

**Network Paper 68: INSTITUTIONAL DEVELOPMENT OF LOCAL ORGANISATIONS IN THE CONTEXT OF FARMER-LED EXTENSION: THE AGROFORESTRY PROGRAMME OF THE MAG'UUGMAD FOUNDATION**

*By David Brown and Caroline Korte*

This paper reviews the attempts of the NGO, World Neighbors, and its indigenous successor, the Mag'uugmad Foundation Inc., to develop the local institutional capacity of farmer organisations on the island of Cebu in the Philippines, building on a highly successful programme of farmer-led extension of agroforestry technologies. The paper describes the history of the programme from its inception in 1982, and considers the grounds for its success in the transformation of the farming system over a wide area of the Cebu uplands. It then examines progress to date in the area of local institutional development, and assesses the likelihood of the substantial transfer of management functions to the community.

The topics of 'local institutional development' and 'local capacity building' are central concerns in the current literature on grassroots organisations, though there is remarkably little agreement as to the meanings of the terms, let alone the means for the attainment of the objectives they encapsulate. Part of the reason for this lies in divergences of opinion as to the relevant frame of reference. To one group of theorists, local institutional development is synonymous with organisation building while, to another, the focus is on the creation of an institutionally complex and competitive environment rather than the consolidation of the individual organisation. To some extent, this contrast reflects differences in proximity to the implementing agency. NGO activists, for example, tend to draw on variants of consensus theory to guide grassroots capacity building. They view institutional development as, in essence, an educational process involving the inculcation of awareness and solidarity. To those more concerned with the broader policy context, on the other hand, the notion of conflict provides a key conceptual tool, and the progress of institutional change is likely to be seen as relating as much to conflict between actors as to their mutually supportive interactions. In reviewing the progress of institutional development in the case study situation, the paper assesses the relative merits of these contrasting perspectives for illuminating the processes of change.

The intervention model adopted by World Neighbors and the Mag'uugmad Foundation has followed an approach which can be characterised as 'technically-driven' rather than 'social action' in its primary orientation. That is to say, the main focus has been on externally generated, though locally adapted, technological innovation as a tangible basis on which to build farmer organisations. At least in certain locations, this strategy has brought significant benefits. Elsewhere, however, an essentially similar approach has met with less success. An examination of these contrasting outcomes helps to pinpoint reasons for the variable effectiveness of the approach. A number of factors are identified, including: variations in soil quality and access to forest products off-farm; proximity to urban markets; tenurial constraints; population density; and migrant labour opportunities.

Of particular interest as a factor in explaining the rapid diffusion of technology has been the role of incentive payments to farmer extensionists. The payment of honoraria was built into the programme from the start and this remains a significant, if diminishing, item of expenditure. While such incentives undoubtedly facilitated the transfer of technology, they remain controversial in a number of ways. By underwriting the risk of early innovators, they not only impose a barrier to farmer-to-farmer extension, but also create the potential (perhaps as yet little realised) for differentiation of interests within a hitherto largely homogeneous peasant farming population, to the detriment of the development of community solidarity.

The process of institutional development over a period of 15 years has been characterised in the literature as a three-stage, planned and mutually-supportive sequence, involving the ordered transfer of management capacity from expatriate NGO to peoples' organisation. While this characterisation is certainly pertinent, close examination of the events in question shows that it is only partial, and that a more complex process of interaction has in fact occurred, in which conflicts of interest between the various parties have played an important, if often unacknowledged, role in influencing the progress of events. To understand this sequence requires a different register of enquiry from the largely consensual models conventionally applied to the understanding of NGO-inspired local institutional development.

The article concludes by considering the lessons which this case study offers for the definition of future capacity building strategies. One issue is that principles of local institutional development are often at odds with their modes of financing, and there is thus a need to harmonise funding arrangements and structures of management development. This in turn requires a framework of action which goes beyond the individual agency, and trades greater pressures to performance upon NGOs for community organisations for greater recognition of the investment costs involved. A second set of conclusions concerns the relationship between technology transfer and institutional development. By and large, the study endorses the leading role of technology in the process of solidarity building, and supports the 'minimalist' strategy of institutional growth in which organisations are developed around activities that are single function and task-oriented. In the Philippines context during the period in question, it is most unlikely that a social action approach would have provided a qualitatively superior base on which to build local solidarity. The case study also endorses the principle of farmer-led extension as a basis for institutional development, although the specific circumstances of the case study situation need to be recognised. It is concluded that while a technology driven process using farmer-to-farmer extension is neither a universal possibility nor a guaranteed mechanism for institutional development, it does, potentially, offer a base on which to build quite wide-ranging community solidarity.