Payatas is a predominantly urban poor neighbourhood (barangay) in the northeastern district of Quezon City, Philippines. It has been the site of the city's solid waste disposal for over two decades, and is currently the main dumping ground for its garbage (now reaching 810 tons per day).

Little was known about Payatas until the official closure of the famous "Smokey Mountain" in 1993, which made the Payatas dumpsite, a 15 hectare open pit, the biggest and oldest operating open dumpsite in metropolitan Manila, which includes Quezon City. It also caused a major public concern that it would become the next "Smokey Mountain" amidst the mounting garbage crisis.

The Payatas dumpsite has provided home and livelihood to about 4,000 scavenger families within and outside the barangay who have long considered solid waste as a resource to be recovered. This lowly-regarded workforce of waste-pickers consists of the expert but under-compensated suppliers of recyclables, including women and children, who provide these materials to established waste recovery and recycling businesses. Managing to subsist behind the shadows of these big junk shops are pockets of home-based microenterprises engaged in the recovery, recycling and reuse of solid waste materials for ornamental and functional purposes such as wall decor, tin craft, laundry brushes, dust pans, etc. The "informal" status of these waste-resource businesses, however, makes them easy prey to usurious moneylenders.

It took two years of thorough social investigation and community integration for the Vincentian Missionaries Social Development Foundations, Inc. (VMSDFI) to recognize the actual threats and opportunities surrounding the Payatas dumpsite and the waste recycling industry. VMSDFI entered the community in 1991, at which time pre-program activities were initiated. These activities included contact building, investigation of existing social forces and community-based initiatives, informal caucuses and meetings which adopted adult learning principles and a process to elicit the main concerns of the people.

At this stage, the people gave voice to their deplorable situation as ordinary scavengers, prompting the formation of their own organization to achieve greater bargaining power on issues affecting them. Up to then, there had been no organization mainly for and among scavengers. Existing local organizations were mostly territorial in nature and concerned with land tenure and shelter issues.

After the decision to form a scavengers' organization, intensive chapter level organizing, coupled with service delivery for immediate needs, was undertaken in various communities. Also introduced were a microlending scheme, adapting a modified Grameen Bank model, and an initiative to organize low-income women, particularly those engaged in waste recycling microenterprise activities. This initial issue-based and project-based organizing was a response to the expressed concerns and ongoing initiatives of the people which the VMSDFI learned about during the initial stage of intense social preparation.

The direction of the program gradually became clear through the consultations and caucuses among scavengers' groups and through the monitoring of waste-resource microenterprises. Using participatory focus groups, the recurring concerns of the scavengers were discussed. These concerns were then presented as a "package of demands" during a dialogue held with the Quezon City mayor in 1993. The "demands" covered a wide range of basic needs and program elements, including people-controlled buying stations of recyclables, health facilities to respond to scavenging-related accidents and ailments, a public market for obtaining affordable goods, skills training centers and security of land tenure. This dialogue served as a rallying point for consolidating the Scavengers' Federation. The demands became a major component of a Scavengers' Development Program and a Microenterprise Promotion Program within an Integrated Community Development framework.

These small-scale initiatives soon came to the attention of a team of advocates of environmental and urban poor issues. The team facilitated a study tour to the Zabaleen Waste Management System in Cairo, Egypt, for possible technology transfer. Relating the Payatas experience to the Zabaleen System paved the way for the formulation of a Payatas Environmental Development Program (PEDP) which advocated an alternative waste management system to open dumping. It involves setting up a community-based Materials Recovery Center (MRC), harnessing the skills of scavengers and microentrepreneurs, and further supplementing the skills with environment-friendly technology for solid waste processing and composting.

While multi-sectoral consultations and negotiations are ongoing concerning the future of the dumpsite and its scavengers, the initiatives...
The closure of the "Smokey Mountain" dumpsite in 1993 made Payatas the biggest operating open dumpsite in metropolitan Manila. About 4,000 scavenger families, many of them poor women and working children, daily recover solid waste from the site.

and the identity of the scavengers as a people's organization are now duly recognized by government agencies. While the MRC Plan has yet to be fully implemented, elements of microenterprise involvement in solid waste management have been at work even prior to the conception of the program.

Objectives and Beneficiaries

The Payatas Environmental Development Program is not an isolated program, but is part and parcel of an Integrated Community Development Program for the Payatas slum community. Participatory baseline surveys, cross sectional study and wealth ranking were conducted earlier to define the target population — the poorest 20 percent in the community. This portion of the community were the scavenger families, particularly low-income women and working children at risk, people with disabilities, the elderly, TB patients, malnourished children and infants. The Scavengers' Development and Microenterprise Promotion Programs were designed to complement the ongoing community-based rehabilitation, health care, nutrition and other support services which would help the community attain self-reliance and adequate social security.

These initiatives have been supported by donors who finance particular components or projects of the Integrated Community Development Program. Even those who initially carried out mere child sponsorship programs later switched to project partnership schemes, recognizing the values and merits behind the community development framework. In general, donors support community-based initiatives which are within their competence and interest to address. Their support goes beyond financial assistance to include the voluntary services of experts and other resources.

For the past five years, VMSDFI has been playing the role of a community-based intermediary organization, working to promote people's participation and to support people's initiatives towards integral social development. Based on the expressed concerns of the people, the VMSDFI is implementing the Scavengers' Development Program which mainly involves lobbying for policy changes. In particular, the scavengers seek to establish legal status, to raise their public image and get recognition for their work, to increase their bargaining power, to participate in local decision-making processes, to increase productivity and value of their products, and to develop appropriate technology for solid waste management.

Their involvement in solid waste management is further enhanced by an accompanying Microenterprise Promotion Program which involves financial services, including internally generated credit and savings facilities, enterprise development, business consultancy and other extension services tailored especially for microenterprises engaged in the collection, recycling and re-use of recovered solid waste materials.

The scavengers are considered more than beneficiaries, they are key players in the development program. Their commonly expressed "package of demands" serves as the major element of the Scavengers' Development Program, while projects on waste management will help them realize the potential of their trade and their shared vision for their community.

Strategy

This community-based program strictly adopts people's participation as an approach and framework, whereby mechanisms are provided for the scavengers and microentrepreneurs to be actively involved in practically all stages of program planning, implementation, operation, maintenance and evaluation. The initial caucuses and informal meetings yielded the basic demands which became the major elements for planning and development of the program.

A community-wide participatory research was carried out by the scavengers on a voluntary basis. This exercise was to pave the way for the consolidation and formalization of their federation. Furthermore, the results of this research became the basis of the assessment of future programs. For instance, training needs which emerged from the research were addressed through seminars, workshops, and exposures utilizing creative learning processes. Training programs were held on program management, participatory project planning and design, and market research.

Projects were also initiated. A Water-Drilling Project is providing hands-on training on project management and maintenance, as well as responding to the basic and product enhancement needs of scavengers. In the Handmade Paper Recycling Project, scavengers are being trained in the rudiments of microenterprise management, from production and financing to marketing. Other related projects, such as waste composting, will be set up once stronger opportunities arise.

The Materials Recovery Center represents a more focused approach towards supporting the existing scavenging and microenterprise activities in the community. Rather than creating a center per se, the MRC program highly respects and supports the self-acquired skills and ongoing microenterprise initiatives in the community, recognizing that the community is thoroughly familiar with the essential elements of trade, from the collection, segregation and characterization, to the processing and disposal of residual waste.

It is the vision of the VMSDFI that the people completely take over the management of the programs in due time. Their supervised
Financial laws must keep pace with growing microfinance movement

The Central Bank of Nepal has invited a staff member of the Coady Institute to lead a review of the country's legal framework for community-based financial institutions.

Anthony Scoggins, co-ordinator of the Institute's Co-operative Development Program, has been working with savings and credit organizations in Nepal for the past four years and is currently serving as the team leader of the National Savings and Credit Development Project, an initiative funded by the Ford Foundation, USAID and the Canadian NGO CECI.

"Since democracy came to Nepal in 1990," says Scoggins, "there has been an explosion of activity in this sector. Today there is a range of community organizations engaged in mobilizing savings and offering financial services to low-income households. Many are linked to enterprise development or income generating programs, and some are effectively acting as village banks in remote areas not served by the big national banks.

According to Scoggins, the legal framework in Nepal has not kept pace with this recent burst of activity. "Most of these organizations focus upon lending for small scale productive activities. Within the context of rural Nepal, this is a very complex field. In order to protect depositors and ensure that these community-based organizations are responsibly managed, the Government of Nepal must review its current laws and regulations governing financial sector activities."

Scoggins will be working on the legal review process with a network of local organizations that are engaged in mobilizing savings and offering financial services to low-income households. Many are linked to enterprise development or income generating programs, and some are effectively acting as village banks in remote areas not served by the big national banks.

As microfinance initiatives have evolved, important challenges have been discovered by both development workers and participants. The Institute's research will help practitioners improve their ability to define poverty from a local and institutional perspective, determine their target clients, develop ways to reach them, and assess whether their current clients match those targeted. The resulting "tool kit" will include a set of methodologies for the effective planning and running of projects.

The project was initiated by the Poverty Yardsticks and Measurement Tools Working Group, a group chaired by CIDA with representatives from large development donor agencies around the world. This group was established by the Consultative Group to Assist the Poorest (CGAP), which was created by the World Bank and other donor partners in 1995 to explore ways of systematically increasing the resources available to the very poor.

According to Coady director Mary Coyle, "The contract was awarded on the basis of the Institute's work in microenterprise, savings and credit and evaluation over the past few years. It will bring us into contact with many microfinance organizations and development think-tanks in countries from the North and the South."

Coady staff assigned to the project will work with microfinance institutions from several countries and will collaborate with other university-based development research groups.

The final results of the poverty indicators research are scheduled to be completed by April 1998.

Institute begins research on poverty indicators

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The project will focus on developing new legislation for the NGO sector; the second will involve revision of the existing Co-operative Societies Act.

"Coady is seen as bringing two attributes to this process," says Scoggins, "a solid technical understanding of the community-based financial sector and a commitment to a participatory process that will directly engage community organizations in the legal review process."

The Coady's director, Mary Coyle, notes that this recent initiative in Nepal fits within the Institute's strategic focus for the next three years.

"The Coady is committed to building its capacities in the area of policy reform and advocacy. Building strong people's organizations is only part of the development process. In this day and age, community organizations must also have the capabilities to address national policy issues that have an impact upon their membership."

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Learning Circle explores support for microenterprises

The Canadian Council for International Cooperation (CCIC), the umbrella organization of Canadian NGOs working in international development, convened a Learning Circle on Supporting Microenterprise Development in 1996. The aim of the Learning Circle was to develop a better understanding of the contribution of small business and market-based activities for sustained poverty reduction and social empowerment.

Eighteen participants with experience in various aspects of microenterprise development were invited from Canada, India, Bangladesh, Pakistan, Ethiopia and Zimbabwe. Hugh Landry, Finance and Administration Officer of the Coady Institute, was one of those invited.

The Learning Circle consisted of a number of activities. During the first session in January, the group shared experiences; defined the dimensions for their work together and common assumptions about microenterprise and its intervention; and developed research issues. These issues included assessing the impact of different program models on participation; researching examples of policies which support microenterprise; developing methods to gauge success in creating social change; and describing case studies resulting from microenterprise programs.

During the June session, the group reported on its research, built a framework of social impact indicators and completed its report outline. The most significant outcome of the Learning Circle was agreement that microcredit is not a panacea to economic and social empowerment, but is one of the relevant interventions. The group further concluded:
- Not all of the poor are potential entrepreneurs;
- It is not always the poorest who benefit from microenterprise;
- Those who are trapped in poverty may need a broad range of interventions, from general policy changes to specific forms of support, to live more sustainable lives;
- Economic improvement alone will not address the systemic constraints that create and maintain poverty;
- Microenterprise support is more likely to have a sustainable impact when accompanied by improvements in other sectors such as health, education, sanitation, peace and safety.

The group's report, “Questioning the Panacea: Lessons from a CCIC Learning Circle on Microenterprise Development,” September 1996, is available free of charge from CCIC, 1 Nicholas Street, # 300, Ottawa, Ontario K1N 7B7, Canada, or you can visit the internet site at: http://www.web.net/ccic-ccci

Running a successful microenterprise, such as this cosmetic stand in Ghana, depends on a variety of factors. The Learning Circle concluded that support for microenterprises will have a more sustainable impact when accompanied by improvements in social services such as health, education and sanitation.

Books Related to Microenterprise and Microcredit

The following books are part of the collection of the Sr. Marie Michael Library, located at the Coady International Institute:

- **Remenyi, Joe. Where Credit is Due: Income-generating Programmes for the Poor in Developing Countries. London: Intermediate Technology, 1993.**
Economics without Ethics: The Crisis of Spirituality

At a recent international meeting of activist scientists and intellectuals, I was struck by the fact that some of the Westerners present seemed fearful that if they were identified by their colleagues as spiritual persons their opinions would be dismissed as unscientific. Yet in other settings it was evident that some of them are deeply spiritual persons.

Coming from Asia, where spirituality is a way of life, I found this troubling. After a period of reflection I realized that far more than a personal dilemma was involved. I had witnessed the manifestation of a deeply-rooted social dilemma — the clash between two distinct approaches to the way we organize our resources to meet our needs and develop our civilization. One is the humanistic approach, which is life-centered. The other is the materialistic approach, which is money-centered.

Economics — the way we organize and use our resources — determines the kind of civilization we build. It is the bedrock upon which institutions, knowledge systems, technologies, and livelihood practices unfold. Since resources, particularly natural ones, are both critical in ensuring our livelihoods and are also finite in supply, questions relating to the allocation of these resources are of an inherently ethical nature. In other words, ethics is the soul of economics. An economics without ethics, inevitably becomes an economics of greed and avarice.

Unfortunately, in their effort to “elevate” economics into a science economists have adopted, like other sciences, a reductionist approach that divorces it from ethics. This ethically deprived economics has become the foundation of a materialist civilization of infinite growth fuelled by the money culture — the dominant capital-centered approach to development. It makes for an interesting relationship. The more “developed” the economy, by prevailing economic definitions, the greater the loss of spiritual and ethical consciousness.

Removing ethics from economics also removes social responsibility and critical awareness. We are left only with consumption and materialism. It is like disconnecting the functional relationship of the heart (the subjective) from the head (the objective). It has caused the left brain (objective) to dominate the right brain (subjective).

Social Justice, Sharing Power

- Power-sharing by the enfranchised: willingness to relinquish power over others and refuse unfair advantages
- Self-empowerment by those presently oppressed: building on personal dignity, self-esteem, social vision, and focused drive
- Establishing work relationships that nurture partnership rather than competition for power and control
- Creating a just society through cultivating compassion, awareness, and the willingness to confront and redress social inequalities

Environmental Justice

- Distributing the burdens and benefits of resource use more fairly
- Deterrence of the impacts by by-products of consumption by those who gain the benefits
- Attending to the inter-regional issues of environmental justice as well as the local concerns

Economic Equity, Fair Trade

- Using the philosophy of reciprocity in exchange, not taking more than is given, living with a practice of full reciprocity rather than seeking the most from others (“what the market will bear”)
- Resisting excessive income, releasing unnecessary wealth
- Practicing the community first approach of time and income sharing
- Attending to inter-regional equity issues

Inter-generational Justice

- Thinking of implications for the “Seventh generation”: fostering inter-generational equity (Richard Norgaard)
- Using only technologies within current limits of skill; not creating messes we cannot clean up
- Using non-renewable resources with the greatest frugality

Gender Equity

- Creating a partnership relationship between the sexes, built on mutual respect
- Recognizing women and men to be of equal worth, equitably sharing burdens of work, and fairly rewarded for their contributions to society
- Honoring and valuing child-rearing as a meaningful life-role for either gender
- Allowing women and men to express both feminine and masculine traits, not circumscribed by gender image
- Ending pervasive patterns of domination and violence against women

where materialism has advanced, monetary values, economists make money way with a deep sense of responsibility for spirituality has declined. And where spirituality is our actions and of stewardship towards the enemy of the capital-centered economy. Spirituality is the innate feeling of unity with "existence," encompassing humanity, nature and divinity. This propels us to act in a humane way with a deep sense of responsibility for our actions and of stewardship towards others' needs and rights. Spirituality is the enemy of the capital-centered economy.

Where materialism has advanced, spirituality has declined. And where spirituality is high a capital-centered economy has had difficulty gaining a foothold.

By working to convert all values into monetary values, economists make money the be-all and end-all of human enterprises and endeavour. Materialism becomes the living culture, money making the religion, money the god, banks the temples, and economists the oracles.

Any God before this god, any Religion before this religion, any Culture before this culture and any Spirit before this spirit is the enemy. Spirituality is an anathema to materialism. Thus framed, the modern economy calls on us to engage ourselves in a negative spiritual practice that deprives our lives of meaning and alienates us from our sense of spiritual connection.

This gives great significance to the efforts of communities all over the world that are struggling to restore ethics to their economies, to become critically aware and socially responsible for the ways in which they organize, use, consume, and manage their resources.

Communities are advancing the practice of voluntary simplicity, creating livelihoods for the unemployed, adopting alternative ways of producing and distributing goods and services to reduce resource use, recycling waste into reusable resources, undertaking sustainable agricultural practices, and providing credit for the poor.

The courageous visionaries, social activists, community leaders, and concerned individuals engaged in this historic process are demonstrating the possibility of creating economic cultures in which our lives become a part of our ethical and spiritual practice. In our present context, it is a profoundly revolutionary act.

Bishen Singh (DI86) is President of MNSOC and Senior Advisor for Participation, Information and Training, FAO Regional Office for Asia and the Pacific. This column was based on his article in the Fall 1995 Balaton Bulletin.

It is not that we should simply seek new and better ways for managing society, the economy and the world. The point is that we should fundamentally change how we behave.
Vaclav Havel, 1992

Print version of Gender and Development Directory available

The Coady Institute's latest publication, a Resource Directory on Gender and Sustainable Rural Development, will soon be available in print form.

The directory contains descriptions of over 100 print and audio-visual resources, most of them produced in the South. These items may be of interest to trainers, activists and academics who are working in the area of gender and development. Reviews of the resources have been written by Coady staff, graduates, and friends working in countries from Thailand to Tanzania.

The price has not yet been determined, but will probably be approximately $15-20. Those who have contributed entries will receive one free copy.

The Resource Directory will be available in late June from:
The Bookstore
St. Francis Xavier University
Box 5000, Antigonish
Nova Scotia, CANADA B2G 2W5
Fax: 902-867-5115

The electronic version of the Resource Directory can already be found on the World Wide Web at the following address:
http://xel.stfx.ca/coady-library/intro.htm
involvement leading to full takeover will involve action and policy research, exposure workshops, dialogues with policy and opinion makers, training for organizational skills, management of productive operations, cooperatives, self-help groups and family welfare.

Organizational Structure
Looking through the eyes of the scavengers, the Payatas Environmental Development Program considers solid waste not as a problem, but as a resource to be recovered whose value lies in the work of those behind the scavenging trade. These scavengers are actually serving at least three important, but underestimated functions in society. Through their self-employment initiatives, they absorb part of the otherwise state-covered social costs of “modernization,” such as unemployment and underemployment. Secondly, they shoulder part of the ecological costs of development by processing solid waste which the state would otherwise have to spend to transport and dispose of elsewhere. Lastly, they contribute to the efficiency of the formal sector by providing raw materials from recovered waste at comparatively low prices.

As local experts in their own right, scavengers and family-based microentrepreneurs definitely hold a key role in solid waste management. Their roles have been well defined in the organizational setup of the Scavengers' Federation and in the entire Community Development Program of the VMSDFI.

The Federation is composed of 15 chapters, each covering a community and comprising at least 50 households. Currently, the Federation has approximately 1,200 members spread throughout Payatas and its neighbouring barangays. Chapter consolidation has become a priority strategy for organizing work. Clustering of households according to territorial boundaries, business interests and availability of recyclables was undertaken to facilitate implementation of projects such as small-scale waste recycling and composting.

Committees were formed to attend to the functional areas of the organization such as alliance building, project planning, education and organization, participatory research and documentation, and finance. Special committees were created to address the specific concerns of each chapter. Examples of such concerns are livelihood, land tenure, health, and other dumpsite issues. Low-income women under the Microenterprise and Self-Help Promotion Program are also carrying out the organizing and clustering of similar trades to boost their business potential. Special focus is being given to microbusinesses affected by, and dependent on, the Payatas dumpsite.

In the organizational structure, VMSDFI plays a supportive role to the Federation. The VMSDFI has assumed the role of a community-based intermediary NGO and has taken the initiative of testing development projects that would have an impact on the lowest 20 per cent of the population. While taking an active role in the formative stages of the Federation, the VMSDFI constantly strives for the overall development and self-reliance of the community, especially its poorest. To further foster community self-reliance, it utilizes local staff, volunteers and leaders who are further trained on various project management skills, including community organizing, microenterprise financing and promotion, business consultancy, extension services and credit management. It also fosters volunteerism as an option, especially in the local community, to ensure the sustainability of the projects.

The VMSDFI works in partnership with and is ably supported by other organizations in the various project components of the Payatas Environment Development Program. The program itself is a branchchild of a team of organizations which undertook an exposure study in Egypt. The study team helped package the various elements of the scavengers' ongoing solid waste management activities and microenterprises into an integrated environmental development program. As the main implementor, VMSDFI assumes the directional and managerial responsibility for the entire program.

Financing
A small-scale microlending scheme for financing microenterprises was initiated at an early stage. This scheme gradually led to the creation of an alternative community-based financing system which can sustain part of the program’s operations. Operating as an informal community bank without the encumbrances of a formal banking system, but with the essential processes totally accessible to the poor, this financial system banks heavily on internally-generated funds through compulsory regular savings mobilization among self-help groups proceeding at a pace based on their own saving capacity. What started as a microfinancing strictly for business purposes has become a savings-financing scheme having loan windows for social welfare needs.

With the consensus of one’s group (of seven to 10 members), loans can be applied for by any member against his/her accumulated savings. Loans can be obtained up to 1.8 times one’s savings for providential loans and up to four times for business loans. Members are actively involved in the appraisal and approval of their loan applications. Such an evolving financing system has yet to reach full self-sustainability and maturity. However, the integrated savings and
credit facilities have so far maintained a healthy cash flow with a 1:1 ratio between internal funds and external credit. This means that not only was a proper cash management system put in place but, more importantly, the poor are capable of both servicing their loans and collectively generating savings to support their financial needs without totally relying on external funds and grants.

As a community-based endeavor, the program values and encourages volunteerism within the local community. It has been able to gain enough response from the people to keep the work going. It has also merited the voluntary services of professionals from outside Payatas which further lessens the administrative expenses of the program. The strong option for people’s participation is paying off with local leaders being fully committed to different tasks as part of their ongoing training toward the eventual full management of the program. They are compensated on a food for work basis.

Assuring people’s participation and thorough social preparation as an approach and policy throughout the program cycle gives positive signals for the self-sustainability of the program. Local staffing, particularly the hiring of young professionals and talents from the community, further complements the drive for volunteerism and enforces prospects for continuity.

While the community has not yet reached the maturity of having self-help status and self-sustainability, as a financing institution it is on track with a seven-year Self-Help Promotion Scheme which involves progressive increases in loan portfolio, credit capability, and the capacity to absorb operational costs, delinquencies and bad debts.

**Significant Steps / Phases**

The Payatas Environmental Development Program is not a blueprint solution to the garbage crisis of Quezon City. Rather, it is constantly evolving through the process of gradual implementation and testing. Being a community-based program gives it an edge in terms of immediate integration and adjustment based on new learning. Once the shortcomings of the initial Materials Recovery Center package were recognized, the focus was shifted to supporting ongoing family-based recycling activities. The financing scheme has likewise integrated major changes, particularly the opening of loan windows for non-productive purposes in addition to the business loan window. This was a result of the learning that microfinancing within a community development framework should consider social welfare, health and education as assets valued by the poor. In view of this, plans to include provisions for health and insurance systems will soon materialize.

Adopting a “savings before credit” scheme instead of the more common credit and then savings practice was also a modification based on experience. The strategy for promoting self-help groups (SHGs) has also undergone necessary changes so as to accommodate the varying models of SHGs that have cut through almost all sectors and issues in the community (e.g., savings for the improved nutrition of infants, for the education of students, for vehicle acquisition by transport operators or for land purchase). Thus, what started as self-help groups of microentrepreneurs has now opened to accommodate all sorts of groups committed to self-financing. The current efforts at horizontal organizing among microentrepreneurs and scavengers according to their grades are also based on learnings during the course of program development.

**Lessons Learned**

The efforts to develop the Payatas dumpsite and its people have achieved significant success, promising brighter prospects to come. The community financing system has yielded an overall 97 per cent repayment rate and has maintained a healthy cash flow. Records show that credit management through peer support and pressure as a mechanism works in an urban slum setting like Payatas. Contrary to claims that the poor, especially the urban poor, are not credit worthy and are incapable of savings, their track record proves that not only are they able to service their loans, they are capable of collectively generating funds sufficient to meet their financing needs.

The official recognition of the Payatas Scavengers’ Federation as the legal organization for dialogues and consultations concerning the dumpsite is also a significant gain. The VMSDFI is now a recognized partner of the Philippines Department of Social Welfare and Development in the implementation of community development programs.

Supporting family-based microenterprises has proven to work more favorably than forming group or co-operative enterprises. This is understandable in an urban slum context which breeds individualism for survival and is a melting pot of varying cultures of displaced people. Essential elements of co-operativism may be adopted and have already proven effective such as peer support systems. Establishing co-operatives per se among urban poor, however, is a tall order which requires a longer process than is commonly presumed.

Providing loans for providential needs in addition to loans for business needs is necessary in integrating microenterprise promotion within a social development framework. It also fosters the credit worthiness of the urban poor inasmuch as their credit requirements cover both productive and social investment types of outlays. The people have proven their bankability in terms of successful fund generation, credit delivery and credit management; this bodes well for their future link-up with formal financial institutions.

Technology and financial resources may be readily available to support the implementation of any viable community development programs or solid waste management systems. However, what assures the viability of any project and precludes unnecessary loss of resources is the social preparation of the community. In Payatas, the fact that the promoting agency, VMSDFI, is itself community-based contributed greatly to securing community trust and participation.

Development initiatives in depressed communities should not be conceived as isolated projects, but integrated into a program that minimizes costs while pursuing a broader agenda of community interests. As the Payatas case illustrates, it is possible to promote microenterprises within the framework of a community-wide strategy of social improvement and economic empowerment. Finding the balance between individual and community interests is a core challenge facing agencies working in the solid waste management sector.

Submitted by Fr. Norberto Carcellar (DI90) for the Vincentian Missionaries Social Development Foundation Inc., Payatas B, Quezon City, Philippines.

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