levies and forced labor.

The "cabezas" of the towns collectively made up the "principalia", or leading citizens composing the local aristocracy. From among them, the "gobernadorcillo" (little governor) was selected as the town head.

If the origins of the almost inherent graft and corruption in the Philippine government were to be traced, this period would be a good place to start. The "cabezas" and the "gobernadorcillos" did not count for much in the Spanish colonial community. Their compensation did not match their onerous responsibilities; the Spanish friar who was the parish priest terrorized them; the Spanish Provincial Governor and his fellow Spanish cohorts took advantage of them. Faced with this situation, these discontented leaders did not find it too difficult to succumb to the temptation of stealing some of the "tributos" paid to them and to appropriate forced labor in such a way that they gained some personal advantage from it. They did not identify the government as their own; in their eyes, it belonged to the "foreigners" who were exploiting them and anything they could steal from it was rightfully theirs.

Philippine economy at that time was exclusively agricultural. Export economy did not develop until the 1780s when the first cargo of tobacco and indigo was shipped to Spain. Whereas the Filipinos had been used to producing food

crops only to meet their needs and support the Spanish rulers, this occasion marked the beginning of a new industry: commercial-export agriculture.

With the introduction of Spanish culture, the Philippines saw "its own race cheapened in its own eyes" (Bernad, 1983). People became ashamed of their own traditional customs and renounced them in order to imitate whatever was foreign and incomprehensible.

Unfortunately, the Spaniards did not have any great desire to educate the masses. The ignorant status quo allowed them to maintain rigorous control of the natives and to prevent their exposure to revolutionary ideas. Education was available only to the "principalia". Instead of teaching Spanish, the civil and ecclesiastical leaders learned the dialects to communicate with their subjects.

Nonetheless, a cultural renaissance rejuvenated the Philippines in the late nineteenth century. The "ilustrados" (leading Filipino families) took advantage of higher education which became available in Manila or abroad. The upsurge of nationalistic emotions expressed itself in music, painting, poetry, sculpture, and literature. Most of the writings were in Spanish, so beautiful that even Spaniards became envious (Bernad, 1983). Partly due to a strong foundation built at that time, the Philippines today has the highest literacy rate in Southeast Asia (Bresnan, 1986).

In time, Spanish-Filipino relations were marked with

hostility. The Filipinos gradually realized that under the guise of Christianization, many of them were being outrageously exploited. Their eyes opened to the abuses committed by the officials and the friars. Although they would be eternally grateful for the introduction of Catholicism, making them the only Christian nation in the Orient, the Filipinos could no longer take the oppressive status quo. A sense of legitimate grievance started to overcome them and when their justifiable and peaceful demands for reforms were denied, the Filipinos became convinced that the colonial regime had to end.

C. American Occupation (1898-1946)

The Philippines was acquired by the United States effortlessly as part of the Treaty of Paris which ended the Spanish-American War. Occupation of the country, however, did not come as easily. There was a bitter and bloody struggle, more costly in lives and resources for the United States than the war that preceded it. Filipino nationalist troops fought for their fledgling government which proudly declared its independence from Spain on June 12, 1898 just before the Philippine Revolution. These troops were finally defeated in 1902, the formal beginning of the American occupation.

As colonizers, the Americans proved themselves different from the Spaniards. The Spaniards held on to the colony, notwithstanding economic losses, because of their more

important Christianizing mission and imperial ambitions. The more pragmatic Americans were less inclined to hold on to the colony because it was seen as an economic liability. Sans profits, the Americans designed another role for themselves: "an economic power with a tutorial ward to fulfill its lofty democratic-religious mission" (Friend, 1986). This role dictated the policies defined for the Philippines, which, in the words of Elihu Root (Secretary of War, 1899-1904) was: "to conform to their customs, their habits, and even their prejudices". Consequently, in 1934, 36 years after the United States acquired the Philippines as a colony, U. S. Congress passed the Philippine Independence Act which prescribed a preparatory period of 11 years (1935-1946) during which the Philippines would be a semi-autonomous Commonwealth, governed by Filipinos. Independence was granted on July 4, 1946, immediately after the liberation of the country from the short but atrocious Japanese occupation during the Second World War.

The American policy was deemed successful because it promised a government that would be structured to satisfy the views and aspirations of the "ilustrados" or educated Filipinos (Steinberg, 1986). In these "ilustrados", the Americans saw potential native leaders who could get their people's loyal obedience. Hence, these intellectual and affluent Filipinos, who gradually evolved into an oligarchy, became the Americans' natural allies.

Aware that the U.S. would eventually grant them their independence, the Filipinos did not find it difficult to accept American political leadership. An uncommon union of nationalism and colonialism was forged. Strong bonds of friendship, even affection, were developed as the dependent "Pinoy" (Filipino) was drawn into a sense of community with the "Kano" (American), from the sovereign mother country. The loyalty of America's "little brown brothers" was won.

Undoubtedly, America's most valuable export to the Philippines was the democratic form of government, but America's influence did not end there. It was felt in all other facets of life: trade and commerce, language and the arts, fashions and movies. It even affected the Filipinos' hierarchy of social values. Indeed, it can be said that "American cultural imperialism outlasted and survived the era of its political imperialism" (Steinberg, 1986).

The enchantment with the benevolent American colonizers spread throughout the country almost like a welcomed epidemic. It is still ever-present, notwithstanding the many years of the country's independence. Up to now, a generous reservoir of goodwill for Americans and anything American can still be felt, even if it may not be as pervasive as it was before.

Western Legacies

The two most significant cultural imports into the country from the West were Christianity from Spain and

democracy from the United States (Corpus, 1963). However, these important imports, like all other foreign influences on the country had to come to terms with a local culture that was strong enough to resist being replaced or swept away -- in fact, so strong as to force modifications in foreign institutions and culture. The Filipinos re-interpreted and re-shaped these influences to fit pre-western spiritual notions and social processes. Although the overwhelming majority of Filipinos are Christian (there is a small percentage of Muslims in the South), the belief in superstitions and folk tales involving minor spirits is still prevalent among the people.

The Catholic Church has almost become an integral part of the indigenous culture (Steinberg, 1986). It projects a vibrant spirit because it has gone native, with folk elements making the faith more alive. It succeeded in intermingling with local traditions and values. This is very clearly evident in the "fiestas" (feasts) and in the religious processions which combine religion with folklore. Even in modern-day Philippines, pulpits in Christian churches are used to arouse political fervor. Heroes are sometimes elevated to the level of sainthood, such as Jose Rizal and Ninoy Aquino.

Interestingly, the origins of the "compadre" system (cronyism) can be traced to the ritual godparenthood related to baptism, confirmation, and matrimony, three Christian sacraments. When one accepts the responsibility of being a

sponsor or godfather at the administration of any of these sacraments, a bond of loyalty is created between the parties that is expected to take priority above everything else.

The same Filipinization process is evident in the democratic system of government presumably bequeathed by the Americans. Although there are many similar characteristics between American and Filipino democracy, politics and government are viewed from very different perspectives. The age-old "compadre system" mentioned above, for example, which is similar to the Mafia's godfather syndrome, usually poses constraints to the application of the democratic principle of "government of laws and not of men" in the Philippines. Free elections, the hallmark of democracy, are held but differentiating among political parties is almost impossible because ideologies seem indistinguishable, and personalities rather than issues reign supreme.

D. Contemporary Philippines

When the euphoria from their newly-gained independence subsided, the Filipinos were confronted with pressing primary problems: mass poverty, an inefficient economic system, rapidly growing population, the pressure of the people's desire for expensive new government and consumption goods, and graft and corruption in politics and administration.

From 1946 to 1994, the Philippines has had 12 presidents elected democratically. There was a 14-year interruption of

the democratic process when Ferdinand Marcos declared martial law in 1972. Though he repealed it seven years later, he continued to enjoy virtually absolute power. The well-publicized People Power Revolution in 1986, so-called because it was won by the masses with virtually no bloodshed, through prayers and peaceful means rather than by military force, ended Marcos' rule.

The cultural picture consists of two sectors: urban and rural, though the dichotomy is neither rigid nor clear-cut. The urban sector is found in cities like Manila, a modern citadel exhibiting many of the characteristics usually associated with modern technology and Western industrial societies. The rural sector is more traditional in spirit and values, reflecting the durability of the indigenous pre-western culture.

The Philippines has a dual economy, a system which reflects the character of the classic developing nation (Corpus, 1963). There is a large rural sector supported by backward agriculture found in the provinces and "barrios" (or small villages) where many are living at or near subsistence levels. They maintain a traditional way of life and are almost resistant to technological innovations. Some of the most backward of this sector may not even have artesian wells in their communities.

The smaller urban sector is more prosperous and open to modern technology and new ideas. They are found in the more

developed cities around the country, of which the most developed is Metro Manila. Studies abound which show that the economic development of the Philippines has been stagnant since the seventies. Vis a vis its Asian neighbors, the Philippine economy has not sufficiently developed to enable it to rise from its agricultural nature to a more industrialized one. Neither has it improved agriculturally: its export agriculture is still insufficient and its promised land reform still struggling. The country has grown increasingly-dependent on foreign borrowing. As of 1994, its external debt is estimated at \$31 billion. Despite the government's repeated pronouncements in the seventies and eighties that it would work towards export-oriented industrial policies, there is still a strong bias towards import-substitution and capital-intensive industries -- a most unfortunate situation since a strong export sector could strengthen foreign exchange and would be more labor-intensive. This problem is compounded by the scarcity of financial resources, such as credit and foreign exchange, which virtually prevents the entry of certain industries.

Public expenditures for agriculture appear to be inadequate. Among the members of the Association of Southeast Asian Nations (ASEAN), the Philippines shows the lowest ratio of public expenditures for agriculture to total expenditures and the Gross Domestic Product (GDP) (Callanta, 1988). Though the budget allotted more monies for agriculture in the last

few years, most of it went to agrarian reform and other support services, rather than to growth-enhancing investments such as, agricultural research and irrigation (Callanta, from David & Tolentino, 1993). Even the funds earmarked for agrarian reform were mostly spent on administration and support services and less to the actual transfer of lands. To make matters worse, there has not been enough government policy to achieve its avowed objective of stabilizing prices at levels beneficial to farmers.

Table 1 illustrates the impact of the previously-discussed government policies. Between 1970 and 1992, there was virtually no change in the industrial sector's share in total output and total employment. On the other hand, the figures show a marked decline in the agricultural sector's share in total output and total employment for the same years. Compared to those of the neighboring countries, however, the rate of decline appears to be much slower.

Only the services sector exhibited an increase in its share in both total output and total employment. The table clearly indicates the failure of both the industrial and agricultural sectors to absorb more labor, pushing a great number of people to seek survival in the services sector which can more easily generate jobs, but with incomes usually below the poverty level.

Another conclusion that can be derived from the table is the failure of government policies on trade, industry, and

agriculture to change the nature of the economy from agrarian to industrial. When the growing labor force is taken into consideration, an increase in unemployment is inevitable.

The unemployment rates in both the rural and urban areas have continued to rise since 1972, another reason for the increase in the number of poor people in the last six years. The problem is compounded by the underemployment rates which have remained high at 20 to 36 percent.

In the Philippines, social class is basically determined by economic factors (Cordero, Panopio, and Raymundo, 1980). There is a highly-significant unequal income distribution, with the top ten percent of the population earning as much as 15 times the income of the lowest 10 percent in 1985.

The upper class is comprised mostly of the new and the old rich. The latter's fortune can be traced to vast agricultural lands dating back to the Spanish times, and they enjoy greater prestige. Currently, most of the people belonging to the upper class are owners of companies, presidents or directors of corporations, and managers. Only about ten percent of the population belong to this class. Political power is also concentrated in the hands of this elite group, since they are the ones who have the resources to win elections.

The middle class is primarily made up of professionals, office workers, small industry or firm owners, and managers of small businesses. To them education is of utmost importance

for they believe that it is the easiest channel for social mobility. Unfortunately, for the Philippine economy, however, less than 40 percent of the population belong to this class. An additional feature of this class is the brain drain the country is experiencing with the mass exodus of professionals immigrating to the United States and other countries which offer them better opportunities.

The rest of the population belong to the lowest class representing those who are on or near poverty. An analysis made on poverty in the Philippines revealed that the number of Filipino poor at this time surpasses that of any other time in the country's history (Callanta, 1988). Although statistics show that poverty incidence declined somewhat during the years 1985 to 1991, from 49.2 percent to 40.7 percent, this rate of decline is quite low, averaging only about half a percentage point per year. Moreover, the apparent slight improvement did not keep up with the rapid population growth in both the rural and urban areas. Consequently, the number of persons dropping below the annual per capita poverty threshold had actually increased from 26.2 million to 29.4 million during the same period.

The rural poor make up 70 percent of the poor population. They are mostly farmers involved in the production of rice, corn and coconut. They are usually characterized by a large family, limited use of modern technology, meager education, and a high level of

unemployment. They have very limited access to schooling and they usually have the lowest income, and the highest levels of unemployment.

Although poverty incidence in the urban areas has increased, it has not changed in the rural areas. The urban poor are generally slum-dwellers or renters of low-income facilities in congested areas without potable water and electricity. Absolute poverty also connotes malnutrition and poor health. Fertility rates are higher in the poorest regions and among less-educated women; consequently, the average size of poor families is six, as compared to five of the non-poor. More than half of the urban poor in Metro Manila are employed in the informal sector.

There is a significant income disparity between the rural and urban poor with the former earning less than half the average income of the latter. This can be explained by the high concentration of skilled occupations in urban areas as well as government policy bias towards urban industrialization in the last 20 years. Moreover, the rural poor do not have any human employable skills.

The nature and causes, economic and otherwise, of poverty in the Philippines have been extensively studied. Among the economic causes are the generally lackluster performance of the economy and the slow labor production growth. The GDP growth rate, which averaged six percent per annum between the years 1970 and 1980 posted only one percent per annum during

the period 1980 to 1991 (Table 2). Since the population growth rate did not abate in the past two decades, the slowing down of economic growth resulted in the decline of per capita income, thereby increasing the number of people below the poverty level.

Non-economic causes include the very limited access to social services, the concentration of political and economic power in the hands of the elite, the unchecked population growth, and frequency of natural disasters, such as earthquakes, typhoons, and volcano eruptions.

DEVELOPMENT OF PHILANTHROPY IN THE PHILIPPINES

A. The Beginnings: "Bayanihan"

Philanthropy is not new to the Filipino. Indigenous philanthropic traditions have existed long before the advent of Christian or colonizing influences. "Bayanihan" (mutual helpfulness among the members of a group) was prevalent during those early times (Panopio, Cordero, Raymundo, 1980). A common example of this practice was having a house built or transferred from one end of a barrio to another with the help of the whole town. No monetary rewards were expected. It was enough that the helpers were given meals and beverages and the assurance of help should they be the ones in need in the future. Without any written rules or laws, people just felt responsible for one another's welfare (Callanta, 1988).

B. The Spanish Times: The Christian Influence

With the advent of Christianity in 1521, Philippine philanthropy was elevated to the spiritual realm, with the primary motive for acts of charity becoming the eternal rewards after this life. In Spanish Philippines, the Catholic Church started projects that addressed social concerns. Hospitals and orphanages were established to help the infirm and the disadvantaged. For the first time, NGOs (non-governmental organizations) were recognized by the state.

C. The American Regime: Secularization and Institutionalization of Philanthropy

It was during the American occupation of the Philippines that laws were introduced to systematize philanthropy, with the enactment of Republic Act of 1459, also known as the Philippine Corporation Law of 1906. Under its provisions, religious corporations, colleges and other institutions of learning are classified as non-profit organizations and donations to them are tax deductible up to three percent of total income if the donor is a corporation and six percent if an individual (Abad, 1984). It was also during the American regime that international humanitarian organizations, including the Young Women's Christian Association (YWCA), the Red Cross, and the Boys Scouts came to the Philippines. The first family welfare agency, the Association of Charities, was organized in Manila. These organizations and their functions were not coordinated at all. Consequently, the government

played a more active role in social welfare and established the Public Welfare Board in 1915 to effect the much-needed coordination of services.

The Second World War wreaked devastating havoc in the country. The economy was almost bankrupt; disease and malnutrition were rampant. Poverty was pervasive and it caused alarming social tensions, especially in the rural areas. The public and private sectors formed associations to recover from the effects of war.

D. Contemporary Philippine Philanthropy: The Rise of the NGO Sector

The new Philippine Republic organized the Social Welfare Administration which evolved into the present-day Department of Social Welfare and Development. Among the more important NGOs organized at about the same time was the Philippine Rural Reconstruction Movement (PRRM). This effort was spearheaded by Dr. James Yan, a Chinese scholar, with assistance from a group of Filipino civic leaders. PRRM concentrated on self-help group action in the rural areas. Another NGO organized then was the Philippine Committee of the International Council of Social Development Foundations, a lead network of NGOs assisting children and youth.

In spite of the relative national prosperity in the sixties, social tensions erupted between land owners and farmers with the passage of the agrarian reform laws. There was a clamor for change in the social and economic inequities

of the times. Demonstrations and rallies led by strong student and labor movements were joined by an alarming number of supporters.

Aware that peace and order could only be achieved if some of the socio-economic inequities were remedied, fifty of the most prominent Filipino businessmen founded the Philippine Business for Social Progress (PBSP) in 1970. The primary purpose of the new organization was to work for social development. At about the same time two other organizations which will greatly impact on Philippine philanthropy were formed: the Bishops-Businessmen Council, a think-tank of businessmen and Catholic bishops, and the Association of Foundations, an umbrella organization designed to professionalize NGOs.

Faced with very trying times, the Catholic Church once again asserted its leadership. Social action centers which are part of Catholic churches throughout the country became the channels of development work. In 1986, the National Secretariat of Social Action (NASSA) was organized to help promote social action as an indispensable part of the Christian apostolate.

During the Marcos dictatorship which began in 1972 with the imposition of martial law, the growth of NGOs was almost completely stunted. Legitimate NGOs were accused by the military police of being fronts for Communist activities. The NGO sector continued its work, slow and quiet though it might

have been, especially in the countryside where the poor suffered the most for lack of service delivery.

Advocacy groups did not abandon their causes but they worked above or underground, depending on the stance of the government towards them. By requiring registration or taxation, the government attempted to control the activities of the NGOs. In the early eighties, towards the end of the Marcos regime, the cause-oriented groups came out in the open. No longer could they take the shackling repression. Crossing sectoral lines, people from all walks of life with different political ideologies and belonging to diverse social classes united against Marcos whom they saw as the common oppressor. The early multi-sectoral networks in the NGO sector were formed.

E. Philanthropy in the Philippines After the People Power Revolution

Ridding the country of Marcos did not liberate it from the economic and social problems it had to face. Development work was mandatory to provide solutions in the alleviation of poverty.

A positive factor in all the chaos was the global popularity of the Aquino government which helped increase the amount of development aid. In 1986 alone, the Securities and Exchange Commission registered about 30,000 NGOs, organized not only by civic-minded individuals but also by business and government.

Characteristics and Activities of the Sector

The Philippine National Economic and Development Authority (NEDA) has defined NGOs as "private, non-profit, voluntary organizations committed to the task of socio-economic development and established primarily for service." Their presumed high credibility as an honest service institution make them an alternative to government in service delivery. With the exception of the larger NGOs, networks or coalitions, most NGOs are effective in small geographic areas where their limited resources can go a long way.

The NGO sector is national in scope. NGOs can be found in all three main islands: Luzon, Visayas, and Mindanao, although as expected, most of them are concentrated in Luzon.

Traditionally, NGOs have delivered basic services to remote rural communities, filling gaps in government service delivery. Their primary aim is to empower the people and enable them to meet their basic needs. Typical projects include building water systems, health and sanitation awareness-raising and services, adult literacy classes and organizing cooperatives. When national disasters strike, NGOs provide relief and rehabilitation services. Since extending credit is an effective poverty alleviation strategy, NGOs have also been known to use low-interest socialized credit schemes and have served as financial intermediary for agricultural and social credit.

Through the years, NGOs have served other functions. They have been called upon for political advocacy. Realizing that poverty is as much a political as it is an economic problem, NGOs have advocated stands on certain issues such as agrarian reform, urban land reform, basic social services, environment problems, basic human rights, foreign debt, and peace and order. So strongly involved have some NGO leaders been that they have been elected and/or appointed to national and local offices.

Funding Sources

Funding sources can be classified as external and internal. According to a NEDA report, Ps1.5 billion has been made available for NGOs by foreign donors. Among the more important external sources are: the Canadian International Development Authority, U.S. Agency for International Aid, and the Australian International Development Assistance Bureau.

Internal sources of funds include large foundations, the government, philanthropic individuals, and the general public. Most foundations were organized by business corporations and wealthy individuals. Among the larger ones are: the Ayala Foundation, Coca-Cola Foundation, Aboitiz Foundation, and the Philippine Business for Social Progress (PBSP).

The general public supports NGOs either by direct contributions or volunteer time. However, except for times of natural disasters like the Mt. Pinatubo eruption when huge

contributions poured in, common citizens are not inclined to give monetarily. This is not only due to the fact that culturally, Filipinos are not prone to anonymous giving but also to the absence of tax incentives for common individuals similar to those given to doctors , lawyers, and other such professionals---conditions which seem not to be conducive to the success of a community model of philanthropy like the United Way.

CHAPTER V

THE UNITED WAY PHILIPPINES, INC.

This chapter traces the history and development of United Way Philippines, Inc., from its arrival in the Philippines to the present. The five periods of its development are analyzed as well as the internal and external environments that significantly influenced its successes and failures.

To provide a broader perspective on the organization, reports on seven of the provincial affiliates are included.

HISTORY OF THE MOVEMENT

Introduction of the United Way Model

The United Way concept, under its former name, Community Chest, arrived in the Philippines just a few years after the Second World War. The Philippines had just been granted independence by the United States on July 4, 1946 although the Filipinos now believe that they actually won their independence on June 12, 1898, just before the outbreak of the Philippine Revolution in the same year. Those times were characterized by a massive upsurge of goodwill towards America and all things American. It was also the time of post-war rehabilitation, and the development of the economy of a newly-established republic.

Those times were, likewise, characterized by extreme

hardships, inevitable consequences of the war just ended. Numerous socio-civic agencies sprang up to solve urgent and specific social welfare problems, most of which related to the plight of the handicapped, orphaned children, displaced families, and the unemployed. Each of these organizations conducted their own fund-raising campaigns for their own projects, a practice that eventually wearied businesses and other sectors of the community. The situation was ripe for the arrival of a federated fund-raising organization.

The Community Chest was introduced into the Philippines through the efforts of Severino Luna, a former guerilla fighter who subsequently worked as a staff member of the Young Men's Christian Association (YMCA) in Manila. He was recruited in the mid-1940s by Irene Murphy, Social Affairs Officer for the United Nations and sister of Francis Murphy, the first American Governor-General of the Philippines during the Commonwealth period of the country's history.

In December, 1947, a group of businessmen and other community leaders were invited to a forum by Luna to explore the possibility of establishing a Community Chest. The group organized itself into a study committee to find out if there was a need for a Community Chest in the country. Luna received a scholarship from the Community Chest and Councils of America to study the movement in the United States. Over a year of research and opinion surveys revealed encouraging support for the Chest idea.

The Community Chest of Greater Manila (CCGM) was established on September 5, 1949. The first general fund-raising drive was launched on November 19, 1949. Luna was appointed first Executive Officer and Campaign Director. The amount raised from the first fund campaign was Ps577,657.00 (\$288,879.00),¹ an amount which was Ps70,000.00 more than the combined funds raised by the first 19 affiliated agencies when they campaigned on their own. For the next twenty years, CCGM remained the only Community Chest in the Philippines.

On May 5, 1970, the Community Chests and Councils of the Philippines, Inc. (CCCPI) was created, of which Luna was among the incorporators. CCCPI's principal aim was to establish other Community Chest organizations in the country.

On December 9, 1977, at the Eighth Annual Membership Meeting of CCCPI, the name Community Chests and Councils of the Philippines was changed to United Way Philippines, Inc. or UWPI, an affiliate of United Way International. This resulted in a split within the organization. The CCGM and some of the chapters decided to keep the name Community Chest. In 1979, after a major trust fund campaign dubbed "Piso Mula Sa Puso" (a peso from the heart), the CCGM became the Community Chest Foundation. Subsequently, most of the other Community Chests

¹ The rate of peso-dollar exchange was Ps2.00 to \$1.00 from 1946 to the early sixties. Through the years, with inflation and other economic problems, it gradually reached its present rate which fluctuates between Ps25 to 29 per \$1.00.

which previously resisted the name change capitulated and became United Way provincial affiliates.

The aims and purposes for which the UWPI was organized are the following:

- a. To stimulate, encourage and help organize United Way and/or Community Welfare Councils all over the Philippines and to assist them in their efforts to solicit, collect, and otherwise raise, manage and dispose of money for charitable, social philanthropic and benevolent services of every nature and wheresoever such activities may be prosecuted;
- b. To aid and assist Community Welfare Councils and all agencies, organizations, institutions, by whatsoever names they may be called, in their efforts to encourage and stimulate planning, research and cooperation regarding health, welfare and youth recreation problems and services and the development of better standard for charitable, social philanthropic and benevolent services of every nature and wheresoever such activities may be prosecuted;
- c. To help train, as well as assist, in the promotion and growth of executives and staff members and personnel of community welfare councils and all agencies, organizations and institutions, by whatsoever names they may be called, affiliated with the United Way

Philippines, Inc.; (As amended on March 9 and April 6, 1987);

- d. To serve as a personnel resource for all its member organizations;
- e. To help provide coordinated public relations programs and materials to all its member agencies;
- f. To cooperate with any and/or all other organizations in joint efforts intended to promote any or all of the foregoing ends and purposes;
- g. To receive by gift, grant, devise, bequest or otherwise, and from any public or private sources, personal or real property, and to hold, administer, sell, invest, reinvest, manage, use, disburse and distribute, and apply the income and/or principal of the same in accordance with the directions and intent of the donor or donors of such property, as the corporation may deem best from time to time, for the promotion of any or all of the foregoing purposes; and
- h. To do any and all things, either alone or in cooperation with other organizations or institutions, and either directly or by contributions to such other organizations or institutions, which it may deem necessary or proper in order to carry into effect any or all of the foregoing objects or purposes.

The UWPI is a private, non-profit organization which

serves as the national coordinating body of province-based United Way chapters. It generates support for welfare and development projects through fund campaigns, technical assistance and donor agency linkages. It is located in Metro Manila, in a residential building purchased by the organization and converted into office facilities.

United Way (UW) provincial chapters are found in urban and rural centers of the country. A UW provincial chapter is an affiliate of the UWPI but it is legally organized under existing Philippine laws. It has been designed to unite organizations conducting separate fund campaigns in the provinces and who agree to band together in only one annual educational and fund campaign governed by an authority issued by the President of the Philippines. Funds raised by the UW provincial chapters are allocated to member organizations to finance programs and projects on health and welfare, institutional care, rehabilitation of the handicapped, and Barangay Rural Improvement Corps (BRIC) projects.

Funds for the programs and services, as well as for the operations of UWPI are raised from individuals, business corporations, civic organizations and institutions. The funds generated are in the form of membership fees, donations and proceeds from special fund-raising events. Funding for community-based developmental projects are generated through linkages with private funding institutions and other NGOs. Government support is basically in the form of mandates

authorizing the United Way to conduct its annual fund campaign. The funds are managed by a board of directors, supposedly representing top leadership in the business and professional sectors.

Making Its Mark in the Philanthropic Field: 1949 - 1979

The first three decades of its existence in the Philippines saw the United Way concept spread throughout the country. It reached 74 provinces under the able leadership of Luna as the Chief Professional Officer of the national organization, the United Way Philippines, Inc. (UWPI). Each of the local provincial United Ways raise funds from voluntary contributions within their provincial jurisdictions to support health and welfare agencies as well as BRIC projects. During the annual fund campaign the Community Chest encouraged everyone, especially those who could be reached at business establishments, schools, and government offices to give a minimum contribution of one peso. Contributors were awarded the Red Feather insignia as an incentive. Most of the contributions came from the "common tao" (common folks), belonging to the middle and upwardly mobile working class.

To augment the much-needed economic development in the rural areas, UWPI introduced the Barangay Rural Improvement Corps (BRIC) Program in 1972. One of the major objectives of the BRIC Program is to improve social and economic welfare conditions in the "barangays".

The 1970s saw the spread of the BRIC Program to about 3,000 "barangays". It was developed by provincial United Ways in cooperation with the Philippine Armed Forces which provided substantial material support. The current President of the Philippines, Fidel V. Ramos, who was then Chief of Staff of the Philippine Constabulary, was one of the members of the national Board of Directors who strongly endorsed the BRIC Program.

The BRIC Program represents a systematic effort to organize barrio folks toward rural development. Through the program, rural cooperatives were started and development projects ranging from literacy education to pig farming were developed. In addition, health and welfare projects such as dental clinics and drainage ditches were also undertaken. Local United Ways put up the risk capital and as the projects progressed, loans were brokered with one of the national banks.

It can almost be said that United Way reached its golden age at that time. There were 74 active local United Ways in the country, the Board of Directors of the national organization was composed of well-respected national leaders, and fund-raising efforts were very successful. The total amount raised from 1949 to 1979 was estimated at \$872,515; the average collection per year at \$290,838. (Dollar amounts were used for these numbers as well as for the collection estimates for the other periods because peso amounts would be very

confusing due to a number of peso devaluations.) The organization enjoyed an impeccable reputation and ranked among the most respected and most successful in the country. But this golden age did not survive the test of the tumultuous years that followed.

The Hard Times: 1980 - 1986

From 1980 to 1985, the organization fell on hard times. The political and economic climate of the time affected the United Way, both on the national and local levels. This was the height of the Marcos regime. In 1976 martial law had been in effect for eight years. Although it was repealed in 1979, Marcos still remained in power and his abuses continued. The assassination of Ninoy Aquino, Marcos' arch rival, in 1983 wreaked havoc on the economic and political stability of the country. Business, big and small, were hurting, except for those belonging to Marcos cronies. The economy was at a standstill and people were getting poorer. Statistics show that the poverty incidence of that period was the highest in the country's history.

At a time when United Way could have become a strong positive force, it also fell victim to the times. Luna, the founder and dedicated National Executive Director for many years, went into retirement. The national board was infiltrated by Marcos cronies who decided to enjoy an unlimited term of office. This abuse was possible because

there was no provision made for a limitation of directors' term of office in the organization's constitution and by-laws. The UWPI President ran the organization as if it were his personal fief, giving the weakness and ineffectiveness of Luna's successor as the excuse. The prevalent "culture of corruption" had seeped into the organization (Quisias, 1987). The number of provincial chapters dwindled to less than 20. Contact with them was very minimal; there were no official evaluation procedures, giving rise to questions on their effectiveness and integrity. The outstanding reputation United Way used to enjoy started to tarnish. Contributions decreased and with this, the professional staff suffered further both in quality and in numbers. Total combined collection for the period was estimated to be \$853,997; and the average collection per year was \$212,726. The members of the board and the staff at that time, described the financial situation of the time as a "hand to mouth existence". Most of the limited funds were spent on administrative costs to keep the organization afloat. Almost nothing was left to support programs or provide the mandatory technical assistance to the provincial chapters. The leadership crisis led to a credibility crisis and ultimately to an over-all organizational crisis.

Unfavorable documented reports reached United Way International (UWI). American consultants were sent to the Philippines but they could not prevail on the questionable

members of the board to resign. With the same leadership at the helm it was almost impossible to effect any changes within the organization.

The observation that closely links the political situation within the United Way with the political development in the country at that time is quite accurate, indeed. The upheaval that toppled Ferdinand Marcos and catapulted Corazon Aquino to power in 1986 provided the opportunity for United Way International to sow the seeds of the reinvigoration of UWPI.

Institution of Organizational Reforms: 1987 - 1991

In October of 1986, with the approval of UWI President, William Aramony, I was appointed Special Consultant to the Philippines by John Glaser, the Chief Operating Officer at that time. With my influential contacts in the Aquino government and by using guerilla tactics known only to Filipinos, I was able to effect a UWPI transformation, financed and supervised by UWI.

UWPI elected a new board, consisting of respected and powerful men and women who occupied positions of responsibility in government, business, and the media. Needless to say, integrity was an important criterion in their selection.

The problems the new board had to face were tremendous. The organization's coffers were almost empty. There were not

even enough funds to pay the monthly salaries of the professional and support staff. If not for the revenues from membership fees collected from new members at the annual meeting and some financial assistance from UWI, UWPI would not have been able to meet its salary obligation to the staff. Though full of good will and pure intentions, the new board knew very little about the United Way. To continue the work that has been started, high quality professional staff was essential. The credibility of the organization in the country had to be revived.

From 1986 to 1990, with assistance from United Way International, most of the problems were dealt with. To raise the much-needed funds to keep the organization alive, a number of special fund-raising projects were undertaken and a membership drive was zealously pursued. For the first time since the questionable leaders took over, UWPI had a yearly budget to follow, drawn and voted upon formally by the entire board.

The eventual retirement of the ill-equipped Executive Director and her Assistant was made possible with the retirement package offered by UWI. A more qualified and experienced Executive Director was hired but not enough money was left to hire a new Assistant. UWI consultants went to Manila a number of times to provide training on United Way concepts, practices, and standards of excellence, not only to the national board and staff but to the local United Way

leadership as well. As a result, the mission and the vision of UWPI were re-defined and updated based on the United Way Creed and the current community needs; a yearly schedule of activities and a list of goals and objectives were also delineated. In addition to amendments to the Constitution and By-laws, the Memorandum of Agreement between the national organization and the local affiliates was strengthened to ensure greater accountability and to discourage any abuse of power. The assistance of one of the most-respected accounting firms in the country was solicited to conduct yearly audits of the finances of the UWPI and the provincial chapters, free-of-charge. In summary, all steps deemed necessary to guarantee the success of the resuscitated UWPI were undertaken.

On my final trip to the Philippines as UWI Special Consultant in 1991, I drew up plans with the national board and the Executive Director to make sure that the work which has been started would continue. Most important among them were the organization of a National Advisory Committee and the development of promotional materials and fund campaign strategies. The National Advisory Committee was to be composed of leaders (already identified in the corporate and media worlds) who would be at the helm of the organization's fund-raising efforts. Promotional materials and fund campaigns were to be patterned after those being used by United Way in the U.S.

During the five years that I worked with the UWPI, I was able to witness its progress. It was able to regain some of the credibility it had lost - thanks to the known integrity, genuine respectability, and impressive leadership of the board members it has had since 1986. Clear evidence of this was the number of grants and contributions the UWPI has received from the government for its projects. Although contributions which came mostly from corporate members have not overflowed, the organization was able to take care of its administrative and operating expenses with enough left to do some outreach and give some assistance to the local affiliates. Figure 1 shows the significant differences in UWPI's revenues from 1980 to 1986 and from 1987 to 1991. Estimates for total and annual average collections during this period are not significantly different from those of the preceding period. This can be due to various reasons, among them the amount of revenues collected by the provincial chapters, the erratic reporting procedures, and the ever-changing numbers of active chapters.

Even if the first Executive Director hired after the change of board leadership did not stay very long, a replacement who was equally competent and dedicated was recruited. Since 1990 UWPI has had another Executive Director. His level of expertise may not be at par with that of his two predecessors, but his tireless dedication and willingness to serve make up for the apparent deficiency.

Moving Forward Slowly: 1991 - 1993

The operations of the UWPI for the years 1991 to 1993 were focused on three major groups of activities: membership and fund campaign; projects assistance; and organization development.

a. Membership and Fund Campaign

The UWPI-accredited chapters all over the Philippines increased from 19 in 1990 to 20 in 1991, remained 20 in 1992 but decreased to 18 in 1993. In 1991, its individual and corporate members numbered 427. This increased to 434 in 1992 but it declined to 398 in 1993. The decrease in the number of accredited chapters as well as individual and corporate members, from 1992 to 1993 was attributed to these entities' inability to give their annual contributions to UWPI due to financial constraints.

Through Presidential Proclamations issued by the Office of the President and Memoranda from the Department of Education, Culture and Sports during the years 1992 to 1993, the UWPI and its provincial chapters were able to solicit voluntary contributions and to conduct special fund raising events (e.g., raffle draws) in order to sustain community projects. At the national level, the total contributions and donations generated from 1990 to 1992 (Table 3) amounted to Ps2.58 million (\$103,234).

On the other hand, the UWPI provincial chapters raised a combined total of P7.18 million (\$287,200) from its fund

campaign activities during the period 1991 to 1993. However, not all the accredited chapters during this period generated local funds. In 1991 and 1992, 55 percent of the 20 accredited provincial chapters raised their own funds which accounted for 26 percent and 34 percent, respectively of the combined three-year funds. In 1993, 67 percent of the 18 accredited provincial chapters raised 40 percent of the total three-year funds (Table 4).

The UWPI has diversified its sources of contributions and donations. Aside from its accredited provincial chapters, and individual and corporate members, the organizations which provided the UWPI with financial support for specific projects during the period were the following: Central Community Chest of Japan and its 47 chapters; United Way International; United Way of Thailand; Community Chest of Singapore; Philippine Amusement and Gaming Corporation; Healthkard International, Inc.; S.M. Lazo Medical Center; National Filipino-American Council, Monterey County Chapter; "Tulungan sa Tubigan" (Working Together to Provide Water) Foundation; the New York based Trickle-up Program, Inc.; the Alejandro Group of Companies; and the Filipino Community and Fire Fighters of Salinas, California.

b. Projects Assistance

The types of projects that the UWPI national office assisted during the period included the following: disaster

relief and rehabilitation; livelihood; and basic services (e.g., potable water and formal education).

The disaster relief and rehabilitation projects assisted by the UWPI were in response to specific natural calamities that hit parts of the country. In 1991, limited financial assistance (e.g., Ps125,000.00 or \$5,000.00) was made available by the UWPI to its accredited provincial chapters in the Northern Luzon area to augment funds for projects to assist victims of the 1990 earthquake. The UWPI also provided relief goods and food ration, and funds for the construction of toilets and water pumps for potable water supply for victims of the Mt. Pinatubo eruption in Central Luzon. In addition, it provided financial assistance for housing materials needed by victims of the "Typhoon Uring" which devastated the western part of the Eastern Visayas region and Negros Occidental. The volcanic eruption and the killer typhoon both occurred in 1991. Another major natural catastrophe was the Mayon Volcano eruption in 1992. Monetary and in-kind assistance was also extended to its victims.

In addition, the UWPI, through its accredited provincial chapters, provided funds for individual and group livelihood projects of disadvantaged community residents. The provision of livelihood funds was instituted by the UWPI in 1992 through its Social Lending Program. This program became possible through the assistance of a UWPI board member, the President of the United Coconut Planters Bank, one of the country's

the bank's affiliate Foundation to render it eligible for a line of credit for social development projects at the very low annual interest rate of five percent (the going rate of interest on loans is between 18 and 24 percent). UWPI, in turn, makes loans to provincial chapters at a ten percent interest rate.

The provincial chapters, in turn, charges up to 16 percent interest when they loan out the money.

UWPI is, therefore, able to earn some income from the additional interest and the provincial chapter is able to help one of its member agencies with its project at still very reasonable interest rates. All income revert back to the finances of UWPI.

Also during the period in review, the UWPI engaged in basic services projects limited to potable water systems (e.g., deep and shallow wells) for depressed communities in South Cotabato and the provision of formal education scholarships (e.g., vocational and collegiate courses) for deserving students of indigent families in Metro Manila. Its potable water systems projects which were started in collaboration with the "Tulungan sa Tubigan" (Working Together to Provide Water) Foundation, the United Way of South Cotabato, and the Surigao and General Santos City Foundations were continued. Its formal education projects, on the other hand, were carried out in partnership with the Alejandro Group of Companies.

of Companies.

The United Way provincial chapters, on the other hand, have implemented a larger number of projects, similar to those assisted by the UWPI national office. Examples of projects undertaken by the provincial chapters are: health care provision (e.g., free dental and medical assistance to the poor, provision of medicines), potable water systems construction, disaster relief, livelihood development (such as cottage industries, agricultural projects for crop production and livestock raising, food processing), and formal and non-formal education through scholarships. The Barangay Rural Improvement Corps (BRIC) programs were also pursued by a number of provincial chapters.

c. Organizational Development

Organizational development activities of the UWPI during the period in review were not only limited to national office concerns. They also included efforts to strengthen partnerships with provincial chapters and other organizations. In 1991, the UWPI conducted a one-day conference among representatives of its accredited chapters to assess their respective operations and performance of the past year. It also conducted a five-day conference for executive directors of 13 chapters to develop their commitment, involvement and unity in order to sustain the UWPI operations nationwide. In 1992, the UWPI board members and staff attended a one-day session to review the United Way vision, mission and future

plans. A two-day conference was also held to establish cohesiveness among its chapters in Mindanao and the national office, to assess what the chapters have done in their respective jurisdictions, and to promote among the chapters the national office's programs and services, particularly the Social Lending Program.

Meanwhile, the UWPI Executive Director attended United Way-sponsored conferences outside the country to foster partnership between the UWPI and other United Way organizations. Specifically, the UWPI became a founding member of the United Way Asia Pacific Regional Organization (UWAPRO) which was established in 1993 to develop a Regional Resource Center for the purpose of enhancing the voluntary sector within the Asia Pacific region. Also in 1993, the UWPI was accredited by the Quezon City government as a non-government organization (NGO) representative, to its local development council and other local government policy formulation and planning structures created, pursuant to provisions of the Local Government Code of 1991 (a Philippine national law which grants autonomy to local government units). It was also accepted as a member of the NGO Water Sanitation Network, which seeks to establish a strong coordinating mechanism among NGOs in the water sanitation sector and to find other avenues for unity and cooperation.

From 1991 to 1993, the UWPI organization essentially had the same features which were instituted during the period 1986

to 1990. The recommended creation of a National Advisory Committee did not materialize because the Board of Directors did not see its necessity due to the existence of Board Committees with defined functions. Its annual program plans had practically the same features except for minor adjustments made on a year-to-year basis.

The organization's financial capability during the period in review is illustrated in Tables 3 and 5. In 1991, its total public support and revenues increased by 194 percent over that of 1990 while its total expenses during the year increased by 83 percent over the previous year. Fund balance at the end of 1991 was recorded at 91 percent in excess of the 1990 level. The following year (1992), its total public support and revenues decreased by 23 percent but its total expenses increased by 11 percent over the 1991 levels. Fund balance at the end of 1992 also decreased by 13 percent over that of the previous year. On the other hand, while its total assets in 1991 increased by 81 percent over that of the 1990 level and also increased in 1992 by 222 percent over that of 1991, these seemingly laudable increases in assets did not have significant positive bearing on the organization's financial position.

During the period, the UWPI diversified its sources of funds but the additional amounts generated were not substantial. In addition, the organization did not create a financial account for long-term financial sustainability, such

as the creation of a corpus fund which can be invested in income earning accounts.

THE UNITED WAY PROVINCIAL CHAPTERS: CASES IN POINT

The number of active UW provincial chapters has dwindled through the years, from 74 in the 1970's to 18 in 1993 or a reduction by 76 percent in over 20 years. The overall reason for this has been the inability of most local chapters to continuously mobilize adequate funds that would sustain their operations in the long-term. Since provincial chapters are separate legal entities, each one is responsible for its own organizational and financial viability even as limited assistance, when available, is provided by the UW national office.

A. United Way of Zamboanga City

Zamboanga City is located in the island of Mindanao, the only region in the country where Islam is the predominant religion. Topographically, Zamboanga's landscape is a combination of highlands and lowlands, marked by a rough coastline of many indentations with numerous coves and harbors. The incidence of poverty in the area is high, particularly with its cultural communities. Mindanao is besieged with political unrest and it has threatened to secede from the national government for many years.

The organization came into existence in 1971 as Community

Chest. It became a UW provincial chapter in 1976. The members of its Board of Directors, though recruited through personal invitation, are selected through a search process using the criteria of humanitarian qualities and commitment. They have a term of office similar to that of the UWPI national board. The composition of its board includes lawyers, government officials and other professionals. It is managed by an Executive Director who has been in office for 18 years, and who succeeded an earlier Executive Director who served only for six months.

The main sources of the organization's revenues are: membership contributions from its 200 members and proceeds from special events (such as raffles, "pintakasi" (cockfights) and others). Its biggest contributors are prominent families in the locality, as well as schools, where fund raising campaigns are conducted. Of its revenues, about 30 percent are used for administration while 70 percent are spent on livelihood and other projects of indigent community residents. It has stopped the implementation of BR1C projects (e.g., animal dispersal) due to peace and order problems. Through its projects, however, it has helped residents and poor families improve their lives.

The organization has been experiencing more difficulties in raising funds now than before because more NGOs have sprouted in the area. Problems of peace and order aggravate the situation because they render the members of the board and

staff incapable of moving around to solicit donations.

B. United Way of Pangasinan

Pangasinan is a city located in the northern part of the Central Plains of Luzon. It was the earliest political and administrative unit in the country. This is the hometown of the present Philippine President, Fidel Ramos.

The United Way of Pangasinan came into existence in 1971 as a Community Chest. It became a UW provincial chapter in 1976. The process of recruitment of its Board of Directors is similar to that of the UW of Zamboanga City. Its Executive Director has been in office since 1972.

Its revenues are generated from schools, government offices and its members. It is the only United Way which has continued to raise funds by holding a beauty contest to search for a Miss United Way of Pangasinan. It is also the only United Way chapter that was able to build its own office building. Of its revenues, about 30 percent are used for administration while the balance is spent on projects (e.g., handicrafts, garments, basket weaving and other livelihood activities) of indigent community residents.

C. United Way of Tarlac

Tarlac is a land-locked province of the central plain of Luzon, surrounded by the provinces of Pampanga, Pangasinan, and Nueva Ecija. Tarlac has always figured in the major

milestones of Philippine history. During World War II Camp O'Donnell in Capas was the terminal point of the infamous "Death March" participated in by both Filipino and American soldiers who surrendered in Bataan. In 1950, it was the hotbed of Huks, a local Communist movement. The movement was later suppressed but had a resurgence in 1965. Known as the "melting pot of Luzon", Tarlac is the home of different ethno-linguistic groups, mostly migrants from the surrounding provinces. It is the hometown of President Corazon Aquino's late husband, Ninoy.

United Way of Tarlac was founded in 1971, as a Community Chest. In 1976, it became a UW provincial chapter. The recruitment process and term of office of its Board of Directors are similar to those of previously-cited UW local chapters. Its Executive Director has been on the job for about five years.

The UW of Tarlac generates revenues from raffles, donations and gifts. It also taps development funds allotted to congressmen. Of its revenues, 30 percent are spent on administration and 70 percent for projects (such as college scholarships, propagation/distribution of herbal plants, academic contests and projects for street children and out-of-school youth), which the organization directly implements.

The organization's most pressing problems are lack of funds and inability to hire competent people (planners and

technical consultants) to provide the expertise needed for its undertakings. Since the province was among the areas hardest hit by the Mt. Pinatubo eruptions, the organization's revenues have been reduced significantly. The rate of employment has gone down drastically. Located in the province are evacuation areas which are almost uninhabitable. The residents have had to depend mostly on relief from national and international donors, which include various United Ways in the U. S. and Japan.

D. United Way of Nueva Ecija

Traditionally referred to as the "bread basket" of the country because of its ability to produce substantial volumes of rice, Nueva Ecija has been tapped as a pilot area for the major socio-economic development programs. It is located in the northern portion of Central Luzon, bounded on the northwest by Pangasinan, on the west by Tarlac, on the southwest by Pampanga, on the northeast by Nueva Viscaya, and on the southeast by Bulacan.

The organizational life of the UW of Nueva Ecija is similar to that of the previously cited UW local chapters. The term of office of the members of its Board also has no limit. Its Executive Director has been in office for 20 years; there were two other executive directors before her. Its revenues for projects, such as livelihood, health and sports promotion, are channeled through other organizations, like cooperatives,

which in turn make available project funds to community beneficiaries. It has an existing BRIC project, the "bigasan-bayan" (the town's rice store), engaged in the purchase and sale of rice at minimum profits to help the community residents.

The organization's revenues are generated from special events (e.g., raffles), membership contributions and loans from the UWPI. Its most pressing problem is lack of funds because other local NGOs compete for the limited funds. For a few years now, the organization has been suffering from a leadership crisis. Its President, who has been in office for many years, has been an absentee leader. She has refused to step down, but she has neglected her duties and responsibilities.

E. United Way of La Union

La Union is located in the Ilocano province, in the northern part of Luzon. The late deposed President Ferdinand Marcos hailed from this region.

The organization, which has been in existence for 23 years, is the only remaining UW provincial chapter in northern Philippines. The selection process and terms of office of its Board of Directors are similar to those of other UW local chapters. Succeeding two previous Executive Directors, the organization's present Executive Director has been in office since 1977.

The organization raises funds through general solicitation, membership drives, special events and loans from UWPI. It also generates donations from government offices and private individuals. Of its resources, 30 percent are used for administration and the balance is spent on livelihood and other projects of indigent community residents. It is the only UW to receive a development project grant from Trickle-Up, an American foundation, through the assistance and endorsement of UWPI.

Its most pressing problem is its difficulty in raising funds due to competition with other NGOs. On the other hand, its greatest achievement is that it has developed a very positive image for the UW. The general public has a high regard and respect for the organization, its staff and its services.

F. United Way of Bulacan

Bulacan is one of the provinces comprising the Central Plains of Luzon. The province has more than its share of national history. Its capital, Malolos, was the capital of the First Philippine Republic (1898) and the seat of the Revolutionary Congress which drafted and ratified the premier Constitution of the Philippines. The dialect of the people of Bulacan is Tagalog, which has been designated as Pilipino, the national language. Due to this fact and its glorious historic past, the people almost consider themselves as the "maharlika"

(royalty) of the country. The United Way of Bulacan has been in existence since 1975. Its inception was made possible through the initiative of an ex-Provincial Governor who, together with 28 local citizens (e.g., doctors, lawyers, government officials, businessmen, civic leaders, educators), realized the need to organize an agency which will serve as a nucleus for promoting the objectives of all existing public and private social welfare and civic organizations operating within the province. Using information from friends on the operations of community chests, the ex-Governor and the other local citizens formalized the establishment of the organization.

The organization's financial resources come from membership contributions, fund solicitations and special events. Of its resources, 30 percent are spent on administration while 70 percent is allocated to livelihood and other projects initiated by indigent community residents. Most of its assisted projects are BRIC projects. An important program is the "botika sa bayan" (drug store in town), where medicines are sold at a fraction of the prices at the other drug stores to help the community.

G. United Way of Batangas

Batangas is another province that comprise the Central Plains of Luzon. From 1814 to 1889, coffee became the leading export commodity of the country, primarily because of Lipa, a town in Batangas. It made the Philippines the fourth largest exporter of coffee in the world by 1880. Lipa became the world's sole coffee supplier around 1886-1888. However, the coffee disease which blighted the coffee plants in Europe, South America and Java eventually ravaged even the Lipa plantations due to poor quarantine measures. The United Way of Batangas started in 1971, as a Community Chest. It became a UW local chapter in 1976. The selection process and terms of office of its Board of Directors are patterned after those of the UWPI. Its Executive Director has been in office for five years and is the successor of the very first Executive Director before her.

United Way of Batangas generates revenues from membership contributions, donations from other organizations and individuals, and special events. Most of its resources are spent on livelihood and other projects initiated by needy community residents. One of its interesting projects provides assistance to community residents to enable them to purchase sewing machines to be used for handicrafts and the manufacture of contract export goods, such as pot-holders, caps, and others.

The organization's most pressing problem is the difficulty of raising funds due to competition with other local organizations.

In general, the seven UW provincial chapters have been in existence for quite some time now and have provided assistance to several needy communities through livelihood and other projects. In the past six years (1988-1993), the total revenues raised by the organizations through fund campaign activities varied (Table 6). The provincial chapter with the highest total revenues was that of Pangasinan (Ps 1.6 million or \$64,000), followed by Tarlac (Ps 1.24 million or \$49,600) and Bulacan (Ps 1.18 million or \$47,200). The organization with the least amount of revenues collected during the period was that of Zamboanga City (Ps 0.34 million or \$13,600). Zamboanga City's meager collections can partly be explained by the political unrest and the unresolved Moslem rebellion which have plagued the area.

All the UW organizations studied have used a greater percentage (70 percent) of its resources in support of livelihood, health, potable water, scholarship, sports development and other projects initiated by indigent community residents, which include students, housewives, fishermen, unemployed adults and others. The common pressing problem of these organizations has been the difficulty in raising funds due to competition with other local organizations.

INSIGHTS AND CONCLUSIONS

The following insights and conclusions can be gleaned from the operations of the UWPI and seven of its local chapters:

1. The greatest achievement of the UWPI and its active provincial chapters has been their ability to survive and remain operational through the years in spite of financial difficulties and other constraints encountered.
2. While the UWPI has instituted some structural reforms, especially in its By-laws, its local chapters have continued to operate using the By-laws of their respective organizations promulgated in the early years and patterned after the original UWPI By-laws. For instance, the terms of office of members of the Board of Directors have been limitless, and there seems to be an absence of defined sanctions on non-performing board members. This situation has caused the UW provincial chapters to stagnate and even retrogress.
3. The UW local chapters are inadequately staffed. Most of them have only two personnel: an Executive Director and an Administrative Assistant. In addition, the employees are underpaid. This situation has prevented the local

chapters and even the national office from undertaking innovative projects and approaches to make their operations effective and efficient.

4. Since the provincial chapters are separate legal entities, they are responsible for their long-term financial viability. Unfortunately, not one of them has diversified its sources of revenues. With the exception of the UW of La Union which ventured a successful attempt to solicit from a foreign donor (Trickle-Up in the U.S.), the provincial chapters under study have not explored international sources of funding. Neither has any one of them given much thought to the possibility of working in partnership with United Ways in other parts of the world to raise revenues. All have continued to rely primarily on traditional sources of funds, like membership contributions and donations.
5. Except for BRIC projects, all the other projects assisted by the UWPI and its local chapters have no clear guidelines in terms of types of priority projects and criteria for assistance. In addition, the ultimate beneficiaries of assisted projects are not focused on clearly defined indigent or poor sectors, thus allowing almost any type of needy individual or family to be eligible for assistance. This situation prevents the

UWPI and its local chapters from being able to establish their real impact in communities. Results of operations normally reported are the immediate rather than the long-term effects of assistance.

6. There is an absence of guidelines on the long-term financial viability of the UWPI and its local chapters. This can be gleaned from the UWPI financial statements for the period 1990 to 1993. It has no capital build-up account. In addition, while the UWPI's assets have been increasing (1990 to 1992), it does not seem to have a positive bearing on its long-term financial capability. The composition and status of its assets have to be reviewed.
7. On the whole, UWPI and its local chapters need to institute and operationalize structural and procedural reforms in order to survive in the long-term. The continuously decreasing number of local chapters is an alarming indicator of this need.

CHAPTER VI

OTHER PHILANTHROPIC ORGANIZATIONS IN THE PHILIPPINES A COMPARATIVE ANALYSIS

United Way Philippines does not exist in a vacuum. It is in an environment where there are other NGOs, more successful than it is in a variety of ways.

In this chapter, three of these more successful NGOs will be discussed and will be compared with UWP, in the hope that such a comparative study will shed more light on the reasons for the limited success of the United Way model in the Philippines.

The three NGOs which were selected as subjects of case studies are:

- (1) Tulay Sa Pag-unlad, Inc. (TSPI): an implant institutional philanthropic organization initiative TSPI is a non-profit development agency organized in 1982 by a group of Filipino and American Christian businessmen. Its vision is two-fold: (1) to alleviate poverty by giving opportunities to help people help themselves through job creation; (2) to see self-sufficient families respond to the needs of their community and pursue collective efforts for their development. TSPI generates its financial resources from local and international funding sources (Imperial, 1994).

- (2) **Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDhrra):** a country-wide network of NGOs PhilDhrra is a network of 45 NGOs operating all over the country with a social and economic mission to improve conditions pertaining to the poorest segments of Philippine society in the rural areas. Formally established in 1984, it has substantial funding from international agencies and is at the forefront of political advocacy for agrarian reform, social transformation, and more equitable distribution of resources and wealth (Morato and Callanta, 1989).
- (3) **Philippine Business for Social Progress (PBSP):** an institutional medium of corporate philanthropy PBSP is a social development agency with service delivery capabilities through its own organization and through 400 other NGOs acting as its project proponents. Supported by about 150 top Philippine corporations and international funding agencies, it has operations nationwide. Its mission is "to improve the quality of life of the Philippine poor". PBSP has research, training, and program/project management capabilities and facilities. It is one of the biggest private volunteer organizations, primarily aimed at poverty alleviation in the Philippines. Established in 1970 by Filipino businessmen, it was patterned after the "Dividendo

Voluntario Para La Comunidad", which is the United Way of Venezuela (Garilao, 1991).

The comparison among the different case studies will be made along the following lines: history, mission, organizational structure, human and financial resources, major accomplishments, strengths and weaknesses.

Based on the definitions given above, the reasons for selecting TSPI, PhilDhrra, and PBSP as additional case studies seem obvious. All three have been in existence for a relatively longer period of time compared to other local NGOs. They are also among the more prominent NGOs in the country whose operations have been primarily funded by private contributions. Moreover, the nature of their programs, projects, and services is developmental, like those of UWPI. In addition, each of these three organizations has a distinct major source of financial resources: international partners for TSPI, government/bilateral sources for PhilDhrra, and business corporations for PBSP. The situation of each of them in terms of major source of resources and other facets of organizational functioning (e.g. structure, staffing, operating policies, etc.) illustrates a distinct model of an NGO engaged in philanthropic activities.

**TULAY SA PAG-UNLAD, INC. OR TSPI (BRIDGE FOR PROGRESS):
AN IMPLANT INSTITUTIONAL PHILANTHROPIC ORGANIZATION
INITIATIVE**

"Tulay sa Pag-unlad, Inc." (Bridge for Progress) or TSPI is a non-profit Filipino organization whose objective is to create jobs and generate income for the poor through small enterprise expansion. It is known to be the largest small-enterprise development organization in the Philippines.

HISTORY:

TSPI was founded in 1982 with funding and technical support from Opportunity International (OI), a Christian development organization based in the U.S. Since its founding in 1971 as the Institute for International Development, OI has concentrated on creating employment and income opportunities for the poor in developing countries by providing grants assistance to enterprise projects initiated by non-government organizations. To accomplish its objectives, OI creates Partner Agencies and provides them with training and funding for a set number of years until they achieve programmatic and financial viability. Presently, there are 24 OI Partner Agencies in thirteen countries in Asia and Latin America. OI operates regional support offices in Costa Rica, Australia and the Philippines.

When OI started to investigate the possibility of establishing a Partner Agency in the Philippines, some local

organizations already in existence were studied as possibilities. Not one had the vision and operating practices compatible with those of OI. Consequently, it was decided that a new organization be formed after finding potential board members. OI's search led to Ric Jumawan, a successful and respected church leader who manifested the vision, competence, and commitment required. With Jumawan's help, other board members were found, including two other businessmen and the Chief Auditor of the Central Bank of the Philippines at that time.

Before TSPI began making loans, OI provided training and encouragement for about a year, to develop in the membership a vision of what a small enterprise program should be. Satisfied that the vision had been developed, OI signed a contract with TSPI committing itself to fund TSPI for three years. Performance targets were given for each year, as well as a general idea of the responsibilities of the contracting parties.

MANAGEMENT AND ORGANIZATIONAL STRUCTURE:

TSPI is headed by a Board of Trustees chaired by former Vice- president and current Chairperson of the National Electrification Administration, Emmanuel Pelaez. The other officers and members of the board are highly experienced in the fields of banking, business, and social development. The board guides the policies and direction of the organization

through generous contributions of their time, talent and resources. The staff is headed by the Executive Director, supported by four Program Directors, seven Area/Branch Managers, and 61 technical and administrative personnel.

MAJOR FUNDING SOURCES:

TSPI operations are funded through grants and loan assistance from various foreign and local funding agencies, the major ones of which are: the U.S. Agency for International Development (USAID), the Grameen Trust of Bangladesh, the Bank of Philippine Islands Foundation, the Department of Trade and Industry (DTI), the National Livelihood Support Fund, and the Philippine-Australian Community Assistance Program (PACAP). Table 7 shows TSPI's financial support, revenues, expenses, and changes in fund balance for the years 1982 to 1991.

PROGRAMS AND SERVICES:

The uniqueness of TSPI's experience in helping the poor lies in its focus on providing credit to different levels of the poor using appropriate methodologies. Since its inception in 1981, TSPI's lending programs have grown and evolved into five major ones addressing the needs of the ultra and entrepreneurial poor.

(1) Individual Loan Assistance Program: This helps small

entrepreneurs mostly in Metro Manila who do not have the financial capacity to borrow much-needed additional capital from banks. Their business projects are usually labor-intensive, but have the potential to create jobs for the very poor. An example of this is the "puto" and "espasol" (rice-cakes) makers who employ sidewalk vendors to peddle their products. They usually do everything by hand and from scratch, without using any machine or equipment like food processors or blenders.

- (2) Intermediary Lending Program: provides credit to micro and cottage entrepreneurs through intermediary institutions such as NGOs and community-based organizations. These institutions either use the loan to finance their income-generating projects or re-lend to individual members. With loans and consultancy services, TSPI is currently helping 14 intermediary institutions build up their financial and organizational capacities. Through this program, TSPI has also successfully helped organize and build a network of autonomous partners in six provinces.
- (3) "Sakbayan" or "Sasakyan ng Bayan" (Town Vehicles) Lending Program: provides the financing needs of tricycle operators and/or drivers to purchase new tricycle units.
- (4) "Kabuhayan" (livelihood) Program: Since its inception in 1992, this program has given hope to the ultra and

laboring poor who are mostly women. These people already have income-generating skills but they need a little amount of capital to start a micro enterprise.

- (5) Solidarity Lending Program: The latest to be conceived, this program targets groups of market vendors: stallholders and owners in wet and dry markets as well as small-time sellers within or around frequented places such as schools, churches, and cinemas. Loans do not require collateral but are based on mutual guarantee and peer support among group members.

To strengthen its lending programs, TSPI integrates into each package, training and consultancy services designed to enhance the borrowers' knowledge, skills, and values for better enterprise management.

TSPI offers micro loans below P20,000 (\$800) through community groups to projects which can add to the family income. Business expansion loans of P20,000 or more are given to qualified labor intensive small enterprises which can help create new jobs.

PROCESS OF DEVELOPMENT:

TSPI has been in existence for 14 years. Its track record is impressive in the area of financing small and micro entrepreneurs. As of June, 1993, it has disbursed a total of P105 million (\$4 million) in loans to over 3,600 small,

cottage, and micro entrepreneurs. These loans have, in turn, created about 8,500 jobs. TSPI's repayment rate for all its programs is about 96 percent.

However, like all other organizations, TSPI had to overcome a few hurdles as it was developing. This section will trace its growth and development from its founding to its expansion.

TSPI's first 4 years of operation showed steady growth in the program impact. It held two board and two staff retreats annually to review the agency's performance and set goals for the future. OI's regional staff participated in those retreats, providing additional training for the participants.

Throughout the first four years, final loan approval and funding came solely from OI. OI's responsibilities during this period consisted of the following:

(1) Board Development

OI's regional staff provided training to the board before the program started, and continued to do so by participating at the TSPI's board and staff regular retreats. TSPI was made to understand its responsibility for program performance and the importance of taking an active role in setting policies and program goals as well as in staff performance evaluation.

(2) Technical Assistance

OI's regional staff provided regular technical assistance through on site-training of new staff members and by inviting them to visit and observe other OI Partner Agencies. In addition, the TSPI Executive Director was invited to participate in annual meetings of all OI's Asian Executive Directors.

(3) Fund-Raising Training

OI's regional staff provided TSPI with training in fund-raising, encouraging TSPI to hire a Communications Officer in its second year of operation. OI provided a full-time person to assist the person hired in supplying donors with reports and other program information. The regular staff also assisted the Executive Director in designing and writing grant proposals, as well as in developing relations with funding sources, particularly the Australian Development Assistance Bureau and the local A.I.D. mission.

Although TSPI's development seemed to have been steady and on schedule, it could have been even better if not for the following problems:

- (1) It took a long time for the board to develop a sense of ownership of the program.
- (2) There was no transition between the funded and non-funded periods. Even OI realized this problem and led it to

provide a two-year transition period to subsequent new agencies, after funding them for four or five years.

- (3) The presence of full-time, on-site expatriate personnel tended to retard the development of agency staff. Expatriates performed functions that needed to be learned and performed by local staff. OI people realized that although they should visit and train regularly, they should not take on local responsibility.
- (4) A gradual increase in local autonomy should have been provided. Until OI stopped the funding, all loans had to be approved by OI. There should have been a transition period during which the size of the loan the local board were to approve could have increased gradually. This could have prepared the board for the time when they would be expected to make all loan decisions.
- (5) The contract between the two organizations should have been clearer to avoid misinterpretations.
- (6) A provision should have been made for board rotation. There was no limitation of their term of office.
- (7) There was no training given to the board to raise funds for the organization, no strategy developed to raise funds from the private sector. Moreover, it failed to make the board members reach that level of ownership of the organization that comes when board members commit their own resources to a program and raise funds from their friends and associates. Consequently, TSPI is

still heavily dependent on foreign donors and government sources.

Although OI continued to provide institutional support after terminating its three-year direct funding as per the initial contract, TSPI was not ready to face the enormity of its responsibilities. Fortunately, TSPI obtained grants from a European foundation and the local AID mission enabling it to continue its operations. With this initial success in acquiring new funds, TSPI was encouraged to adopt a formal resolution calling for a national expansion program. To attract additional funding for its expansion program, TSPI started recruiting board members whose names and reputation could enhance the organization's prestige.

The People Power Revolution played a significant role in accelerating TSPI's expansion plans. When President Corazon Aquino assumed power, she called on NGOs and the private sector to work hand in hand with the government to alleviate poverty in the Philippines. The upsurge of international good will towards her government translated into a tremendous increase in foreign aid from many countries. Consequently, Philippine NGOs could avail themselves of greater financial resources.

Through OI's Asian Regional Office in Sydney, Australia, a group of Australian government officials and businessmen expressed their interest in TSPI and the significant role they

could play in Philippine history. The idea very much excited one particular businessman that he took the leadership in conceptualizing a plan for establishing 15 new Partner Agencies in five years, one for each region of the country. In addition, a financial viability plan was developed whereby each of these affiliates was to become self-supporting in six years. The ultimate goal was to have 15 self-sufficient Partner Agencies in 11 years.

Based on the methods used to develop Partner Agencies in Indonesia and India, OI's Regional Staff produced a document that helped TSPI design its own national expansion model. According to this model, TSPI would create new agencies rather than work with existing organizations. Each new agency would start with a period of board development, followed by a pilot year, two years of development, and two to three years of growth and consolidation. Each agency would be considered an affiliate of TSPI, subject to TSPI's direction, until it reached financial independence, which is expected to happen on the sixth year.

TSPI developed a Memorandum of Agreement, to be signed by TSPI and each new agency, delineating their respective responsibilities over the six years that the agency is financially dependent on TSPI. A financial viability plan was also included in the Memorandum which showed the expected sources of funding for a new agency over each year of development. The provisions of the plan were as follows:

* 75 percent of an agency's initial funding would come from foreign sources (USAID, Australian Development Assistance Bureau, and others) and 25 percent from Filipino sources (national government and local fund-raising).

* Each agency would receive funds for operating expenses and for building up the loan funds so that at the end of five years it would have a loan portfolio at a level that would generate enough income to cover operating costs.

* By the sixth year, there should be no need for foreign funding; the agency should receive 100 percent of its funds from loan repayments, interest charges, and grants from Filipino sources.

* TSPI, the local agency, and the national government would each provide one-third of the funds from Filipino sources.

The plan projected that at the end of the eleven-year development period, the 15 agencies would have made \$20 million worth of loans to 25,000 small businesses creating 150,000 new jobs. Unfortunately, the plan did not include the methods to be used in the attainment of the goals nor the costs involved.

Although the goal sounded too ambitious to OI, the Regional Staff agreed to work for it. With the unique historical circumstances, the encouragement of important external supporters, and the appearance of stability in TSPI's Manila program, the goal seemed to be within reach.

In the years 1987 and 1988, TSPI made progress according to schedule. Three affiliates were developed in each year and they performed at the expected levels. However, towards the end of 1988, TSPI experienced some major problems.

TSPI and the affiliates started having trouble raising all of the funds required by the viability model, particularly those needed for the institutional development of the new agencies. The anticipated ADAB funding took a long time to come. When the money finally came, it was in much smaller amounts than TSPI had expected. Moreover, to TSPI's consternation, it discovered that the money it had budgeted for institutional development was not enough. The original plan allotted \$2,500 for each affiliate per year. Too late was TSPI advised that the actual amount needed would be ten times that amount.

TSPI's efforts to raise additional funds from other agencies proved futile. Even OI could not give more than the amount it had originally promised for the expansion program since the resources of its Asian Regional Office were stretched too thinly among other countries like Pakistan, India, and Sri Lanka.

With insufficient funding, TSPI could not provide the services required for the institutional development of the new agencies. The skeleton staff at the Provincial Development Office could not keep up with the loan approvals and monthly reports. The institutional development was further hampered

by the inability of the board to understand the work involved and the lack of expertise needed to develop and fund six affiliates at the same time.

Another problem arose when the arrears rate of the Metro Manila program started to mount. Throughout most of the previous five years, TSPI had managed to keep its arrears rate under 10 percent. This number jumped to over 25 percent as the loans doubled. This can be explained by the fact that the Metro Manila program had not adapted its lending model to fit the growing range of clientele it serviced. The number of micro loans made by TSPI continued to increase, with TSPI itself still providing training seminars and on-site consulting visits to almost all borrowers, an unfortunate misuse of scarce valuable time and human resources. Those who borrowed smaller amounts could have been served better through group mechanisms or community organizations that could provide peer level training and accountability. Making matters worse, there were not enough supervisors to handle the additional loans, resulting in work overload. Each supervisor became responsible for 100 to 150 loans. With the snarled traffic of Metro Manila, the supervisors could not visit more than two or three borrowers per day. TSPI was trapped in a vicious circle: without enough supervisors, the arrears rate skyrocketed and the income plummeted; without enough income, no additional supervisors could be hired. To top it all, TSPI lost its very capable and dynamic Executive Director when he

became the Director of his Church which served the squatter communities in Manila.

All the above problems led TSPI to evaluate its expansion plan and to develop a new model. The new Executive Director who was hired spearheaded this effort with the assistance of the board. Steps were taken to restructure the Metro Manila Program and to modify TSPI's relations with the new agencies. To remedy the spiralling arrears rate, all lending activities in Manila were temporarily suspended in the second half of 1989, giving loan supervisors more time to follow up on late payers. A new model was developed which did not require as much contact between loan supervisors and individual borrowers. TSPI would make loans through community groups which, in turn, would be responsible for the main credit functions (lending, collection, and follow-up). These groups would be trained by TSPI to manage credit and to support the development of their borrowers. TSPI would only make direct loans to individuals seeking larger amounts who had graduated from the Community Group Program.

TSPI's relationship with the new agencies also underwent major changes, among which were the following:

- * New agencies were to become autonomous Partners, rather than affiliates. They were to be responsible for their own growth and direction.

- * The viability model should be a guide, rather than a contractual obligation, for the financial development of the

new agencies as well as for the funding promised by the parties concerned. Funds would be provided on a "best efforts" basis.

* Additional funds solely for institutional development of new agencies were sought.

* TSPI hired a senior person to manage the Provincial Partner Development Office.

The Asian Regional Center was established in Manila by OI's Regional Office to support TSPI expansion and the development of OI's other Asian Partner Agencies. The Regional Office purchased a suite of offices in a building across the street from TSPI with a donation from an OI board member. The Center's facilities include classrooms, offices for trainers, and a small library for researchers in small enterprise development. Its staff includes the Center Manager and an experienced trainer. The Center provides training to the boards and staffs of the provincial partners, the community groups involved in the Metro Manila Program, and OI's other Asian partners.

With the revised model, TSPI continues its efforts to create 15 new agencies. The pace of expansion may have slowed down to match its capacity to provide institutional development, but the goals have remained the same.

PHILIPPINE PARTNERSHIP FOR THE DEVELOPMENT OF HUMAN RESOURCES (PHILDHRA): A COUNTRY-WIDE NETWORK OF NGOS

PHILDHRA is a formal, country-wide network of NGO's

oriented towards social development.

HISTORY:

PhilDhrra was conceived when several representatives of Philippine NGOs participated in a three-week regional workshop in Thailand which dealt with the development of human resources in rural areas in 1974. A strategy in development for predominantly rural countries was defined. Simply stated the strategy is having "small groups become big groups when linked together by a common purpose and their strong potential is seen within the perspective of small autonomous units pursuing their own development, in their own locality, and among their own people and community."

It took four years for the idea to become a reality. In 1978, the Philippine delegates to the workshop in Thailand, together with other NGO friends created PhilDhrra. It started with a simple servicing Secretariat.

Among PhilDhrra's initial activities was its participation in the 1979 World Conference on Agrarian Reform and Rural Development at which it joined many other development-oriented organizations throughout the world in affirming a program of action which included, among others: "facilitating a larger flow of resources to the rural agricultural sector; greater commitment to food security and the reduction of malnutrition; promotion of rural institutions and people's participation; and advocating interlinked and

supporting policies towards agrarian reform." The belief and adherence to these general principles would later become a criterion for PhilDhrra's choice of its members.

Although already founded, the PhilDhrra network was not formally established until 1984 at a meeting attended by 32 NGOs which had previously met at various regional consultations around the country. After the meeting PhilDhrra was registered with the Securities and Exchange Commission, a Philippine government agency tasked to register and provide legal identity to both profit and non-profit organizations. With that, PhilDhrra's legal status was formalized.

MISSION:

In its "Three-Year Report (1984-1986), Partnership in Action", PhilDhrra defines its mission as follows: "to contribute to national transformation by promoting coordination and cooperation among NGOs directly involved in social development among depressed communities".

In the same report, it listed its objectives:

- (1) building a network of development NGOs at the national, regional, and provincial levels;
- (2) acting as a clearing house in the exchange of information, resources and experiences and expertise among NGOs, primary groups (or organizations of farmers, fishermen, laborers, and other) and development workers;

- (3) working with government agencies, donors, international NGOs, intergovernmental organizations, specifically in setting up structures for dialogue and possible collaboration with government agencies;
- (4) promoting linkages and support networks among people's organizations;
- (5) promoting research, documentation and discussion on various development issues, particularly those involving participatory processes;
- (6) enhancing the professionalization of development NGOs.

VISION:

At a meeting of its Board of Directors in April, 1988, PhilDhrra's vision was defined: "to be a national network of social development organizations (or non-government organizations) that is militant, non-violent, dynamic, viable, effective and self-reliant, committed to the establishment of autonomous people's organizations towards building a society characterized by participatory democracy, economic equality, national sovereignty and cultural autonomy."

ORGANIZATIONAL STRUCTURE:

PhilDhrra's membership is composed of people's organizations or intermediate support groups providing service, advocacy education, financial assistance and income generating projects to various sectors of society. Its 1992

membership consisted of 62 members divided equally among the three biggest islands : 20 in Luzon, 21 in the Visayas, 21 in Mindanao. Of the total membership, forty-five are regular members and seventeen are associate members.

Regular members are entitled to all the rights of membership, including the right to vote and be voted to the Board of Trustees. Regular membership is acquired through the sponsorship of two regular members; its annual dues are Ps200 (about \$8 to \$10 depending on the dollar exchange).

Associate membership is the one-year probationary status of organizations before they become regular members.

Affiliate members are international NGOs with local offices in the Philippines engaged in community/grassroots projects. They are not entitled to any financial assistance; they underwrite their training programs and related activities themselves. They have no voting rights and pay annual dues of Ps500 (about \$20 to \$25).

The highest policy making body of the organization is the General Assembly, composed of all members who meet once a year. The General Assembly ratifies all actions of the Board of Trustees, including new membership to the network, appointments, and major undertakings. Moreover, the General Assembly introduces amendments to the Constitution and By-laws, and elects the Board of Trustees.

The national Board of Trustees consists of nine members with three regional members each from Luzon, Visayas, and

Mindanao. The members of the Regional Board administer the needs of the region through the regional coordinator. Once elected by the General Assembly, each member is considered as an individual rather than a representative of his or her organization. Each board member has a term of two years.

In charge of the day-to-day administration of the network is the National Coordinator, assisted by a Secretariat. The Board of Trustees appoints the National Coordinator who sits on the board as an ex-officio member. The National Coordinator's responsibilities include establishing linkages with other NGOs with funding institutions and coordinating the programs of the various regions.

The three geographical groupings of the country are represented by three Regional Coordinators. They link the various NGOs directly to the Secretariat and coordinate regional activities like training and other capability building programs. The Regional Coordinators are responsible primarily to their regional boards. They also report to the National Coordinator and sit on the board as observers.

Among the more important membership criteria are: the applicant must be a duly-registered NGO; it must exhibit openness and commitment; it must have a community-based program; and it must subscribe to the basic principles of the network. There is a compulsory one-year probationary period before the final acceptance into the network.

FINANCIAL RESOURCES:

PhilDhrra funds are primarily generated from outside international and local donor agencies. Ninety-five percent of their finances come from outside sources and five percent come from membership dues. These funds have been allocated for specific projects and they cannot be used for any other purpose. PhilDhrra acts as the trustee of all funds coming into the organization. Exhibit B shows PhilDhrra's financial report summary for the years 1988 to 1991.

MAJOR ACCOMPLISHMENTS:

From its inception, PhilDhrra concentrated its efforts on: resource accessing, capability building, and advocacy.

(a) Resource Accessing:

PhilDhrra has been successful in finding avenues through which its member NGOs were able to access funds for their projects. Its most important achievements in this area stemmed from its participation in the Philippine Development Assistance Program (PDAP).

PDAP was created by the Canadian International Development Agency (CIDA) through the initiative of a group of Philippine NGO network organizations seeking long term NGO funding assistance from donor agencies. Also included in this effort were the Association of Foundations, Asian NGO Coalition, and the Philippine Business for Social Progress.

CIDA and other Canadian NGOs such as the BC Save the Children Fund, the Canadian Hunger Fund, Hope International and others put together a total fund pool of Ps75 million (\$3 million) for the purpose of initiating a partnership among the Philippine and Canadian NGOs through specific projects. PDAP was established to act as a general endorser of projects particularly those coming from little-known NGOs and primary groups. A fledgling organization which otherwise would have no way of establishing contact with such a big resource agency like CIDA or a far-away funding source like Hope International was thus afforded access to such entities and was provided the necessary funding assistance.

Millions of pesos were awarded to a significant number of PhilDhrra members. Projects funded ranged from a small cattle fattening venture, worth about Ps93,660 (\$3,746) to assistance to cooperative stores, income generating and socialized credit amounting to about Ps500,000 (\$20,000).

Distribution of the total grant to projects was as follows: 30 percent went to cooperative development; 14 percent to health and nutrition; 14 percent to general livelihood; 11 percent to livestock and fishery; 10 percent to agro-forestry; and six percent to marketing.

Although the ceiling for PDAP grant amounts was fixed at Ps1,500,000 (\$60,000) per project, PhilDhrra set its own policy of endorsing projects amounting to Ps500,000 (\$20,000) only. This policy allowed smaller and struggling NGOs and

people's organizations which tended to have smaller projects to have access to the PDAP resources. The minimum PDAP project amount was set by the PDAP at Ps50,000 (\$2,000).

Aside from PDAP, PhilDhrra tapped other funding agencies, although to a limited extent only. These included the Mission- Administered Fund of the Canadian Embassy, the Lutheran World Relief-USA, Misereor-Germany, International Development Exchange-USA, the Philippine Australian Community Assistance Program and the Overseas Development Network (ODN). After the release of the grants, PhilDhrra monitors the progress of the projects.

Through the years, PhilDhrra has undertaken the responsibility of appraising and endorsing proposals submitted primarily by the membership to the Canadian NGOs. It has also been charged with monitoring and evaluating the projects' implementation. Project officers of the Regional Secretariats inspect the projects on a quarterly basis.

(b) Capability-building.

Initially, PhilDhrra focused its capability-building efforts on staff development, recognizing that young and struggling NGOs do not have resources to upgrade the skills level of their staff. It tapped funding resources and experts from within and outside the network to provide training for its members on their expressed areas of need.

From the initial training, PhilDhrra was able to discover

the broader needs of its members as well as those of other NGOs. Consequently, it launched an Organization Development and Management Training program (ODMTP) in 1987. Its purpose was to improve the service delivery systems of the other networks' members through training and consultancy in organization development and strategic management.

With PhilDhrra venturing into a more programmatic approach in bolstering the service delivery of its members, the ODMTP became a full-blown program called the Institution Building Program (IBP).

The IBP consists of inter-related projects and activities aimed at developing and enhancing the capabilities of member-NGOs to manage their services to their clientele and to build their distinctive competence. It is tasked with enhancing the institutional capabilities of member-NGOs to enable them to manage better the delivery of services to target communities or people's organizations.

In addition to IBP, PhilDhrra launched two other programs: the Human Resource Development Program (HRDP) and the Networking/Linkaging Program. The HRDP consists of projects and activities aimed at upgrading and professionalizing the work of social development workers, increasing the knowledge, skills and orientation they need to effectively and efficiently do their assigned tasks. HRDP conducts training activities not only for PhilDhrra members but also for government and non-government institutions.

The Network/Linkaging Program works to establish solidarity and promotes the sharing of resources, expertise and experience among like-minded NGOs, government organizations, and funding partners.

(c) Advocacy

The main thrust of PhilDhrra's advocacy work is anchored on agrarian reform and rural development. In 1986, it embarked on a popularization program which sought to promote agrarian reform issues and heighten the consciousness of the peasants and the citizenry through the use of multi-media. The network published print materials and produced radio programs and audio-visuals for public dissemination. In 1987, PhilDhrra launched the Community Information and Planning System (CIPS). CIPS is a participatory research methodology that allows communities to conduct research on development problems which they themselves identify. A CIPS research network composed of six PhilDhrra members was formed to test the model's replicability in different rural communities. Among the CIPS pilot areas was Sumbaga, Zamboanga del Sur, where the villagers themselves collected and analyzed data about the problems in their community. The result of the study was a village fishpond project.

In mid-1989, PhilDhrra shifted goals to actual implementation of agrarian reform. Since the government's execution of its agrarian reform program was so slow and was

often clouded by controversy and scandal, PhilDhrra initiated the Tripartite Partnership for Agrarian Reform and Rural Development (TriPARRD), composed of people's organizations, NGOs, and government organizations. The program was launched in three pilot provinces: Antique, Bukidnon, and Camarines Sur. Conceived with the help of the Asian Institute of Management, the Institute of Philippine Culture, the Ford Foundation, and the "Pambansang Kilusan ng mga Samahang Magsasaka" (National Federation of Farmers' Organizations), TriPARRD envisioned a significant coverage of the lands under the government's Comprehensive Agrarian Reform Program (CARP).

TriPARRD has been adopted by the Department of Agrarian Reform (DAR) as a key model to effectively implement agrarian reform in the Philippines, community-based land transfer and productivity improvement. DAR has formally mainstreamed TriPARRD as its primary strategy for agrarian reform implementation, thereby proving the effectivity of the program in delivering land to the landless.

In summary, PhilDhrra has succeeded in its efforts in constructing a favorable development environment. It has successfully advocated for genuine agrarian reform, coalition building, provincial participation in the electoral process, and promotion of democratized local governance and other sustainable development issues. With its programs, PhilDhrra has empowered member-NGOs through training, consultancy, and assessment of resources. It has been constant in its

commitment to the achievement of social justice and development, and to the service of the oppressed and the marginalized.

PROBLEMS AND CRITICISMS

Inspite of PhilDhrra's significant accomplishments, there are some weaknesses perceived in the organization. These came out in the interviews with some of the members.

PhilDhrra's effectiveness as a network was questioned by some members who do not feel that they are part of the network. They feel that there is "not enough getting together of the minds... a certain collegiality is missing".

Some members feel that there is not enough organizational effort at the base. They question the way decisions are made, insinuating that they are only made by the top people without consulting the lower level of membership. One had this to say: "Decisions are filtered so much, they only reflect minimally what has been discussed." Another comment referred to a perception that PhilDhrra is becoming too political.

Regarding the awarding of grants, a comment was made that only the "malakas" (influential) get the funds. Some believe the process was "lutong-makaw" (pre-arranged).

From the viewpoint of some of the leaders of the organization, "PhilDhrra is not making enough of a dent in the national transformation of Philippine society." It has been felt that the needs of its member-NGOs are preventing

PhilDhrra from influencing the social transformation process. These comments seem to refer to the growing tension between two types of programs PhilDhrra is undertaking. The first type consists of those which focus on strengthening the capabilities of its struggling members through resource accessing, training, information dissemination, and other services. The other type includes those which address national rather than parochial issues like the advocacy program for agrarian reform. This type of focus of networking was best described by Dr. Eddie Dorotan, a former member of the Board of Trustees: ...NGO members have their own individual work, their own specific purpose in a particular place. Networking is accomplished when small efforts are multiplied to become big efforts, when concerns are transformed from parochial to national concerns. Networking is not done for its own sake, it is done for something...for societal transformation...towards empowerment of the grassroots. This points to three distinctive characteristics that PhilDhrra should possess: critical collaboration with the government, bias towards democratic institutions, and pursuit of social transformation."

PHILIPPINE BUSINESS FOR SOCIAL PROGRESS: AN INSTITUTIONAL MEDIUM OF CORPORATE PHILANTHROPY

The Philippine Business for Social Progress (PBSP) is a non-governmental network organization established with the mission of improving the quality of life of the Filipino poor

as an expression of the corporate responsibility of the Filipino business sector.

HISTORY:

PBSP was born on December 16, 1970. The effort was spearheaded by three private Filipino business associations (the Council for Economic Development, the Philippine Business Council, and the Association for Social Action) and representatives of 50 Filipino and international business firms, convinced of the need for an organization through which the business community can channel resources to effect social development.

The idea was conceived at a workshop-conference organized by the Council for Economic Development to discuss how the business community could help prevent alarming national conditions from deteriorating. The alarm was caused by the problems the country was facing at that time which included: high prices, tight credit, economic slow-down, student and labor unrest, insurgency, random urban violence, pervasive political corruption, and natural disasters like floods and typhoons.

Each of the incorporated members pledged to allocate one percent of its annual net profits before taxes to social investments. Sixty percent of this was to be managed by the PBSP while the remainder would be managed directly by the member company for its own social projects.

It is interesting to note that PBSP was patterned after the Dividendo Voluntario para la Comunidad, the United Way of Venezuela founded in 1963 by Venezuelan industrialists to serve as a development organization.

GOALS AND OBJECTIVES:

To attain PBSP's mission, the founders identified the following objectives, listed as follows in the PBSP brochure:

- * to initiate, assist and finance socio-economic development projects which would help low-income groups;

- * to increase the earning power of people in under-privileged communities by promoting self-reliance, entrepreneurship, and innovation;

- * to engage in applied research of social development projects and programs;

- * to train professionals and skilled workers in social development for a more effective implementation of projects;

- * to actively involve corporate executives and professionals of PBSP member companies in sharing their time and expertise in PBSP programs.

Being a professionally-managed development agency, the PBSP distinguished itself from more typical business philanthropies. It acted as a vehicle for social investments that would realize both economic and social returns for the betterment of the country in general and the low-income groups

in particular. Its approach to social development, based on its objectives, involved providing financial and technical support to social development projects. The different strategies it has employed through the years have unquestionably built its outstanding reputation in the field of social development.

MAJOR FUNCTIONS:

The PBSP organization has six major departments, namely: Operations, Training, Research, Public Information, Programs, and Support Services.

The Operations Department handles the identification, development, and monitoring of projects and proponent organizations.

The Training Department deals with staff and proponent development in the areas of organizational and project management and technology dissemination. The Research Department is responsible for the gathering and processing of data for planning and policy decision-making. It is also involved in the development and dissemination of research methodologies and technologies.

The Public Information Department circulates information and serves as the liaison to member companies, the NGO sector, the government and the general public in connection with PBSP's activities. The Programs Department is engaged in the development, verification and dissemination of technologies.

The Support Services Department includes accounting, budget monitoring, funds disbursement and collection, personnel administration, and general services.

STAFFING PATTERN:

The PBSP maintains a staff of about 100, a number which can be considered lean in light of the enormity of the organization's responsibilities and the large number of its members.

The PBSP personnel can be classified as the core and program staff. The program staff's status is co-terminus with the program they are involved in; members of the core staff occupy regular positions in the PBSP.

Staff turnover has been relatively high in the PBSP. During the fiscal years 1983-84 and 1984-85, the turnover rate was 17 percent and 13 percent, respectively. With their training and experience, many of the PBSP staff have gone to greener pastures, joining such prestigious organizations as the UNICEF and the FAO. Meanwhile, the recruitment and selection process of new program officers takes nine to twelve months to complete. Despite PBSP's organizational expansion in 1982, its core staff still has to carry additional workload beyond their normal course of duty. There were times when they have had to "assume two or three positions at the same time.

Moreover, it has not been possible to allocate enough time for the training and development of existing PBSP staff.

Training has almost been limited to minimal coaching from their respective line managers and supervisors, thereby preventing staff from assuming new responsibilities in the organization.

MEMBERSHIP RESOURCES:

PBSP member-companies numbered to 150 in 1992. All of them have their main offices in Metro Manila, except for seven members which maintain theirs in the Visayas. Ninety percent of the PBSP member-companies have branches in the main cities of the Philippines.

Though the PBSP has attracted large companies and institutions as members, it still has experienced membership stagnation. There has been little increase in membership since the start of the economic recession in 1981. Moreover, only a few of the member companies actively participate in PBSP projects and resource contributions.

Since 1971, the PBSP has received contributions totalling Ps 96 million (\$3 million). Only 58 percent of the entire membership accounts for this amount. In addition, while member companies possess a relatively high degree of technical expertise in their lines of business, the level of technical assistance they provide to projects has remained low.

THE PROPONENT DEVELOPMENT PROGRAM:

Between 1971 to 1984, the PBSP worked with 390 proponent

organizations, but little assistance had been provided to these organizations before 1982. In 1981, due to the decline in the Philippine and world economies, Ernesto Garilao, the Executive Director, foresaw that access to resources would be tight for voluntary organizations, especially the smaller ones. Therefore, in an effort to strengthen its service delivery structures, he outlined a new strategy geared towards two goals:

- to develop the organizational leadership capacity of selected NGOs to survive as long-term social development institutions;
- to develop skills of project leaders of assisted NGOs to manage their projects effectively and efficiently.

The strategy implied two courses of action. First, technical assistance in organizational leadership would be rendered by the Regional Training Centers, with the help of PBSP's Senior Program Officers. Second, PBSP's Project Officers would be upgraded to enable them to provide tailor-fit assistance to the type of projects they were monitoring. A total of 111 training programs were conducted from 1982 to 1985. The participants, which numbered 2,560, included managers, technical assistants, community organization workers, members of the Board of Directors and administrative staffs of various organizations.

FINANCIAL RESOURCES:

Access to co-financing funds and management contracts from international donor agencies and the government is a valuable privilege enjoyed by the PBSP. It had taken years of dedication to social development before the PBSP attained this privilege. Co-financing funds and management contracts has become a significant source of funds for the PBSP. As of 1985, it had secured Ps35.9 million (\$1.45 million) in such kinds of funds.

Table 9 shows the organization's financial highlights for the years 1971 to 1991. PBSP's income from membership contributions only amounted to Ps19.6 million (\$784,000) during the third five-year period. This represented a 48 percent drop from the previous period's total. This could have meant a slow-down in PBSP operations had not the leadership foreseen the consequences of the declining socio-economic environment and its impact on the financial standing of PBSP's member-companies.

Interest income also constituted a reliable source of funds for the PBSP. During the 1981-86 period, interest income surpassed membership contributions by 15 percent. Another resource was the repayment of financial advances. Such repayment went back to PBSP's general funds for inclusion in its annual budget allocations. Total repayments from 1971 to 1985 amounted to Ps18.3 million (\$732,000).

PBSP's capital fund had accumulated to Ps33.7 million

(\$1.4 million) in 1985 and reached Ps100 million (\$4 million) in 1991. This ensures PBSP's own financial viability as well as its capability to leverage funds to other donor agencies.

PERFORMANCE:

PBSP reports a fairly high degree of performance from social and economic standpoints. Apart from recovering the financial assistance it gives to proponent organizations (which registered over 90 percent repayment rate in many instances), the foundation has helped transform many communities from very dependent groups to self-reliant associations. It has attracted donations from a significant number of donor organizations including international and foreign NGOs, as well as government agencies, because of its phenomenal success, especially in the latter years of its history. It has mobilized whole institutions and has been responsible for federating grassroots associations into potent allies against poverty and exploitation.

STRUCTURE AND DELIVERY SYSTEMS:

PBSP itself maintains a staff of about a 100 or more personnel. However, it has a network of about 400 independent partner organizations (also called proponent organizations) all over the country. PBSP helps these organizations through training, financial assistance, technology development, marketing support and small business development. It is also

using its business sponsors (which come from the top corporations of the Philippines) to provide technical, marketing and financial support to its proponents, aside from helping these businesses establish their own social development foundations. In addition, PBSP works with government organizations, like the National Economic and Development Authority among others.

PBSP has been organizing its proponents into provincial federations which serve as mini-PBSPs in local areas. It is determined to expand the coverage of its delivery system but with an area-specific and poverty group-focused strategy.

STRENGTHS AND WEAKNESSES:

PBSP's biggest strength is its "proven organizational capability in the development, implementation, and evaluation of socio-economic projects that increased the level of income and productivity of target beneficiaries." Built into this capability are program packages and credit delivery systems which the PBSP had developed, the technology transfer components of these packages, the expertise and commitment of the PBSP staff to help the poor, and the ability of the PBSP to manage and learn from its experiences.

Another strength is PBSP's network of proponent organizations. There are 390 of such organizations nationwide which possess the "competence, credibility and commitment to implement projects" for the poor. Its linkages with

government agencies, international and local donor agencies, the private sector and PVOs have also proved to be most valuable.

Ruth Callanta, the former Deputy Executive Director of PBSP, identified the flexibility in PBSP's organizational set-up as a strength which it can continue to capitalize on. She also mentioned as strengths the continued loyal support of member companies as well as the selfless commitment of PBSP officers and staff.

Worthy of mention are the sound financial strategies implemented by the PBSP. These financial strategies have moved the PBSP up from a question of survival to a question of growth. Finally, PBSP's financial resources provide it with significant leverage to other funding agencies, government and other social institutions.

While PBSP's strengths eventually led to its growth, weaknesses in certain areas of operations were also discovered. The Program Review Committee found weaknesses in the area of research and evaluation. First, the impact of projects had not been systematically studied. Concepts of poverty, quality of life, and low-income communities had been ill-defined. Likewise, concrete measurement standards had been lacking and feedback mechanisms had been defective.

Second, research concerns had been limited to policy-making and technological dissemination purposes. Thus, the PBSP lacked the information base to evaluate institutional

performance and address critical issues that had been affecting it as well as the lives of its beneficiaries.

In the area of human resources planning and development, the PBSP had failed to "translate its five-year plans into operational terms." Staffing and personnel movement had not been planned in accordance with PBSP's growth strategies. Thus, difficulties in recruitment, turnover and workload were encountered. Lastly, PBSP membership had plateaued thereby weakening a source of funds. Though the PBSP was able to offset the drop in membership contributions by tapping other funds, it could not disregard outright the significance of its members' seeming unwillingness to help the poor and downtrodden. An expanded membership would be not only an important financial source but also a sign of a growing sense of social responsibility in the private sector.

SUCCESS/FAILURE FACTORS:

PBSP's main success factor is in not trying to do everything alone but in linkaging with effective locally-based units to expand its reach and service delivery capabilities. It has defined its role very clearly over the years and elevated itself into a tertiary organization trying to establish provincial networks of secondary organizations which, in turn, take care of the primary organizations composed of grassroots communities. Training, organizing and resource-mobilization capabilities are the three areas

demonstrating PBSP's distinctive competence. Its failure points, especially at the beginning, happened when it was trying to be everything to everybody. Also, it failed when it was just concentrating on delivering financial assistance without preparing the recipients properly.

LESSONS FROM THE EXPERIENCE:

PBSP management manifested flexibility in the approaches it has taken towards poverty alleviation and the delivery mechanisms it has used. It has evolved into a dynamic organization which has prudently avoided building a large bureaucracy. Instead, it has remained fairly manageable by sharing its mission with other organizations.

PBSP was able to mainstream its delivery system by forming provincial federations of NGOs. Its delivery system has, therefore, matured from a project-to-project viewpoint to a more sophisticated vision of syndicated area development for specific poverty groups.

PBSP has decided to be the service institution of other service organizations. With this concept, it honed its expertise in training, organizing and resource management.

COMPARATIVE ANALYSIS:

In the face of pervasive economic instability in the country, all four NGOs under study share the same vision, which targets poverty alleviation through social development.

However, major differences can be gleaned when the four are compared in terms of their sources of funds, operations, and financial viability.

Table 10 summarizes the differences among the four organizations in terms of their sources of funds and their conduits. Each of the agencies specialized in tapping a very different source of funds. TSPI was set up by foreign religious money and later went for USAID and other foreign funds. PhilDhrra's support comes primarily from international development agency monies (PDAP of Canada and others). PBSP depends on business donations from major Philippine enterprises. UWPI's principal source of funds is local donors. Of the different sources of funds targeted by the four organizations under study, UWPI's seems to be the least reliable and the least able to provide significant organizational support. With more stable and dependable sources of funds, TSPI, PhilDhrra, and PBSP have flourished and have developed excellent programs.

UWPI is the only NGO which shows a lack of definite focus when it comes to its sources of funds. In addition to its main source which is the working and middle classes (in accordance with United Way guidelines), it also approaches the government and the corporate world for contributions. This diffusiveness might be working to UWPI's disadvantage, especially in light of the inadequate size of its staff. It may work to UWPI's advantage if the organization exerted more

of its effort on identifying and seeking other sources of funds, such as international donors which fund projects similar to those of UWPI. Moreover, with the initial and ongoing success of its Social Lending Program, UWPI should explore the possibility of sponsoring more of such projects.

Table 11 summarizes the differences in total income, operating costs, and the percentage of total income used as operating costs among the four NGOs under study. As the chart shows, UWPI has the smallest amount of income but it has the highest percentage of operating costs over total income. On the other hand, PBSP shows the largest income (Ps84.5 million or \$3.4 million) and the lowest percent of operating costs over total income (9.10%). These figures seem to prove the popular assumption that the more developed and successful an NGO is, the lower is the percentage of its operating costs over total income. The numbers in this table clearly indicates that the United Way model, inspite of the fact that it has been in existence for the longest time, cannot be considered much more than a fledgling organization, when compared to the other more developed, more successful NGOs under study.

In attempting to analyze the causes of these disparities, one cannot point to the external environment in which these NGOs exist for it is the same for all four of them. Rather, it is quite clear that the differences can be traced to the respective internal environments of each organization. The

three more successful NGOs can boast of a truly committed leadership, board members who feel a real ownership of the organization. Moreover, they have very competent, adequate staffs. UWPI, on the other hand, lacks those two important components, in addition to other structural problems, such as: the lack of an integrated framework on which to base the determination of specific target beneficiaries and the absence of a mechanism to evaluate the effectiveness of its chapters and the efficacy of their programs.

CHAPTER VII

THE SOCIOLOGIST AS AN AGENT OF CHANGE

Sociologists are used to being called upon to do participant observation in their field research. This generally means a direct involvement with the members of a specific social setting for the purpose of scientific inquiry. Though a rare occurrence, sociologists have also been called upon to effect an actual change in the community being studied or to be a part of a team attempting such a change. When that happens, the sociologist assumes the role of an agent of agent.

A classic example of a sociologist as an agent of change is Jose A. Moreno. In his book, Barrios in Arms, he described the vital role he played in the revolution in Santo Domingo. He never intended to be a part of the revolution, but he was caught in it as he was doing his field research for his doctoral dissertation on medium-sized formal organizations. With an actual social upheaval unfolding before his very eyes, he realized the irrationality of continuing his empirical study. He became involved in the events, giving him the opportunity not only to observe but also to participate actively in a bona fide revolution. From a participant observer, his role as a sociologist was elevated to that of an agent of actual change.

It may not be as grandiose or as dramatic but my employment as Special Consultant by UWI afforded me a similar experience. In fact, although it should not be taken literally, UWI saw it fit to label me "the heroine of the United Way Revolution" on an Achievement Award.

It would be an absolute hyperbole to consider my work with UWPI as a revolution, but it would be as inaccurate to discount the importance of my role as a change agent in this case. UWPI urgently needed a transformation and that was achieved. Perhaps my role as a potential sociologist in this case could be more accurately referred to as that of a transformational leader, defined as one involved in a major overhaul of an existing organization (Tichy and Devanna, 1986). My success was defined in terms of a fundamental change within UWPI.

I never considered my employment as Special Consultant to UWPI as a mere job. Neither did I accept it only to satisfy a sociologist's curiosity. My main motivation was a desire to help the Philippines, in whatsoever possible way, to solve the economic crisis it faced after the Marcos overthrow. I felt that President Aquino's new government needed all the help it could possibly get. Having worked with the United Way and convinced of the effectiveness of the model in helping communities, I believed that UW could be a potent force in the Philippine economic recovery. It is not inaccurate to say that at that time, most Filipinos, both in and out of the home

country with even just a speck of patriotism, shared my sentiments about helping the country. Consequently, I concurred with the avowed goals of UWI --- I became a part of the transformational team!

ORGANIZATIONAL DIAGNOSIS: CRISIS OF LEADERSHIP

As has been mentioned in the preceding chapter, the years 1976 to 1986 were tumultuous for UWPI. The organization was besieged by institutional and financial problems, the source of which seemed to be a leadership crisis.

It is commonly believed that an organization is only as strong as its leadership. UWA could not have scaled the heights it reached without its President for 21 years, William Aramony, notwithstanding his faults. The catalytic effect of one person's exceptional leadership has the ability to filter down and bring out outstanding leadership qualities in other people (Tichy and Devanna, 1986).

The other side of the coin was true for UWPI -- its President was the primary source of all its problems, both institutional and financial. The other volunteer officers who spent very little time with the organization rarely checked on his actions and generally agreed with decisions he made. Reports documented that he was guilty of unconscionable corruption and that he callously used the organization for his own ends. His personal sense of morality which reflected on the organization was also highly questionable.

The leadership crisis led to a credibility crisis. UWPI experienced alarming financial problems approximating bankruptcy. The quality and the number of staff suffered rendering the organization ineffective. There was indeed an all-encompassing organizational crisis!

Just when UWI was reaching the point of despair, I made contact with them. Unaware that a UW has already been operational in the Philippines for many years, I inquired about the possibility of instituting one in the country.

The View from the United States

Initial inquiries led me to David Wong, the person at the UWI in charge of Asia. He gave a glowing report on the United Way in the Philippines which he had already visited. He mentioned the names of its board members who had been most hospitable to him during his visits. He seemed to love the country and the royal treatment accorded to him -- something typical of the Filipino culture and temperament as well as an unmistakable sign of the pervasive colonial mentality still rampant among the people. Filipinos, like most Asians, are known to defer to guests to the point of obsequiousness.

David Wong informed me of his pending trip to Manila and requested that I schedule appointments for him with the Secretary of Human Services and Development. I was sure that would not be difficult with my contacts there, fellow human rights crusaders who had been rewarded with high government

positions after working for the Marcos ouster. A strong supporter of movements working for the restoration of democracy in the Philippines, my badge of honor was having been blacklisted by the Marcos regime because I was on the editorial staff of "Ningas-Cogon" (brushfire), an anti-Marcos newsmagazine in New York City.

My attempts to contact David Wong after I had made the requested appointment proved unsuccessful. At the advice of a co-employee at the Greater NY Fund I called John Glaser, UWI Chief Operating Officer, directly. It was then that I discovered the problems of UWPI which have caused UWI great alarm:

- (1) an overstaying, unprincipled Board President
- (2) an incompetent staff
- (3) institutional deficiencies
- (4) budgetary problems

For many years and at great expense, UWI had sent a number of American consultants to the Philippines but to no avail: they could not get rid of the corrupt Board President, the most formidable problem of all, and in UWI's mind, the source of all the others. The guaranteed autonomy of each and every United Way preclude the seemingly most obvious solution, the termination of the organization. The only sanction UWI could use was the revocation of the name and logo. Challenged to resolve the crisis, I assured them I could.

The first time Glaser came to New York from the UWI headquarters in Virginia, he scheduled an interview with me. We discussed the ways that I could help them. I explained to him the reasons why American consultants failed in their mission. Their expertise and training in the United Way effectiveness were not sufficient. They lacked an important component, knowledge of the Filipino language and culture, which was responsible for the "insider-outsider" syndrome (Arensburg and Niehoff, 1983). Notwithstanding their hospitality and deferential attitude, Filipinos very rarely allow outsiders to penetrate their world, to understand that when they say "yes", it means "maybe" and their "maybe" really translates into a "no". American consultants were ignorant of the Filipino cultural value which renders loyalty to or identification with a compatriot above any organizational need or institutional integrity.

William Aramony, the former UWA and UWI President, who was recently convicted for various crimes, came to New York the following week. I met with him at the UWA offices on the sixth floor of the same building the Greater New York Fund occupies. When requested to delineate any strategies I might have for their Philippine mission, I presented him with three alternative plans. All three were aimed at terminating the presidency of the overstaying President and electing a new Board of Directors.

- Plan A: Plead with the UWPI President, Atty. T., to resign offering him attractive rewards (e.g. free round trip tickets for two to attend the UWI conference in London)
- Plan B: Challenge him in an honest election
- Plan C: Revoke the UW name and logo and start a new UWPI.

In light of their previous experience with Atty. T., Aramony was not convinced that Plan B would work. Anticipating legal problems Plan C may cause UWI, he could not choose it either. He was too wary of Atty. T. and his cronies who had outsmarted them in the past. (Atty. T. had reportedly even used guns and goons to win elections). I tried to convince him that with my contacts and the right strategy, Plan B could be successful. I explained the advantage I had, knowing the culture and the language of the "antagonists". Aramony did not give me a hint as to whether he believed I could do it or not. No offer of employment was made, nor was any salary discussed when the meeting ended.

It was most fortunate that President Aquino's first state visit to this country occurred at about that time. Many of my former colleagues, who had fought Marcos and were then highly placed in the Aquino government, were in New York City. I met with a number of them to conduct an exploratory research on the UWPI and its President.

From their reports it seemed that UWPI had been suffering

from a negative self-image. This image, however, was not based on any perceived organizational deficiency since my informants had barely heard about the organization. Of course, this ignorance of a philanthropic organization could also be considered an additional liability.

The negative image of the organization seemed to have been a mere reflection of the disreputable perception of its president -- a Marcos crony (perhaps even a distant relative) who had served in the legislature or judiciary. His corruption was well-known, which even gained for him an unflattering nickname, a pun on his real name. When all the members of the judiciary were asked to submit their resignation to the newly-elected President Aquino, the Board President was not re-appointed. I was optimistic that his fall from power would quietly enhance UWI's chances to depose him and transform UWPI.

Initial Field Survey: Philippine Visit with Glaser

Towards the end of September, Glaser invited me to go to the Philippines with him the first week of October. The objective of the trip was to explore the organizational environment, identifying those we could recruit as allies, the forces for change, and those who would resist the transformational process. Consequently, even before we left the U.S., meetings were already scheduled to broaden the framework upon which we would base our transformational

strategy. We wanted to connect with various levels of the social structure -- the government, the church, the NGO section, the business community, and the UWPI leadership supporting UWI plans.

Glaser arrived in Manila the day after I did. Our first sensitizing meeting was held at the Manila Hotel with Severino Luna, the founder of UWPI, who updated us on the latest organizational developments. Luna has always been a staunch supporter of UWI. He reported that since Atty. T. was still determined to stay in power, the only way to depose him was defeating him in an honest election. Glaser was not prepared to meet this challenge. From the American viewpoint, there were so many cultural unknowns which Atty. T. could utilize to win.

Other meetings ensued. One was with the former Executive Director, "the whistle blower", who was fired by Atty. T. He pledged his support and assistance, whatever plan of action would be ventured. Anticipating the inevitability of an election, I arranged meetings with three members of President Aquino's cabinet (the Secretaries of Education, Social Welfare and Development, Foreign Affairs) to invite them to run for the Board. I was convinced that Atty. T. would not dare repeat the anomalies he promulgated in past elections with politically powerful people as candidates. I was scheduled to join Glaser at a meeting with Fidel Ramos (the present Philippine president, then the Secretary of National Defense,

who was a former member of the UWPI board, but a big storm prevented me from doing so.

Since the Catholic Church is a very powerful force in the country, a visit with Jaime Cardinal Sin was calculated to be politically expedient to our cause. He was at the height of his power then, due to the crucial role he played in the recently-won People Power Revolution.

To protect us legally, we conferred with Atty. B., a friend and ally of long standing, who was a prominent and well-respected lawyer. He provided us with free counsel on legal matters, particularly the legal ramification of Plan C, the revocation of the United Way name and logo.

The only event from which I was excused was Glaser's meeting with Atty. T. Glaser perceived me as his secret weapon and did not want to alarm Atty. T. prematurely with my presence at the meeting. Again, Glaser attempted to convince him to resign, sweetening the deal with two round-trip tickets to London for the Eighth UWI International Conference. As expected, the offer was refused.

The highlight of this visit was our chance meeting with President Aquino. We visited a friend who was President Aquino's Official Spokesperson at that time. His office was located on the first floor of the guesthouse which President Aquino was occupying as her office on the grounds of the Presidential Palace. As we were getting ready to leave, President Aquino descended the stairs on her way home. We

were introduced to her and I could see Glaser blush with excitement. President Aquino was enjoying international adulation at the time and to Glaser, that moment was very special. If there were one single incident that convinced him that I had the clout to do the job, I think that was it! He was able to meet the highest official of the land without going through frustrating bureaucratic red tape.

After a week of whirlwind meetings, Glaser returned to the U.S. I was left to finish the reconnaissance mission. Discussions with Atty. B. about UWPI's Constitution and By-laws were continued. The process of recruiting possible new board members was intensified.

Before my return to New York, a visit to the UWPI office in Quezon City, to observe the staff and the facilities, was deemed necessary. I introduced myself as an employee of UW of New York, a "balik-bayan" (returnee) for the holiday, with no mention of UWI or my real mission. The office was located in a residential area of Quezon City. Structurally, the building was a two-story private home. On the first floor was the reception area, the kitchen/dining room, the office of the Assistant Director, and a bathroom. On the second floor were four rooms: the offices of the Executive Director and the Board President, a conference room and another bathroom. Though the office was clean, it did not look very professional, neither did the staff who exuded an aura of incompetence.

THE ORGANIZATIONAL TRANSFORMATION

Following a week of intense phone discussions about the Philippine situation, and the possible options in aligning UWPI's organizational structure with that of UWI's, Glaser appointed me a Special Consultant. I was requested to return to the Philippines to attend the annual UWPI meeting at which board members were to be elected. My assignment was to transform the organization, defined as:

- (1) The resolution of the leadership crisis by deposing the incumbent President and electing a new board;
- (2) Revitalization of UWPI, aligning it more faithfully with UWI in its vision, mission, policies and operations.

The three strategies I presented were assessed and evaluated, but undoubtedly, UWI still favored the least traumatic and least challenging of all: plead with Atty. T. to resign from the board presidency. In light of the Filipino psyche and the "save face" mentality, it was realistic to doubt the efficacy of Plan A. The alternative strategies, however, would require so much conflict resolution that they should be avoided at all possible costs. Though I have had successful experiences as a change agent in various situations in the past, I have never taken on an entire organization. As a sociologist-in-the-making, I have never before served as a "transformational leader". The most challenging unknowns

were: the real strength of Atty. T. in the new society, the secret weapons he might have, the strength of the loyalty of the staff and of the board to him.

I left Manila the second week of November with Glaser's letter designating me Special Consultant with full authority to act on his behalf. The board elections were scheduled for the second week of December, as per UWPI Constitution.

A. Developing a Change Strategy

Experts in organization studies agree that there are some undefined elements in the inherent nature of people and organizations that make them resist change in a fundamental way. Hence, before the transformational leader can determine and subsequently develop the best change strategy, the resistant forces should be understood and the energy required to overcome them fully mobilized (Tichy and Devanna, 1986).

Triggering a Felt Need for Change

Organizational bibles dictate that before an attempt to change an organization is made, a need for change should be triggered by environmental pressures (Tichy and Devanna, 1986). In compliance with that dictum, the very first step I took was to convince the staff and the board members that the status quo was detrimental to UWPI.

I met with the staff a number of times to explain my

mission to them. I informed them of the three alternative plans UWI was considering and warned them of catastrophic consequences to the organization should they decide to resist change. Without the United Way name and logo (the most drastic of UWI options) and with the economic problems of the country, their organization might not survive, thus jeopardizing their jobs.

I hosted a dinner for the board members at a restaurant near the office to discuss the same issue. There was no quorum since only about six of the 15 members came, but Atty. T. was present. Very diplomatically, I shared with them the concerns of UWI. I was careful not to mention the reported anomalies but rather emphasized the need for change and fresh leadership to keep the UWPI abreast with the times. I presented myself as if I were on their side as their "kababayan" (compatriot) and that like them I would not want the Americans, our common antagonists, to revoke the UW name and logo. At that point, as expected, the Filipino machismo came to the fore. Atty. T. claimed that UWI had no power to terminate the organization, a fact that could not be denied. It was pointed out, however, that the organization would have to get another name should UWI decide to revoke the name and the logo which rightfully belong to UWI. Not directing his threat to me, Atty. T. said they would not allow the Americans to shame the organization, they would fight them up to the highest court of the land. Most of the board members present

seemed to support his stand, but there were two of them (Dr. C. and Mr. D.) who seemed to disagree in their own meek "Filipino way". I perceived those two quiet dissidents as potential allies.

At the board meeting, staff members dared not join the discussions. When I went to the office the next day, however, the Executive Director, took the opportunity to confess her position. Realizing the seriousness of what I reported at the meeting, she admitted her fears should UWI withdraw its support at the revocation of its name and logo. Her primary concern was her prospective retirement in a few years-- she was afraid that UWPI may not have the resources for her retirement pay should an organizational change not be effected.

Having identified potential allies, I had a private meeting with Atty. T., a final plea for his amicable resignation. He was immovable, he was determined to stay on the board. He claimed that resignation would make him "lose face". Not even a lavish testimonial dinner in his honor and official participation as an honored guest at the Eighth UWI International Conference changed his position.

Dealing with Cultural Issues

Every culture has a tendency to be ethnocentric, to regard its own traditions and values as at par with, if not better than those of others (Arensberg and Niehoff, 1964).

Understanding this fact and having a basic knowledge of the culture of the host country can dictate the difference between the success or the failure of a change agent's mission.

Although I have been an American for the last twenty years, I have never completely severed my ties with my country of origin, the Philippines. Despite my cultural assimilation into my adopted country, I have not forgotten Philippine traditions and values as well as other cultural traits inherent to Filipinos.

Filipinos are not unique in bestowing a high premium on two aspects of culturally-determined behavior or propriety, namely, personal dignity and modesty. A Filipino would resist any innovation which, in his view, would lower his esteem in the eyes of people. This is the "save face" syndrome which has prevented many a deal, even hampering progress at times. It can be traced to a strong cultural value, the "hiya" or shame. In trying to resolve the crisis of leadership in UWPI, I was very sensitive to this "save face" issue. The overstaying President openly declared his concern about this to me, being myself a Filipino by birth. He would never have admitted this to any foreigner. Some considerations had to be given to this issue when I was developing a change strategy. Unfortunately, the bonuses which were offered as "save face" mechanisms were not considered sufficient by the unprincipled President.

It was most fortunate that this situation was not

repeated in the case of the two dissident board members. Since I promised them re-election, they were willing to work with me to effect organizational change. Their re-election would be enough to "save face".

It was my sensitivity to the importance of personal dignity which drove me to host meals and bring food every time I visited the UWPI staff or met with the board. Food to Filipinos have a way of making them feel important and cherished, aside from the instant gastronomical gratification. It was an effortless way to gain their trust and favor.

As a change agent, I was careful to avoid the confrontational approach. I was aware that a sensitive approach, sending feelers rather than making demands, would be more effective in a Filipino milieu.

At the risk of courting the ire of feminists, I must confess that I dealt with the characteristic machismo of Filipino males to my advantage. Appearing helpless and appealing to their native chivalry, I was able to acquire the assistance I needed to execute my change strategy. Perhaps I chose to utilize a cultural trait of Filipino women which I had not shaken off when I changed my citizenship to American.

The cultural trait, "utang na loob" or debt of gratitude also played a part in the transformational drama. It was easier to enlist the assistance of those who have, in one way or another, been helped and supported by UWI in the past.

"Pakikisama" or cooperation is another cultural value

that played a significant role in the transformational process. The members of Atty. T.'s board felt almost an obligation to cooperate with him. Assisting in the organizational transformation was viewed as a virtual treachery. They felt they had to be loyal to him, whether he was right or wrong. This issue was compounded by the fact that the "antagonists" were Americans. Regardless of the Filipinos' colonial mentality, when it is a choice between a "dayuhan" (foreigner) and a "kababayan" (compatriot), cultural decency dictates that the latter win out.

The apparent hostility of Mrs. Q., the Executive Director of one of the chapters in the southern island of Mindanao, throughout the change process and even beyond, can easily be explained as a psychological aberration. A more generous interpretation, however, can relate it to a cultural trait.

Mrs. Q. was always very gracious to and supportive of the American consultants, possibly due to the colonial mentality already discussed earlier. But it could also be because of some future favors she may be calculating to gain from them. Glaser mentioned the fact that she had suggested a number of times in the past that she be hired as a consultant. It was a blow to her ego that she was not chosen, and this became a greater disappointment because the one selected was another Filipino like her. Had the new consultant been an American, it would have been easier for her to accept person. Perhaps this tendency is not unique to Filipinos, but it is

believed that they tend towards a "crab mentality" very strongly. Like crabs in a pot of boiling water, they try to keep their fellow-Filipinos with them at the bottom. They find it difficult to appreciate or support a compatriot who has become more successful than they are.

Recruitment of Allies

Having assessed the strength of the loyalty of the staff and the board members to Atty. T., I was ready to recruit the allies who would assist in the intended coup. Among the first to defect to my side were the UWPI Executive Director and her entire staff. Next came the two quiet dissidents on the board who agreed to speak to Atty. T. about the urgent need for his resignation.

Another group of UWPI personages whose support was crucial to the strategy were the Executive Directors of the UW chapters. Luna selected those among them whose loyalty was stronger to him than to Atty. T. and invited them to a luncheon I hosted a week before the elections. Luna explained how important their assistance was to the success of the UWI mission. They understood and immediately pledged their support.

The most important ally I recruited to assist in the project was Atty. N., a bachelor-lawyer, who has headed the UWPI "Comelec" (Commission on Elections) for a number of years. His primary duty was to supervise and monitor the

elections. I met with him, and to my pleasant surprise, there was an instant rapport between us. Luna's warning about Atty. N.'s loyalty to Atty. T proved unfounded. Of course, it was very possible that the reports Luna had heard about his dubious connivance with Atty. T. to insure his victory at past elections could have been false. On the other hand, he could also have changed loyalties after we met. As an apparent reinforcement of the second conjecture, Atty. N. invited me out socially a few times. I accepted the invitations, to cement his loyalty to my cause but I was careful not to lead him on falsely. To erase the appearance of a date, I insisted on paying for all our dinner/lunch meetings, out of my UWI expense account, of course!

B. Organizing an Election Campaign in UWPI: Challenging the Leader

The Proxy Struggle

Two weeks before the elections, the situation was becoming desperate. Atty. T. had not changed his decision to stay on the board. I had an impressive slate of candidates but getting them elected seemed like an almost insurmountable ordeal. Plan C, revoking the UW name and logo, seemed to be the logical solution, but the legal problems that might arise could be tremendous.

The UWPI Comelec Chairman, Atty. N. had the solution: defeat Atty. T. in the elections through a proxy fight. Records showed that since a very insignificant number of

members attend the elections, they have been won with a small number of proxy votes. I was to request from the staff a membership list and identify those members who would be willing to give their proxies to my candidates. Since my candidates are all well-respected and well-connected, getting proxies assigned to them should not be very difficult. Moreover, even proxies already assigned to Atty. T. could be revoked and a new one assigned to one of my candidates.

The staff was more than willing to cooperate. Not only was I given the membership list, I was also informed that the number of proxies Atty. T. had already received at the office was about 90. That piece of news was encouraging: 90 was not impossible to beat. Needless to say, "Operation Proxies" was supposed to be kept highly confidential!

I had about ten days to achieve my mission. Copies of the membership list were distributed to my reliable friends. It was most fortunate for me that Manila upper crust society, as most upper classes, had not changed much since I immigrated to the U.S. It was still a small circle and everyone knew everyone else. My friends and family easily found friends who would be willing to give them their proxies.

The next problem was collecting the promised proxies, properly signed by the UWPI members. Since faxes were not yet common in Manila then and with the impossible pre-holiday traffic snarls, this was a real challenge. With the help of friends, however, the proxies were signed, collected and

delivered!

Meanwhile, I learned that Atty. T. had been asking about my whereabouts and had instructed the staff to hide the membership list from me. Moreover, when Glaser called him from Virginia still trying to persuade him to resign, Atty. T. reported to him that he had not seen me at the UWPI office at all, insinuating that I had been delinquent at my job. Unknown to him, I had set a temporary office at the home of one of my friends in Makati so he would not discover "Operation Proxies".

Three days before the elections Atty. T. requested a meeting with me. He offered me a deal: to elect the 15 board members with a joint slate made up of 5 of his people, including himself, and 10 of mine. If he won, he promised not to run for president nor for board membership again. He claimed he just wanted to "save face". He gave me the names of his candidates which I accepted without committing myself to the proposed joint venture.

That same week, Atty. B. arranged a meeting for me with an Assistant Commissioner at the Securities and Exchange Commission (SEC). I made a request for SEC observers at the elections, to safeguard against any anomalies.

Two days before the elections, Luna called a meeting of executive directors who had already arrived in Manila for the annual meeting, at the offices of Goodwill Industries. Luna was the Board Chairperson of that organization. There were

about 10 of them, half of whom were the directors from nearby towns whom I had already met. The other half came from the southern provinces and among them was Mrs. Q. From the first meeting with her up to the last one in January 1994, Mrs. Q had always been a cause of problems to me. Luna solicited their help in the proxy struggle, explaining the importance of having Atty. T. out and adding new blood to the organization. Most of the directors seemed to agree, except for Mrs. Q. who manifested hostile feelings towards me.

The mystery about those hostile manifestations deepened when I spoke to Glaser afterwards. I reported on Mrs. Q.'s reaction to Luna's plea for support. Glaser was put in a quandary himself since he expected Mrs. Q. to be supportive. Apparently, Mrs. Q. had been one of Luna's favored directors. She was given a scholarship for a training/observation grant by UWI. After taking courses at the UWI's National Academy of Voluntarism (NAV) in Virginia, she visited a number of UW's across the U.S. In addition, UWI donated \$2,000 for her eye surgery, at Luna's request, without which she would have gone blind.

The night before the elections, I met with the executive directors again. I could not discount their importance since they held all the proxies of UW board members from their respective towns. Most of them were staying at the makeshift dormitory at the office and I knew that providing them with supper would be much appreciated. Such a caring gesture would

go a long way towards gaining their votes. I wanted to emphasize the difference between Atty. T. and UWI when it came to showing concern for them. Atty. T. never even bothered to call any one of them. Atty. N. had mentioned that Atty. T. was confident of a victory, based on the number of proxies he had.

C. The Victory

The venue of the meeting was the auditorium in a government office building near the UWPI Headquarters. The pre-holiday traffic prevented me from getting there early as planned. As I entered the building, I warned the security guards at the door about the threats of violence at previous UWPI elections. Assurance was given that everyone was searched for firearms and other weapons before being allowed into the building. The guards also promised that they would make occasional checks on the conditions at the meeting. On my way to the auditorium, I made a quick mental assessment of what has been accomplished so far. Having been totally immersed in the different aspects and daily tasks related to the transformation process, it was important to take a step back from the minute realities and look at the bigger picture.

From the diffused leadership that characterized my first few weeks at the job, a definite focus has emerged. It was fortunate that I already had a clear vision of what I had to do as mandated by UWI. But it was not easy to create my own

developmental plans to achieve the mandated goals. There was no theoretical framework on which I could base the development of strategies. Moreover, unlike leveraged buy-outs and corporate takeovers which have been sufficiently analyzed and written about, there were not many books on NGO takeovers.

The first step was forming a core group, consisting of those who were convinced of the importance of the UWPI transformation being attempted. I labelled them my "co-masterminds" in the organizational coup. Composed of individuals of diverse backgrounds, a consensus of the immediate goal of deposing Atty. T. and the means to achieve it bound this informal group together. The morale and cohesiveness of the group was further strengthened by the threat of failures which everyone knew would have dire personal consequences on each of them. The unspoken fear of Atty. T.'s retaliation was very real: he would surely find it very difficult to forgive "traitors".

As I approached the auditorium, I could not help but wonder if I had mobilized enough energy to overcome the rest of the resistance forces. Would we really be able to transform UWPI? I knew the answer would come before that day was over.

Atty. T. was delivering his welcome remarks when I finally entered the auditorium. The UWPI staff greeted me warmly from the registration table. The six "Comelec" members were busy checking the validity of the proxies and the

authenticity of the signatures on them supervised by Atty. N. The three SEC representatives were quietly observing from their assigned table.

I glanced at the people seated on the stage, the candidates running for the board. Due to previous commitments, only about six of my candidates were there, and they were all sitting to the left of the stage. To the right, were the other candidates, consisting of about five incumbents and three new candidates. Everyone on stage looked calm and composed, not giving any hint of their nervousness about losing. Naturally, they all wanted victory. In fact, one of the new candidates, Mr. H, the Secretary of Natural Resources of President Aquino's Cabinet, wanted to win so badly that he invested a few thousand pesos to host the lunch and to earn the honor of being the keynote speaker.

Atty. T.'s remarks were followed by the speech of the Board Vice President, the former Secretary of Education, which contained potent attacks on President Aquino and the People Power Revolution. This aroused a strong negative feeling in the audience that ultimately got directed, not only to the speaker but also to Atty. T. and his whole board as well. Strong counterattacks darted unrestrained from a number of executive directors. My candidates, most of whom were President Aquino's loyal allies, followed the lead. Strongest were the comments of Ms. N., part of President Aquino's official inner circle and those of Mr. R., the publisher of

one of the largest daily newspapers in the country.

There was no need for the speech I had prepared for delivery in Glaser's name. That speech was intended to motivate the members to vote for change by electing new people to the board. At that point, the audience were so incensed they did not have to be persuaded to depose the old board.

To augment the number of my proxies, I registered a number of my friends as new members. With my expense account, I took care of their registration fee which was P200 per member (less than \$10.00). My fears that Atty. T. might do the same proved to be unfounded, and it was then that I realized that the dollar was truly mightier than the peso in a very practical way!

My slate won the 15 board seats overwhelmingly. Among the other candidates, Atty. T. got the highest number of votes, significantly lower than the number of votes we garnered, but giving him the 16th place nevertheless. Should anyone of my candidates decide to decline the position or resign, Atty. T. would get on the board.

During the elections, Atty. T. kept going to the "Comelec" to inquire about the number of proxies we got. He realized that some of his proxies were revoked and their replacements were assigned to my candidates. Even before all the votes were counted, he had left inconspicuously, aware of his impending defeat. The meeting ended at 4:30 p.m. After thanking everybody, I gave the "Comelec" their stipends and

the staff a supper allowance for themselves and the executive directors staying at the UWPI.

Since I was so exhausted, I decided to report the election results to Glaser the following day. However, I was awakened at about 11:00 p.m. by Glaser calling from Virginia. He heard the results when he called Mrs. V. who went back to the office after the elections. He was so ecstatic at the results and said that everybody at the UWI headquarters, including Aramony, was jumping up and down excitedly for joy!

When I went to the office after a few days, I encountered Atty. T. who was packing his things. He accused me of "double-crossing" him, that I did not live up to our agreement. Calmly, I reminded him that I never agreed to his plan and pointed out that I knew he did not either. When I analyzed the ballots, there was not a single one with the slate that he proposed to me. If the number of ballots he had to fill in as a proxy were taken into consideration, there should have been at least 20 or 30 ballots with that slate. Instead, there were about 20 or 30 ballots with just his name on them and no one else's which showed that he only cared about his own victory. He turned traitor to his own allies!

Although Atty. T. lost in the elections, he was still president till December 31. Using that authority, he tried to get the title to the house from Mrs. V. without giving any reason for the request. The house had an unencumbered title and no mortgage. It was not hard to conjecture what he wanted

to do with the title, given the corruption he was reputed to have demonstrated many times. I gave strict instructions to Mrs. V. to keep the title under lock and key.

After the elections, I felt more free showing up at the UWPI office. In fact, I did want my presence to be felt partly as a safeguard against any last-minute problems Atty. T. may cause, and partly to make the staff understand that UWI seriously wanted to revitalize UWPI. In spite of its gratitude to the staff for their cooperation during the elections, changes still had to be wrought.

The new members of the board and their credentials (from highest to lowest number of votes) were:

Alejandro Roces	Prominent civic leader and publisher of the Manila Times, a daily newspaper
Dulce Saguisag	Social worker, wife of Rene Saguisag (Pres. Aquino's Official Spokesperson)
Victoria de los Angeles	Lawyer
Carlos Cajelo	Businessman, member of the old board
Imelda Nicolas	One of Pres. Aquino's Appointments Secretaries
Mita Pardo de Tavera	Secretary of Social Welfare and Development
Rafael Arnaldo	Businessman, retired banker
Lourdes Quisumbing	Secretary of Education
Leticia Shahani	Secretary of Foreign Affairs
Erlinda Luna	Physician, daughter-in-law of Severino Luna (UWPI founder)

Violeta Drilon	Lawyer, wife of Secretary of Labor
Elena Benjamin	Educator, member of the old board
Eduardo de los Angeles	Lawyer and educator
Perlita Bengson	Social worker and civic leader
Pacita de los Reyes-Phillips	Lawyer, businesswoman, civic leader

Swearing-in

We wanted President Aquino to administer the oath of office to the new members, aware that much needed positive publicity would help UWPI. However, we were told that she was avoiding such functions or she would not be able to do anything else with the number of requests. A compromise was reached: to make sure the venue would be the Presidential Palace, a friend who was the president's Official Spokesperson, would administer the oath of office. This would be followed by a private meeting with the president.

The meeting with the president was scheduled for only 20 minutes but it extended to 40 because she knew most of the new board members. It became a most pleasant, informal encounter. Glaser who made a special trip to attend, pinned a UW insignia on her, making her honorary number one member.

Pictures of the swearing-in ceremony and the meeting with President Aquino were splashed on the front pages of the most important Manila dailies. Aramony and Glaser were ecstatic. The new board was starting on an impressive note. The second part of the mission had to begin.

Immediately after the swearing-in ceremony, the board members had a luncheon meeting with Glaser and me. Notwithstanding the euphoria from the victory, everybody was acutely aware of the problems UWPI had to face. The discussions revolved around them and possible solutions.

The problems identified were:

- incompetence of the staff
- scarcity of funds
- ignorance of the new board about UW model
- weaknesses in the organizational structure

Before tackling any of the problems, I went back to New York for a much-needed rest.

Awards and Rewards

Aramony and Glaser invited me to give a report on the Philippine victory at the UWI quarterly board meeting in March. Upon my arrival at the office, I had a very pleasant surprise! I felt like a "heroine of the United Way Revolution", as Glaser described my role on the Certificate of Appreciation given me, together with a heavy lucite UW alarm clock appropriately engraved to commemorate the historic event. In addition, I was given a cash bonus and an invitation to be their special guest at the Volunteer Leaders Conference (at which the UW bicentennial would be celebrated) and at the London International Conference that was to follow

immediately.

At both conferences, everything was first class pomp and pageantry. I was introduced to the UWA and UWI boards' top people, including Jim Robinson of American Express and Richard Ferris of United Airlines who offered 15 round-trip tickets to the Philippines for UWPI revitalization work there.

At the UWI headquarters and even at the conferences, everyone was aware that having a new board was not enough -- the reconstruction of the organization had to follow.

D. Revitalization of UWPI: Continuing Organizational Challenges

To finance the second part of UWI's mission in the Philippines, Glaser submitted a proposal to the U.S. Agency for International Development (USAID) and the U.S. Information Agency (USIA) for funding. Both attempts were unsuccessful, so UWI decided to underwrite the project. With the free United Airlines tickets, the costs did not seem prohibitive.

To prepare myself for the task at hand, I wanted to attend some courses at the National Academy of Voluntarism in Virginia, but my schedule always clashed with theirs. Consequently, I had to be content with the voluminous materials UWI sent me and the one-on-one tutorial Glaser provided. Although there was no set contract or time to achieve the given goals, it was almost understood that it would be about five years (the time Glaser put in his USAID proposals) or until all the United Airlines tickets are used

up.

From the discussion of problems conducted at the very first meeting of the new board, the continuing organizational challenges were identified. The revitalization of UWPI depended on how successful these challenges are met by the new board.

Incompetence of the Staff

Without seeming to be ungrateful for her crucial help in the elections, I had to admit that for the UWPI to reach a certain level of excellence, the Executive Director had to be replaced. She seemed ill-equipped for the position. She did not have the necessary training, experience, or personality to head a United Way, much less the national organization. The Assistant Director was not as incompetent; he had the ability to write decent press releases. However, the salary needed to pay a competent director would not make it possible to have an assistant director as well. The board decided on this plan of action: retire both personnel.

Mrs. V. had already talked of retirement even before the elections, but she demanded too much cash. UWPI personnel policies on retirement and termination benefits were too generous. Mrs. V. wanted to cash in on unused sick and annual leaves to which she said she was entitled. This request posed a problem: there were incomplete records of the leaves in question she, and when they were available, they were

conflicting. To resolve the issue, some board members convinced her to take the retirement pay due her but write off her claim on unused leaves. Reluctantly, she agreed because she claimed she needed the money for a surgery. Whether that was true or not was never verified since any contact with her just ceased after her retirement. UWI provided \$2,000 for Mrs. V.'s retirement package and other small additional expenses related to the elections.

For his retirement, the Assistant Director (Mr. J.) was offered a round-trip ticket to the U.S. which he gladly accepted. In his words, "It was a dream come true!" He was invited to visit UWI and UWA headquarters in Virginia and some local UW's throughout the U.S. He was also able to visit his brother in Chicago and investigate the possibility of immigrating there. Had he paid for the trip he would have had to spend more than Mrs. V.'s retirement pay. When he got back from the trip, UWPI continued to use him as a public relations person on a consultancy basis.

Through the grapevine and the NGO networking, a new executive director was found: a well-qualified, very competent woman who had worked with PBSP, the most successful and respected NGO in the country, for a number of years. The board unanimously approved her employment. We could not afford her, but a training fellowship at the NAV was added to the package to make it more attractive.

The new Executive Director, Ms. L., was not only

competent, she was also highly principled. When everyone was trying to get a free trip to Hongkong for a regional consultation/conference, she initially refused it due to the fact that she was already thinking of resigning at that time. That was something novel, even to UWI people. Glaser persuaded her to go to Hongkong anyway, hoping that would change her mind about the resignation. The reason she officially gave for leaving was a new and better job which would give her more training and new challenges in her field, development work. Unofficially, in a private conversation, she mentioned the aggravation she experienced with some of the local Executive Directors, especially Mrs. Q. Another proof of her professionalism: she even helped UWPI get her replacement, Ms. P.

Ms. P. was as qualified as Ms. Q. She was in between jobs then, having worked in a refugee camp in Bataan (a province in Luzon about two hours from Manila). She wanted to work in Manila again. She demanded a higher salary than what UWPI could offer but the U.S. training fellowship made up for the difference. When warned about the problematic Executive Directors, she assured us she could handle them. She had a "tough guy" stance about her. Among her most significant achievements was the establishment of linkages between UWPI, government development agencies, and other NGOs. She was able to get a grant for P700,000 (\$30,000) from "Tulungan sa Tubigan" (Working Together to Provide Water) to build artesian

wells in some communities in Mindanao which did not have any potable water. She shrewdly used this ability to raise much-needed funds to minimize conflicts with problematic provincial chapters and keep them under control.

Like all effective leaders, Ms. P. was very desirable to other NGOs. She was offered a job in Hongkong with a much higher pay and better benefits. Before she left, however, she helped the board get her replacement, Mr. B., who is the present Executive Director.

Mr. B. may not have the impressive background and experience of his immediate predecessors, but he has demonstrated a great deal of perseverance and good will, as well as sufficient competence. He has been with the UWPI for more than five years, the longest time any director has stayed since the 1987 elections. He seems to enjoy good rapport with the board and the local chapters, except for Ms. Q. who still causes problems up to the present time.

Since the retirement of Mr. J., UWPI has not had another Assistant Director. Its budget just could not afford it. Hence, the present staff is composed of: an Executive Director, three support staff, and one janitor/messenger who also serves as the security guard of the office because he stays there all week. The support staff could be better, but the UWPI cannot afford to replace them, because the costs of terminating them, in accordance with the very generous personnel policies, are prohibitive. Upon review of the new

board, it was discovered that their salaries did not meet the Department of Labor's minimum requirements. Since the Secretary of the Board was the wife of the Secretary of Labor, all salaries had to be adjusted, making it all the more difficult to terminate the support staff.

After the retirement of Mrs. V., and while the board was searching for her replacement, I served as Acting Executive Director. At that time, I tried to professionalize the office with standard office procedures. I am not sure if they are still being followed presently.

Ignorance of the New Board about the United Way Model

There was not one member of the new board whose integrity could be questioned. All of them had impeccable reputations and impressive credentials. However, except for the two carry-overs from the old board, not one of them knew the UW model, and those two carry-overs did not have any leadership roles on the new board. It was obvious that there was an urgent need to train the new board on UW concepts and policies. To accomplish this, a retired UW executive from Seattle, Chuck Devine, was sent to Manila a few months after the new board was installed. With my help and that of facilitators from the Department of Social Welfare and Development, he tackled the following: UW Standards of Excellence, vision and mission, strategic planning, and other topics.

The next year the new Executive Director was sent to Hongkong with some of the officers of the board for regional consultation and dialogue. This was a useful experience because they were able to network with United Ways from other countries in the region and to observe the very successful operations of UW of Hongkong. This was followed by a strategic planning workshop in Manila designed primarily for the Boards of Directors and Executive Director of the local chapters.

The training sessions offered to the new board members were excellent. Very well-planned, they attempted to deal with both the American and Philippine worlds through the use of both American and Philippine facilitators. It was unfortunate, however, that many of the board members did not take advantage of these sessions. Never was there a session with the whole board in attendance. Of those who attended, only two or three attended all the sessions; the others attended one to three sessions whenever they had the time.

Aside from their very full schedules, the reason for the attendance problem might have been that the board members were not actually convinced of the need for the training. UWPI was just another one of those organizations on whose board they sat. UWI did not even give them any financial support for operations (except for the retirement packages of SR and BG). Perhaps, the board members wanted to run it the way other successful Philippine NGO's are run, professionally, honestly,

and with integrity -- but not according to UW standards.

Scarcity of Funds

When the new board took over, the UWPI coffers were literally empty. There were not even enough funds for personnel salaries. They used the monies from new memberships, collected at the annual meeting as a stop-gap measure to meet the financial emergency.

The new board's first crucial task was to make sure UWPI survived the first few months financially. Each of them was required to pay a lifetime membership fee which was raised from P2,000 to P5,000. They were also encouraged to recruit new lifetime members among their friends.

To help solve the financial problems, these were two options considered:

- (1) sell or rent the UWPI office building and move to a smaller space with a low rent;
- (2) get a public space from the City Government, free of charge or for a very small rent.

Due to bureaucratic red tape and the inferior state of the city buildings, the final outcome was the move of UWPI office to Makati, a more central location, for a monthly rent of P3,000. Though the space was smaller, it was in a nice, well-kept building. The UWPI office building was rented out for P10,000 per month.

An important step was taken to improve UWPI's fund-

raising capability. The current membership was evaluated with a view towards achieving growth and deeper involvement of individual and corporate members. A strategy was designed to invite current members for upgrading membership classification and greater corporate involvement in community service through United Way. Plans were also developed to expand linkages with various national and international agencies.

To generate revenues, special events were held. UWPI sponsored three of the Repertory Philippines productions of Broadway musicals (like *La Cage* and *Les Miserables*). As of 1991, when my employment contract ended, UWPI had over half a million pesos (\$20,000) in the bank and the office building was still intact as part of its assets.

As the credibility of UWPI increased in the country, the organization was able to obtain some government grants. Since 1988, the Philippine Amusement and Gaming Corp. (PAGCOR) has awarded it with P50,000 (\$2,000) annually. In 1990 the "Tulungan sa Tubigan" (Working Together to Provide Water), a semi-government agency gave UWPI close to a million pesos (\$40,000) to help southern towns build artesian wells in neighborhoods where there were none.

Weaknesses in the Organizational Structure

The organizational vision and mission described in the very first informational brochure of UWPI, printed in the early fifties, were too cumbersome and did not meet the new

challenges of the times. A workshop was held to re-assess the organization's vision and mission and to update them with the times. This could have been a positive factor in developing the new board members' ownership of the organization, but unfortunately, the same problem in attendance occurred.

The updated vision and mission of the UWPI are :

VISION:

To increase the organized capacity of the people in the Philippines to care for one another.

MISSION:

To provide member chapters with assistance materials, technically or educationally aimed at developing and enhancing the operation of local United Way activities in the country.

One of the main reasons for the abuses in the UWPI was the lack of restrictions/limitations in its Constitution and By-laws. Checks and balances or controls were almost nil. The board members could stay on ad infinitum. UWI could not do anything about that, since all UWs are autonomous, with their very own Constitution and By-laws.

Glaser and Aramony became painfully aware of this as their earlier attempts to depose Atty. T. proved unsuccessful. Hence, one of my mandates was to change the constitution and by-laws and build into them the necessary provisions to guard against future abuses of power.

A few months after the new board was installed, another

general meeting was called to amend the Constitution and By-laws. Timing was of the essence, before Atty. T. got a chance to regain any of his power or influence within the UWPI. He was still the President of the Board of one of the local chapters. At that meeting, two of the by-laws were changed: the term of office of the board members was limited and the old members were prohibited to run for office for a number of years.

At the same meeting, a memorandum of agreement was formulated. This set forth basic guidelines on the relationship of the National Office and the local United Ways all over the country. It institutionalizes a formal mechanism to ensure program standards and the financial integrity of United Ways nationwide. Corollary to this, an accreditation program for local United Ways was established and implemented. So far, 16 chapters have been duly accredited.

In the same month, arrangements were made with Sycip, Gorres & Velayo (SGV), one of the largest accounting firms in the country, for annual audits. These arrangements included audits of not only the finances of the UWPI but also those of the provincial chapters. With the right connections of the board members, SGV agreed to do the audits for free, except for the reimbursements of out-of-pocket expenses that may be entailed.

CHAPTER VIII

CONCLUSIONS AND IMPLICATIONS: SUGGESTIONS FOR THE FUTURE

This dissertation examined two distinct yet interrelated phenomena:

- (A) the experience of applying the United Way as a community model of philanthropy in the Philippines
- (B) the role of a sociologist as an agent of change

(A) United Way Philippines: An Imported Model of Community Philanthropy

This study proves that in the Philippines, the United Way, as a model of community philanthropy in the Philippines, has not even remotely approximated the phenomenal success it has achieved in the United States and in other parts of the world, whatever measure of success is used. Notwithstanding the fact that it has been in existence in the Philippines for more than 45 years, this idea of federated fund-raising is barely surviving in that country.

It would be inaccurate to say that the United Way model never got off the ground since its introduction into the country under the name Community Chest in 1949. At that time, and through the early seventies, it enjoyed a great measure of

success. The organization was financially viable and its operations were sustainable. Its revenues could compare with those of the other prominent NGOs in the country. In fact, its very first fund campaign in 1949 raised Ps577,657.00 (\$288,829.00), an amount which was Ps70,000 (\$35,000) more than the combined funds raised by its first 19 affiliates from their own separate campaigns.

More importantly, United Way at that time had a tremendous impact on its target beneficiaries and on the community-at-large. One of the key factors for its initial success and significant growth was the massive upsurge of good will towards America and all things American. The United Way, under its original name, Community Chest, arrived on Philippine shores just a few years after the American liberation of the country from the Japanese occupation of the Second World War. The relatively few NGOs already existing at that time welcomed the novel concept. They appreciated the campaign assistance a federated fund-raising organization like the Community Chest could offer. Likewise, local business and other sectors of the community saw in the model the solution to the problem of being overly-solicited by an unmanageable number of fund-raising agencies, some of whose legitimacy they seriously doubted.

Another key success factor was the promise of greater economic stability that characterized the times. A potentially viable middle class was on the rise, a pre-

requisite for a model of philanthropy that is highly dependent on the middle class and an upwardly mobile working class.

Unfortunately, this growth was stunted in the mid-seventies. Though UWPI was able to stay afloat, it was unable to sustain the estimable level of its earlier performance. The unfavorable political climate and the downward trend of the economy affected the United Way on both the national and local levels. Moreover, a serious leadership crisis, steeped in graft and corruption, plagued the organization.

Although UWI had been able to save it from almost inevitable destruction, UWI has not succeeded in helping UWPI to attain the same amount of success that other NGOs in the Philippines have achieved. In comparing UWPI with three other NGOs which started much later than it did, findings showed that it had the least clout, the lowest revenues, and fewest sustainable programs.

Analysis of UWPI's apparent lack of success seems to point to certain factors both in the internal and external environment. Through the efforts of UWI, some of the factors in the internal environment seem to have been remedied. UWPI can now boast of a new leadership, consisting of outstanding men and women with integrity and unblemished reputations. The staff has been upgraded, but due to budgetary constraints, perhaps not sufficiently enough to achieve significant success. UWPI's methods of raising funds are rather diffused, targeting all possible sources without too much focus. In

accordance with United Way guidelines, it is still heavily dependent on the middle and the upwardly mobile working classes. In the Philippines, those classes have significantly shrunk in size and are barely surviving; consequently, they are not in a position to support any philanthropic organization.

For the UWPI to succeed as other NGOs do in the Philippines, it has to adapt to the Filipino temperament and the present economic conditions. Like the other three NGOs studied (TSPI, PhilDhrra, and PBSP), UWPI should put more effort in tapping other sources of funds, such as corporations and international donors. However, to make sure its solicitations are taken seriously, UWPI should build a strong integrated framework on which to base its identification of target groups and the delivery of services.

The NGO sector in the Philippines has been characterized as among the most developed in Asia. Philippine philanthropic organizations have developed a remarkable sophistication in their operations, programs and fund-raising capabilities which can compare with the very best in other parts of the world. Some philanthropic models which have sprouted in the country in response to very specific needs have been emulated and replicated internationally. Most of these models astutely built into their structures essential mechanisms for checks and balances to safeguard against graft and corruption (such as limitation of official powers and terms of office, strict

accounting procedures, and regular professional audits, among others). The three other Philippine NGOs discussed in this study, Tulay sa Pag-Unlad or TSPI (Bridge for Progress), Philippine Partnership for the Development of Human Resources (PhilDhrra), and Philippine Business for Social Progress (PBSP), are among the best examples that prove this point.

UWPI has not been able to keep abreast with the impressive strides made in the Philippine philanthropic arena. It seems dwarfed and severely handicapped. In the battle to raise much-needed funds, which are becoming more and more scarce, UWPI seems to be ill-equipped to win.

UWPI should find ways of adapting some of its policies and goals to the new trends in the country and in the world. "Development philanthropy" seems to be the order of the day, since international donors are more inclined to fund social development programs than traditional health and welfare projects. This direction is not completely new to the United Way. The remarkable success of its BRIC projects in the seventies can attest to its capability to implement social development programs. United Way should concentrate more of its efforts towards the revival and updating of such programs which seem to have been outdated and relegated to the background for some time. The seeds for this transformational process have been planted with the updated organizational vision and mission statements but more clear-cut guidelines and definite policies should be formulated. In addition, if

human and financial resources permit, UWPI should develop mechanisms for the evaluation of the activities of the chapters and the effectiveness of the programs. The chapter accreditation which is being implemented is an important first step in the right direction, but it is not enough.

In updating its fund-raising methods, UWPI should study ways of implementing the seeming contradiction in terms, "profitability for the non-profits". The profits, of course, are to revert back to the organization for greater financial viability. UWPI's Social Lending Program seems to be a good beginning in this area. Since its inception in 1993, this program has released Ps1,172,826 (\$46,913) for income-generating and livelihood projects and Ps391,840 (\$15,673) to assist individual beneficiaries, such as the vendors working at the market located near the UWPI headquarters. The total earned interest of Ps67,616 (\$2,704) from all loans reverted back to the organization.

The strong tendency in the Filipino culture to personalize everything does not serve the basic United Way model well. Not one of the Filipinos I informally interviewed during my five-year employment as UWI Special Consultant subscribed to the concept of "anonymous giving," one of the basic philanthropic ideals rooted in the Judeo-Christian traditions founded on the teachings of the great Jewish philosopher, Maimonides. There is so much unnecessary regard for individual persons. Feelings are allowed to interfere

with judgment, emotions to obfuscate reason. Even if they believed in the cause, Filipinos prefer to give their contribution to someone they know personally in the organization. This finding was substantiated by observations of some of the best-known Philippine NGO leaders who were also interviewed.

Another significant factor which discourages Filipinos from giving anonymously is the widespread, almost accepted ("as long as one does not get caught") tendency in the country towards graft and corruption. Consequently, Filipinos are not prone to give their hard-earned money to a third party for distribution to causes they support or people they would want to help. This is a formidable challenge to the United Way model, based on a fairly elaborate system of civic voluntary organizations through which employees give their contributions for distribution to projects they favor in their respective communities.

Perhaps it is this same Filipino cultural tendency to personalize which made the effects of the leadership crisis caused by the overstaying UWPI President linger on long after he had been deposed. An important cultural difference can be gleaned when this case is compared to the case of former UWA President, William Aramony. When the latter was indicted for far more serious crimes in 1992, revenues from the fund campaign that year suffered a decline of just about four percent, and they improved gradually in the subsequent years.

That reduction in revenues was even attributed by UWA to the country's prevailing economic recession. It would be interesting to observe how Aramony's recent conviction would affect UWA's revenues this year and the coming years.

As special consultant to UWI, I was able to observe the United Way model in active operation in both developed and developing countries. Based on what I have seen, the interviews I conducted (formally and informally), and the international reports I was privy to, I am inclined to believe that the model works more successfully in developed countries like the United States, Britain, Singapore, Japan, Canada, and Australia. In most of these nations, the United Way has even been able to implement the payroll deduction scheme of raising funds, an unmistakable sign of the success and the prestige it enjoys there.

On the other hand, the United Way model seems to have some difficulty succeeding in developing countries like Thailand, Jamaica, and India. United Way of Thailand is an interesting case in point. I was able to observe first-hand the problems it was experiencing when I was sent there by UWI on a reconnoitering mission. The Thai situation appeared to be very similar to that of the Philippines, including the corrupt United Way official with his abuse of power, misuse of funds, and moral degeneracy. Of course, further study is needed to prove these perfunctory assumptions.

(B) The Role of a Sociologist as an Agent of Change

My employment as UWI Special Consultant to the Philippines provided me with an opportunity to mix action with research while working for the organizational transformation of UWPI. I followed a direction very different from the conventional approach of conducting research. In my case, the action (UWPI organizational transformation) came first, as the accomplishment of the objectives of my mission. I did not have any theoretical framework or guidelines in developing strategies. Only the two-fold goal of my assignment was definite: change the UWPI leadership and revitalize the organization.

As I returned to my doctoral studies, reflecting on my action experience produced insights which may be of assistance to other sociologists who may find themselves in similar situations. Some of the insights I have discovered parallel those of William Foote Whyte in his interaction focus studies.

(1) It is a given fact that any study of an organization or a community must be founded on a solid historical base (Whyte, 1986). My vast knowledge of the history of the Philippines and its people and my grasp of its economic and political past assisted me in analyzing the current situation, the present societal structure and social processes at work. Such an understanding was crucial in the organizational transformation I was mandated to achieve.

(2) There is no adequate body of facts about the life and

habits of the different people around the world, nor is there enough data on their virtually always changing economy and political life. However, anyone who would be engaged in any field research or transformational work in a foreign country should possess as much knowledge as he/she can acquire on the country and its people. I had an edge over the American consultants sent earlier by UWI to resolve the UWPI crisis because I originally came from the target country. I have not forgotten my roots and the cultural traits peculiar to the people. However, I discovered that was not enough. I still had to develop an approach, a sensitivity, an inventiveness in dealing with the people whose nationality I once shared. My main challenge was to search for the right local customs which would blend with the strategies and change processes planned.

(3) In my work, I discovered the importance of individual dynamics in working with informal group structures. Skill in individual dynamics proved to be crucial in this case since each of my "allies" had to be dealt with on a very individual and personal basis. Although we dealt with factual matters, there were still the real problems of interpretation. Although the immediate goals were very clearly delineated, enough solidarity still had to be developed to coordinate the diverse personalities and persuade them to cooperate. I realized the truth of Whyte's statement that "cooperation and conflict are but opposite ends of a single dimension". Through focus interaction earlier conflicts among the militant

informal group, which could have hampered the mission, were resolved. These conflicts revolved around innumerable issues, such as dissatisfaction with the organizational structure, competition with one another, mixed feelings and suspicions about me, and even their own selfish motives for assisting in the project. Cooperation was achieved and the transformational process triumphed.

(4) As I immersed myself in the transformational process, it was but natural that I wondered about some ethical questions relating to the job. I realized then that I was still strongly attached to my Filipino roots even if I have been in this country for more than two decades. Questions like "Am I doing something wrong, taking sides and choosing the foreigners at that? Should we just leave UWPI alone, in the hands of the people who lead it and the target beneficiaries it serves? After all, the UWPI was their organization. Should nationalism be sacrificed to organizational integrity and effectiveness?"

At that time, I just followed my intuition. I was truly convinced that United Way could be a potent force in Philippine society. The leadership crisis which was pulling the organization down was well-documented. Organizational transformation was definitely necessary if the organization were to survive and effect any real impact on the country.

In hindsight, as I reviewed various theories to relate to my action experience, there was no reason for me to worry

about the ethics of my behavior. A social scientist is allowed to advocate the interest of one party over that of another in a conflict situation, provided it is done openly (Whyte, 1986). Subterfuge is not allowed but open conflict is.

The uniqueness of my experience with UWPI lies in the nature of the case: in its goals, the methods used, and the outcomes produced.

At the beginning, the focus of the experience was more on the organizational transformation to be accomplished rather than mere research. The research goal emerged upon my analysis of the action and the resulting change. Further research was subsequently conducted.

The methods used were not conventional. The change agent's role was played first, then investigation of the facts followed. It would not be correct to conclude that the findings reported were only based on memory. To broaden the framework of personal observations, reports and documentary evidence were analyzed, and interviews were conducted.

The outcome is not merely a research report. In addition to an analysis of the findings and the transformational process, an organization was fundamentally changed and revitalized.

In his book, Learning from the Field, William Foote Whyte defined a "social invention" as any of the following:

- ♦ a new element in organizational structure

or inter-organizational relations;

- ♦ new sets of procedures for shaping human interactions;
- ♦ a new policy in action (i.e not just on paper);
- ♦ a new role or a new set of roles.

With the definition he blazed a new trail in establishing research priorities, very different from the conventional approach.

I would like to believe that my experience in the Philippines resulted in introducing a new set of procedures for shaping human interaction and for enhancing an innovative though unconventional role for social scientists. These social inventions, however, can use more in-depth study. There should be more research on their applicability to similar situations. Further study on related theoretical implications would also be in order.

**PRODUCTION SHARE AND LABOR ABSORPTION OF
MAJOR SECTORS, Selected Years (In Percent)**

		1970	1980	1990	1992
A	Shares of Major Sectors				
1	Agri., Fishery	28.18	23.50	22.44	22.51
2	Industry Sector	33.70	40.52	35.92	34.94
3	Service Sector	38.12	35.98	41.65	42.56
B	Labor Absorption				
1	Agri., Fishery	53.71	51.44	45.20	45.44
2	Industry Labor	18.14	15.88	15.09	16.04
3	Service Sector	28.16	35.99	39.70	38.15

Sources of Basic Data:

Philippine Statistical Yearbook, 1992

Current Labor Statistics, Dec., 1992

National Income Accounts, Various Years

TABLE 1

PERFORMANCE OF THE ECONOMY
(In Percent)

PERIOD	GDP GROWTH RATE	PER CAPITA GDP GROWTH RATE	POPULATION GROWTH RATE
1970 - 1980	6.0	3.5	2.5
1980 - 1991	1.1	1.3	2.4

Source: NSCB

TABLE 2

United Way Philippines, Inc.
 COMPARATIVE STATEMENTS OF SUPPORT, REVENUE AND
 EXPENSES AND CHANGES IN FUND BALANCE
 For the Year Ended
 December 31, 1990 to December 31, 1992
 (In Philippine Pesos)

	<u>1990</u>	<u>1991</u>	<u>1992</u>
PUBLIC SUPPORT AND REVENUE ~~~~~			
Public Support:			
Contributions	214,000	283,100	344,600
Contributed by Associated Organizations	43,675	481,613	268,941
Donations	---	428,882	181,339
Contribution from a Gov't. Agency	35,755	---	---
Grant from Philippine President's Social Fund	---	---	---
Other Revenues:			
Assessment and Dues (Local Members)	19,000	21,000	13,000
Investment Income	95,601	---	---
Interest Earnings	---	11,559	22,723
Miscellaneous	8,370	---	---
	-----	-----	-----
Total Public Support & Revenues	416,401	1,226,154	938,288
	=====	=====	=====
EXPENSES ~~~~~			
General Assistance	280,126	325,612	382,979
Project Expenses	82,799	349,853	380,553
Administration	92,505	166,035	174,756
Miscellaneous/Other Expenses	4,361	1,932	---
	-----	-----	-----
Total Expenses	459,791	843,432	938,288
	=====	=====	=====
Excess (Deficiency) of Public Support and Revenues Over Expenses	(43,390)	382,722	(107,685)
Fund Balance at Beginning of the Year	461,906	418,516	801,238
	-----	-----	-----
Fund Balance at End of Year	418,516	801,238	693,553
	=====	=====	=====

TABLE 3

FUNDS RAISED BY THE UWPI PROVINCIAL CHAPTERS
1991 to 1993
(In Philippine Pesos)

UWPI PROVINCIAL CHAPTER	AMOUNT RAISED BY YEAR			TOTAL
	1991	1992	1993	
Batangas	150,000.00	200,000.00	300,000.00	650,000.00
Bulacan	307,092.42	217,114.00	141,105.00	665,311.42
La Union	82,356.40	43,731.20	84,000.00	210,087.60
Nueva Ecija and Cabanatuan City	117,453.15	153,990.00	204,000.00	475,443.15
Pangasinan, Dagupan & San Carlos Cities	-----	350,000.00	720,000.00	1,070,000.00
Tarlac	260,000.00	257,329.70	261,258.00	778,587.70
Cavite	-----	-----	143,856.00	143,856.00
Iloilo	156,250.00	209,000.00	184,000.00	549,250.00
Lanao del Norte & Iligan City	535,158.66	698,767.71	210,494.00	1,444,420.37
Misamis Oriental, Cagayan de Oro & Gingoog City	176,181.55	149,108.55	327,489.00	652,779.10
South Cotabato & Gen. Santos City	35,000.00	55,700.00	-----	90,700.00
Zamboanga City	61,076.00	-----	50,000.00	111,076.00
Negros Occidental East & San Carlos City	-----	80,000.00	258,500.00	338,500.00
Total	1,880,568.18	2,414,741.16	2,884,702.00	7,180,011.34
Percent of Total Amount Raised	26%	34%	40%	100%
Total Number of Accredited Pro- vincial Chapters	20		18	xxx
No. of Chapters Which Raised the Total Annual Amount	10	11	12	xxx

TABLE 4

United Way Philippines, Inc.
 COMPARATIVE BALANCE SHEET
 For the Year Ended
 December 31, 1990 to December 31, 1992
 (In Philippine Pesos)

	1990	1991	1992
	~~~~~	~~~~~	~~~~~
<b>ASSETS</b>			
Cash	51,093	524,800	522,111
Marketable Securities	55,850	4,800	-----
Receivables	76,369	42,694	-----
Repayments & Other			
Current Assets	5,658	2,602	-----
Property and Equipment	281,466	277,466	274,173
Short-Terms Cash			
Investments	-----	-----	1,900,000
Other Assets	-----	-----	51,999
	-----	-----	-----
Total	470,436	852,362	2,748,283
	=====	=====	=====
 <b>LIABILITIES AND FUND BALANCE</b>			
Accounts Payable and			
Accrued Expenses	51,920	51,124	54,730
Bank Loans Payable	-----	-----	2,000,000
Fund Balance	418,516	801,238	693,553
	-----	-----	-----
Total	470,436	852,362	2,748,283
	=====	=====	=====

TABLE 5

**AMOUNTS RAISED FROM FUND CAMPAIGN ACTIVITIES**  
**Sample United Way Provincial Chapters**  
**Year 1988 to Year 1993**  
**[In Philippine Pesos]**

UW CHAPTER	1988	1989	1990	1991	1992	1993	TOTAL
BATANGAS	209,901.17		100,000.00	150,000.00	200,000.00	300,000.00	959,901.17
BULACAN	129,164.80	179,031.00	202,897.50	307,092.42	217,114.00	141,105.00	1,176,404.72
LA UNION	68,622.30	127,782.00	64,393.61	82,356.40	43,731.20	84,000.00	470,885.51
NUEVA ECIJA	135,737.98	71,323.94		117,453.15	153,990.00	204,000.00	682,505.07
PANGASINAN	204,251.18	179,031.00	130,000.00		350,000.00	720,000.00	1,583,282.18
TARLAC	90,272.00	220,000.00	150,000.00	260,000.00	257,329.70	261,258.00	1,238,859.70
ZAMBOANGA	129,253.60	63,286.60	40,000.00	61,076.00		50,000.00	343,616.20

TABLE 6

TULAY SA PAG-UNLAD, INC.  
COMPARATIVE STATEMENTS OF SUPPORT, REVENUE AND EXPENSES,  
AND CHANGES IN FUND BALANCE  
For the Years Ended 1982 to 1991  
(In Philippine Pesos)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<b>INCOME AND GRANTS</b>										
Donations and Contributions Received	217,512.00	734,088.90	1,256,675.00	2,697,595.00	5,056,287.00	1,411,153.00	6,882,261.00	4,150,767.00	16,085,496.00	5,829,467.00
Interest Income:										
Deposits and Placements	343.73	33,554.11	13,412.00	46,849.00	700,456.00	1,037,433.00	-----	282070	1,647,339.00	2,134,421.00
Loans	110,125.00	344,361.72	520,957.00	320,148.00	1,413,357.00	1,182,354.00	1,203,646.00	1,739,689.00	1,454,746.00	1,440,072.00
Other Income	-----	-----	62,903.00	529,230.00	135,683.00	73,112.00	254,007.00	422,054.00	306,899.00	816,305.00
<b>Total Income and Grants</b>	<b>327,986.73</b>	<b>1,112,604.73</b>	<b>1,853,347.00</b>	<b>4,193,882.00</b>	<b>7,311,783.00</b>	<b>3,704,058.00</b>	<b>8,339,914.00</b>	<b>6,594,580.00</b>	<b>19,494,480.00</b>	<b>10,220,265.00</b>
<b>EXPENSES</b>										
Project Operational Costs	-----	515,432.21	632,306.00	1,036,233.00	1,463,393.00	1,514,776.00	1,612,425.00	3,531,813.00	8,619,164.00	6,313,154.00
General and Administrative	46,595.72	213,334.53	311,751.00	643,533.00	399,254.00	1,378,882.00	481,633.00	607,588.00	856,436.00	1,230,117.00
Grants to Provincial Chapters	-----	-----	-----	-----	-----	-----	-----	-----	-----	7,673,271.00
<b>Total Expenses</b>	<b>46,595.72</b>	<b>728,766.80</b>	<b>944,057.00</b>	<b>1,680,372.00</b>	<b>2,443,537.00</b>	<b>2,893,658.00</b>	<b>2,094,058.00</b>	<b>4,139,401.00</b>	<b>9,475,600.00</b>	<b>15,582,542.00</b>
<b>Excess (Deficiency) of Income and Grants Over Expenses</b>	<b>281,391.01</b>	<b>383,717.93</b>	<b>909,290.00</b>	<b>2,513,510.00</b>	<b>4,868,246.00</b>	<b>810,400.00</b>	<b>6,245,456.00</b>	<b>2,455,179.00</b>	<b>10,018,880.00</b>	<b>(5,662,277.00)</b>
<b>Fund Balance at Beginning of the Year</b>	<b>-----</b>	<b>281,391.01</b>	<b>664,813.00</b>	<b>1,574,103.00</b>	<b>4,087,519.00</b>	<b>8,943,765.00</b>	<b>9,763,165.00</b>	<b>16,006,021.00</b>	<b>18,384,811.00</b>	<b>28,403,691.00</b>
(Return of Donation)	-----	-----	-----	-----	-----	-----	-----	( 76,399.00)	-----	-----
<b>Fund Balance at End of the Year</b>	<b>281,391.01</b>	<b>664,813.00</b>	<b>1,574,103.00</b>	<b>4,087,519.00</b>	<b>8,943,765.00</b>	<b>9,763,165.00</b>	<b>16,006,021.00</b>	<b>18,384,811.00</b>	<b>24,403,691.00</b>	<b>22,741,414.00</b>

TABLE 7

Source of Data: TSPI Annual Reports

**PHILDHRRRA Financial Report Summary  
(1988 - 1991)**

Item	Year			
	1988	1989	1990	1991
Total Revenues	5,747,584.73	2,487,350.03	13,461,884.00	30,601,395.00
Total Grants Received	5,643,869.09	944,910.27	13,345,376.00	28,955,801.51
Project & Program Expenses	4,565,218.00	443,244.00	9,003,317.62	15,049,083.00
Administrative Expenses	625,870.78	1,116,680.00	2,738,412.32	3,691,971.09
Total Expenses	5,246,128.02	1,635,241.18	11,741,729.00	18,741,054.33
Excess (Deficiency) of Revenues Over Expenses	501,456.71	852,108.85	1,720,254.00	15,172,882.94
Total Assets	2,530,800.61	2,577,546.53	5,823,973.37	18,218,659.22

TABLE 8

**Financial Highlights, 1971-91***  
(in thousand pesos)

	1971-75	1976-80	1981-85	1986-91	Total
<b>Income</b>					
Members' Contribution	38,653	37,665	19,623	28,999	124,930
Interest Income	3,499	15,692	22,739	33,155	75,085
Other Income	402	2,047	2,521	6,105	11,075
<b>Total</b>	<b>42,554</b>	<b>55,394</b>	<b>44,883</b>	<b>68,259</b>	<b>211,090</b>
Repayment of Advances	1,656	9,794	6,920	13,814	32,154
Operating Expenditures	4,767	8,341	7,225	7,656	27,989
Capital Fund (cumulative)	5,200	16,800	33,700	48,814	82,514

* From PBSP's Financial Report, 1971-1991.

TABLE 9

**Comparative Data on Operating Costs Vs. Total Income  
Among Selected Philanthropic Organizations in the  
Philippines, For the Years 1986 to 1991**

Name of Organization	Total Income, in Philippine Pesos (1)	Operating Costs, in Philippine Pesos (2)	% of Operating Costs Over Total Income (2/1)
United Way Philippines, Inc.	3,583,683	1,186,259	33.10
Philippine Business for Social Progress	84,074,000	7,656,000	9.10
Tulay Sa Pag-Unlad, Inc.	55,665,080	5,594,910	10.05
Philippine Partnership for the Development of Human Resources in Rural Areas*	52,298,214	8,172,934	15.62

* PHILDHRRRA was established only in 1988.

TABLE 10

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**NOTE:** The reason why the Community Chest of Greater Manila still exists is that it did not become a member even of the Community Chests and Councils of the Philippines, the UWPI predecessor. It has more funds than the CCCPI and the UWPI.

# WHERE THE MONEY COMES FROM

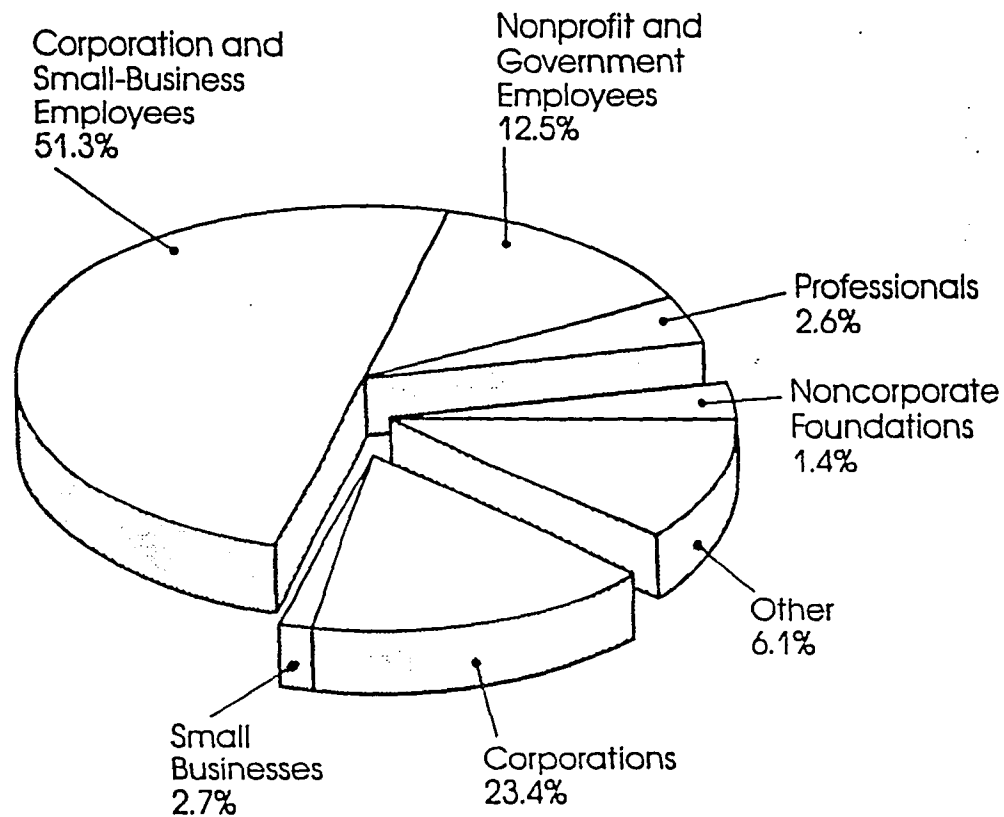


FIGURE 1



BASED ON 1988 DATA (REFLECTS 1988 CAMPAIGN)  
SOURCE: UNITED WAY OF AMERICA

# WHERE THE MONEY GOES

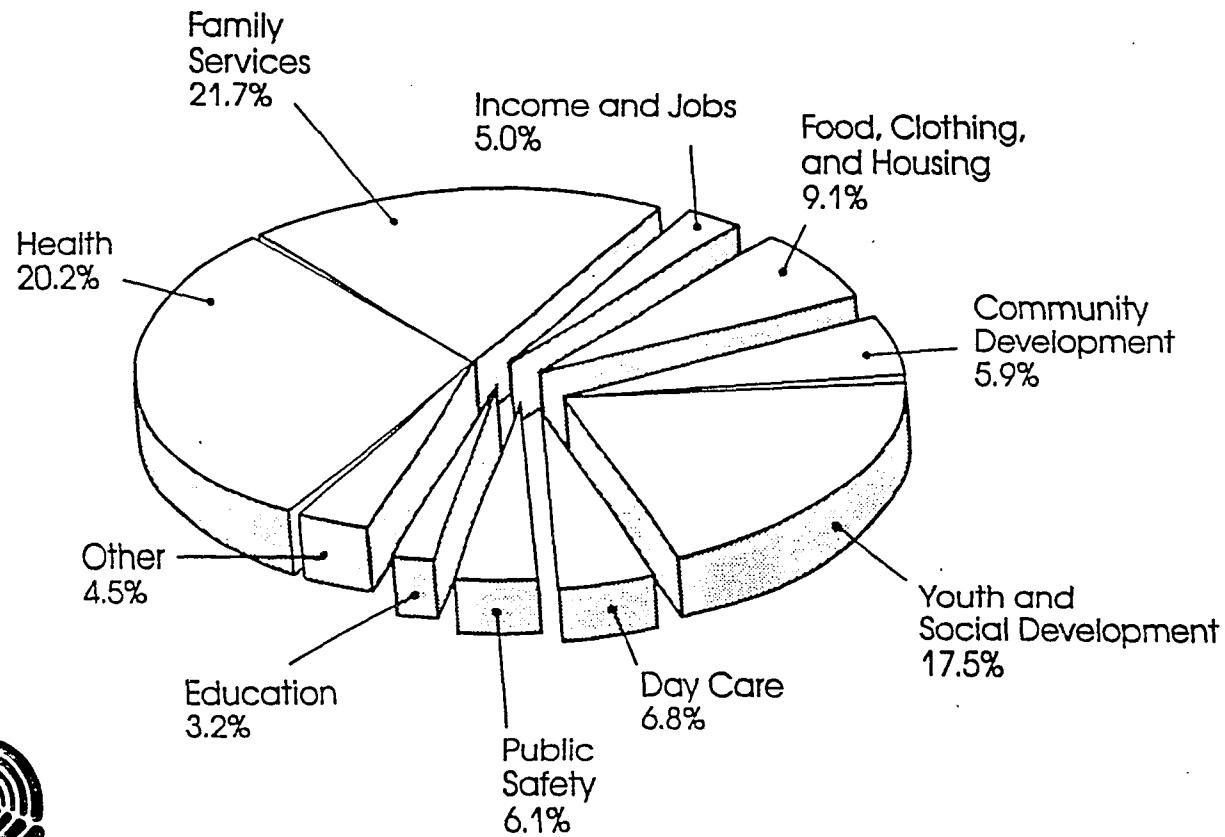
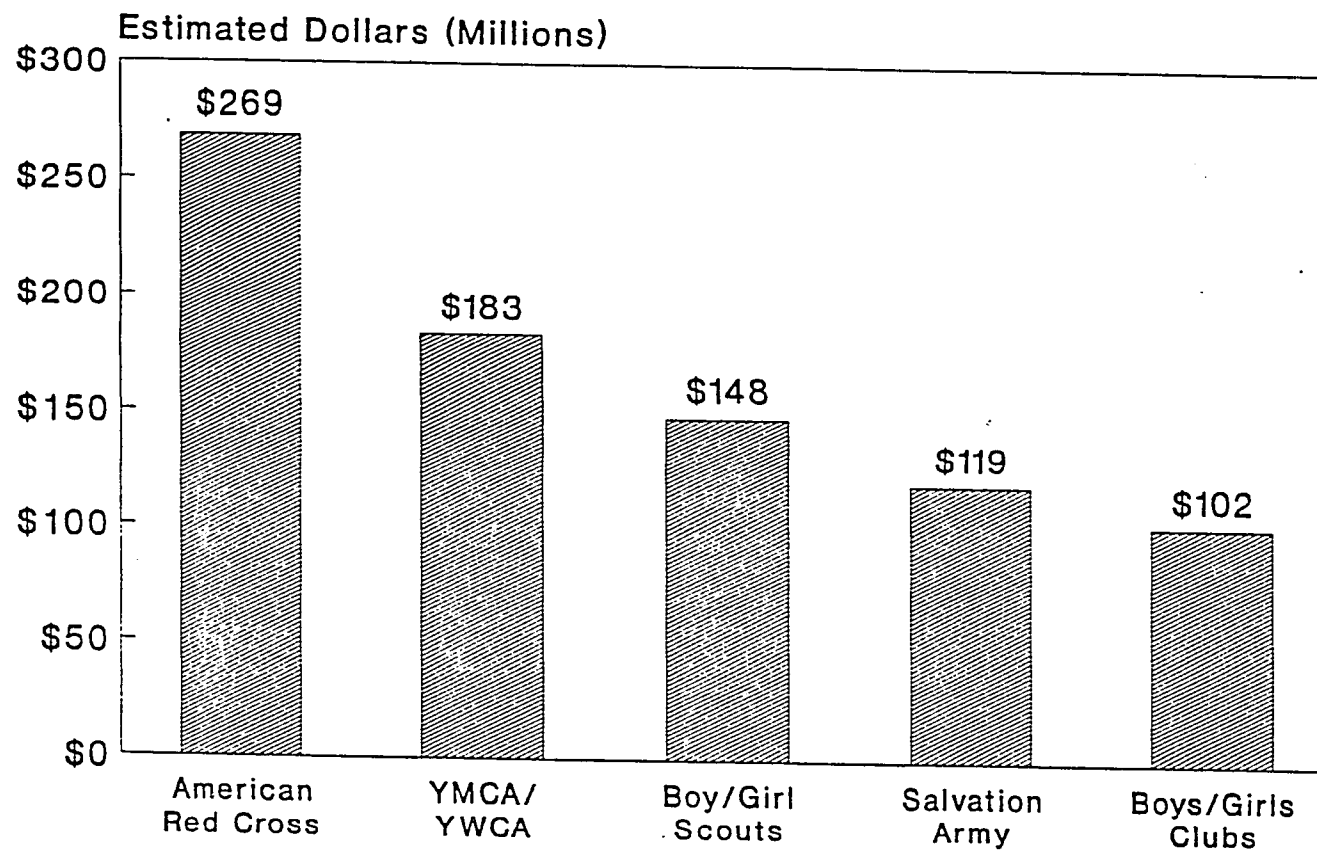


FIGURE 2

BASED ON 1988 DATA (REFLECTS 1988 CAMPAIGN)  
SOURCE: UNITED WAY OF AMERICA

## National Agencies Receiving Most Funding 1992

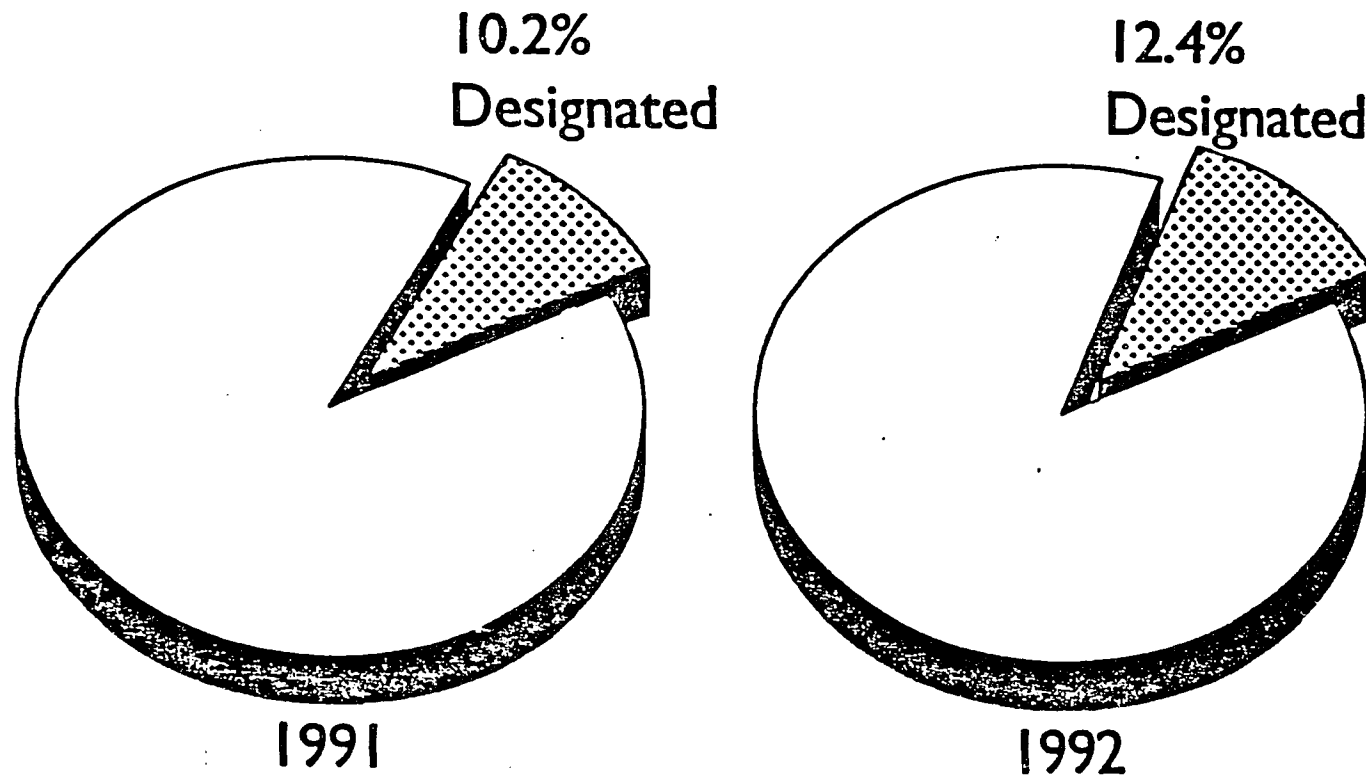


Source: UWA ANNUAL REPORTS

FIGURE 3

# Designation Trends 1991-1992

Percent of Total Campaign Designated

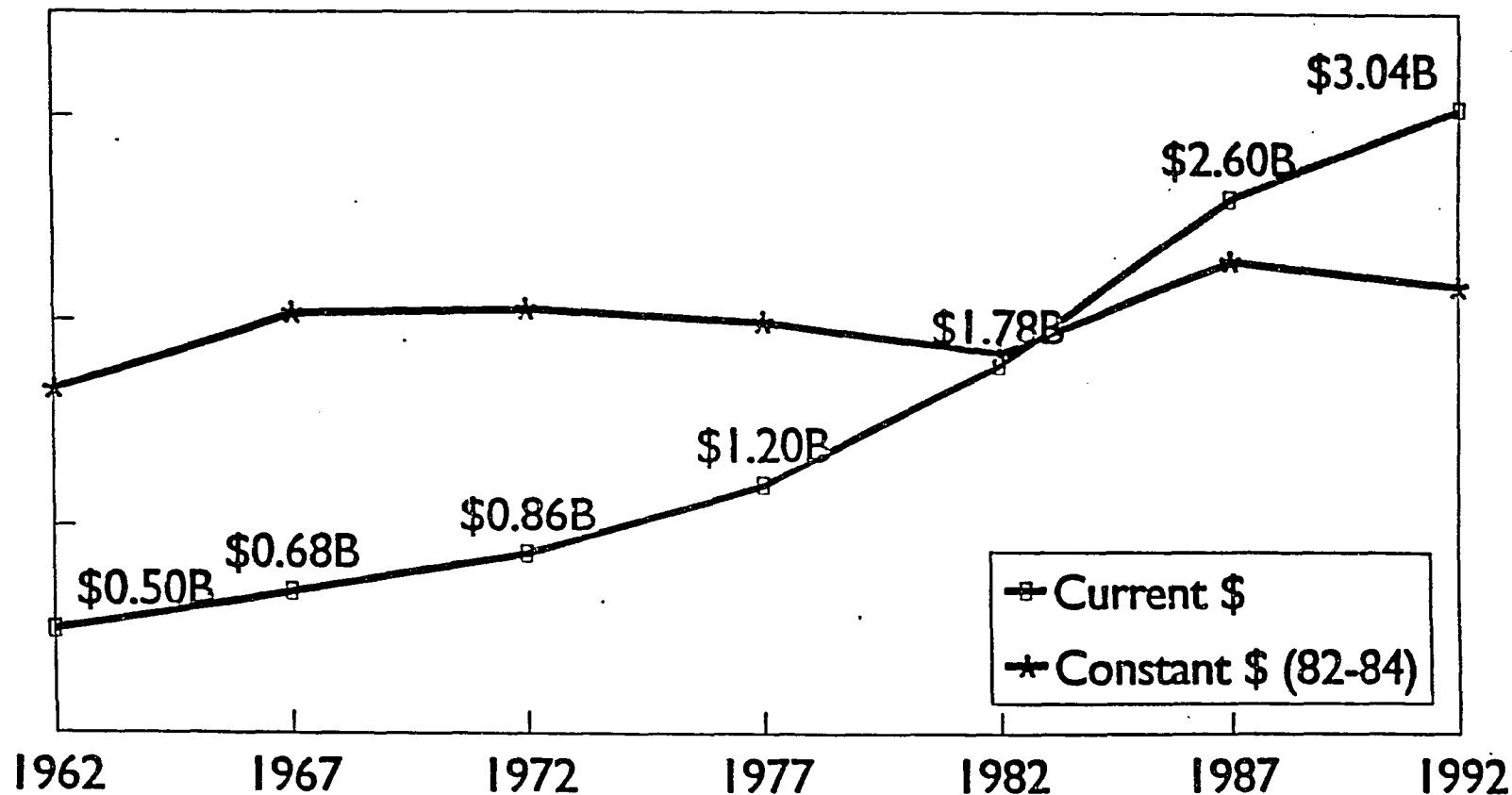


Source: UWA Research Services, 1994

FIGURE 4

# National Amount Raised By UW 1962-1992

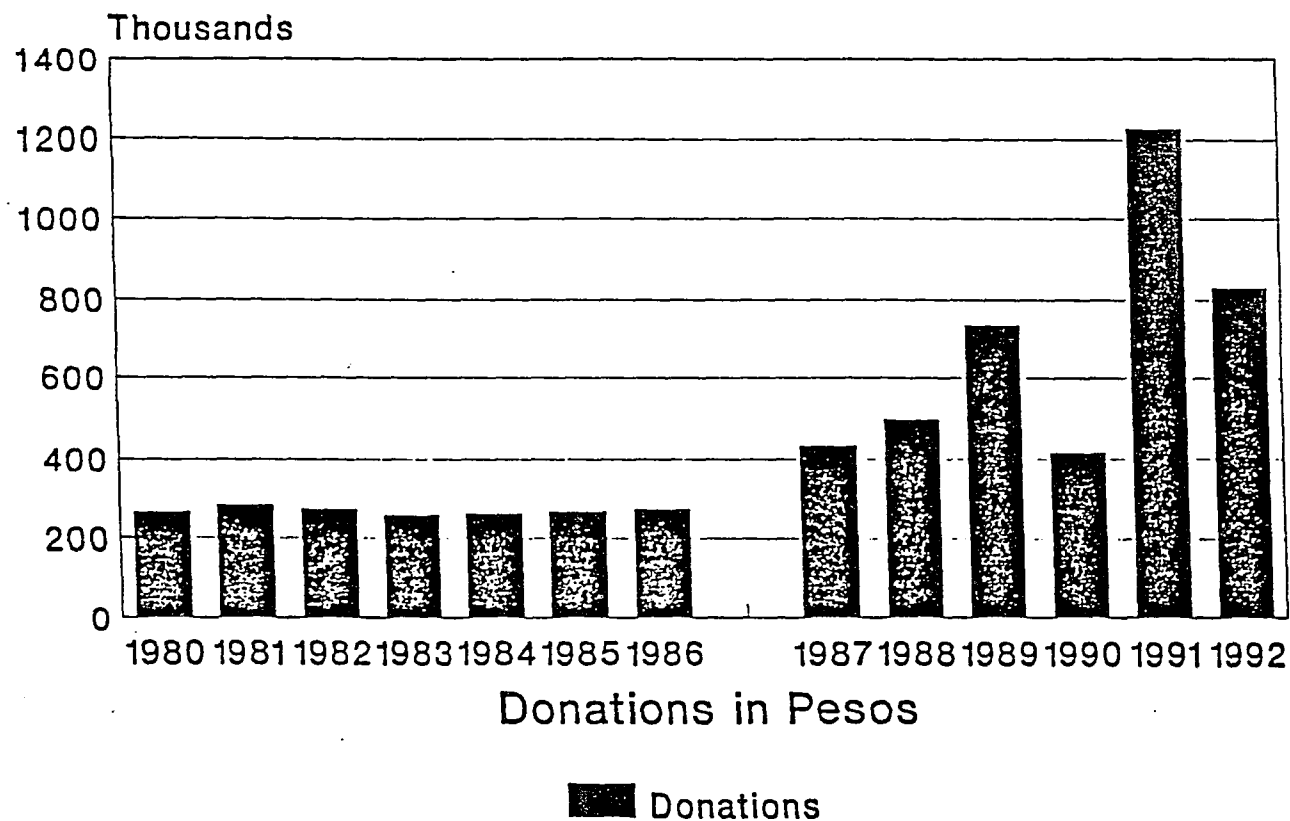
Dollars (in Billions)



Source: UWA Research Services, 1994

FIGURE 5

# United Way Philippines Fund Raising U.W.P.I. Revenues, 1980-86, 1987-92



U.W.P.I. Annual Reports

FIGURE 6

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