

CCLFI Philippines

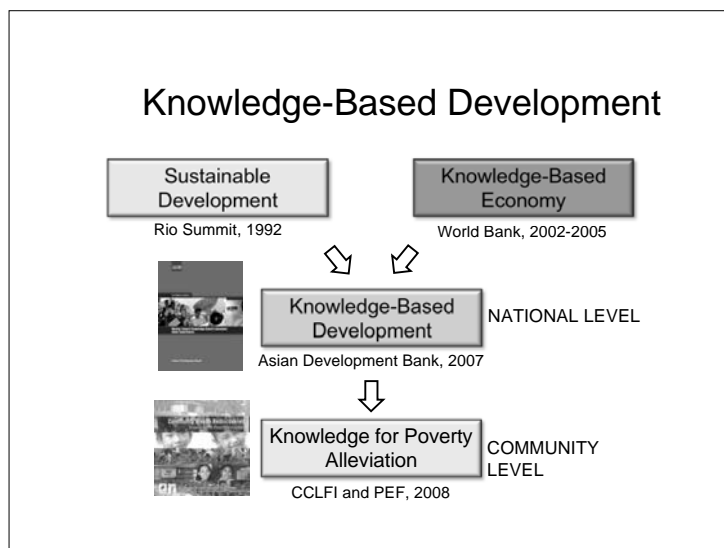
Knowledge for Poverty Alleviation

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Two separate paradigms, Two separate discourses

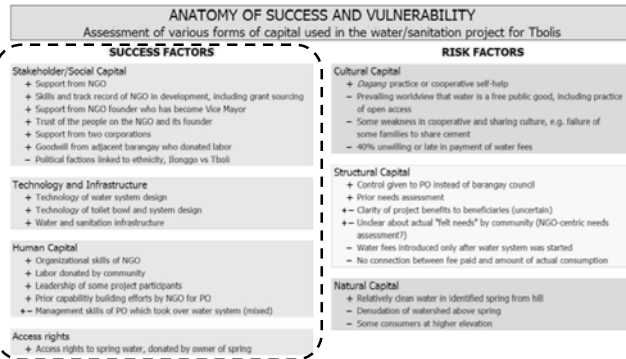
<div style="border: 1px solid gray; background-color: #f0f0f0; padding: 5px; text-align: center; margin-bottom: 10px;"> Sustainable Development </div> <p>Foundation: <i>Development is sustainable only if growth in economic, social and natural capital are not at the expense of each other.</i></p> <p>Discourse largely among: Social and economic development planners</p>	<div style="border: 1px solid gray; background-color: #f0f0f0; padding: 5px; text-align: center; margin-bottom: 10px;"> Knowledge-Based Management </div> <p>=“knowledge management”</p> <p>Foundation: <i>Market values are created more by, and consists more of, intangible assets (knowledge and others) than tangible assets</i></p> <p>Discourse largely among: Corporate executives</p>
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We started with an insight.

We noticed some commonalities among 10 outstanding projects selected from 952 anti-poverty projects funded by PEF since 2003.

A Successful Project among Tbolis



Insight #1:

Many so-called "poor" communities are wealthy in many other respects. More precisely speaking, they are only "financially poor" or they are "poor in infrastructure or technology."

The "anatomy of success" led us to a second insight.

This insight cuts across various disciplines:

- corporate management
- rural development
- corporate finance
- social sciences

Towards the second insight...
from (a) corporate management

"When trust goes up, speed goes up and cost goes down. When trust goes down, speed goes down and cost goes up."
– Stephen M. R. Covey



Stephen M. R. Covey

Towards the second insight... from (a) corporate management



- Over one-third of all failed business decisions are driven by ego.
- 81% of managers push their decisions through by persuasion or edict, and not by the value of their idea.
- 51% of businessmen surveyed estimated that ego cost their company 6-15% of annual revenue; 21% said it cost them 16-20%.

Towards the second insight... from (b) rural development

A cross-case analysis of 17 successful and innovative development projects in the Philippines revealed that their underlying success factors were largely “internal changes in the participants”:



- a “we” feeling among the community (group cohesion),
- a strong feeling that “this project is ours” (sense of ownership), and
- a strong commitment, starting with the leader or core group.

Towards the second insight... from (c) corporate finance

Findings of New York University-Brookings Institute Intangibles Research Project (among non-financial publicly-traded firms):

- In 1978, tangibles: intangibles ratio = 80:20
- In 1988, tangibles: intangibles ratio = 45:55
- In 1998, tangibles: intangibles ratio = 30:70

Source: Patrick H. Sullivan “Value-Driven Intellectual Capital”, 2000

Towards the second insight... from (d) the social sciences

Social trust is correlated with lower transaction costs and higher level of economic development.



- Social capital is correlated with
- better health
 - improved longevity
 - better educational achievement
 - lower rates of child abuse
 - less corruption in government

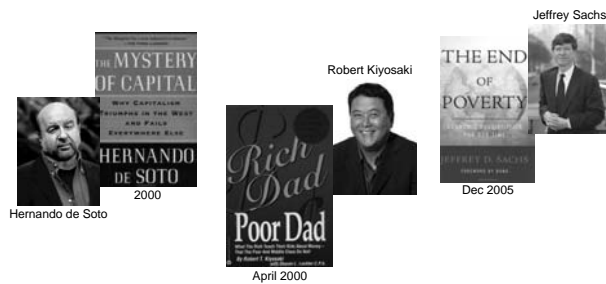
Insight #2:

Many intangible* factors do produce tangible results, and many people seem to miss recognizing this.

*No cost assigned; not entered into the books of account

This common failure to recognize something suggested a solution...

Stretching our Concept of “Capital”



These three authors are proposing the same thing: Let us **STRETCH** our concept of “capital” to include anything that can be used to create value or anything that can yield regular income.

Stretching our Concept of “Capital”

TYPE OF CAPITAL	REGULAR INCOME
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- Natural capital: *“My livelihood depends on fishing in this coastal area.”*
- Technology + structural capital: *“We patrol our Marine Protected Area against poachers because it regenerates our fish stock.”*
- Social capital: *“When I was a child, my godfather gives me a cash gift every Christmas.”*
- Customer capital: *“My customers keep coming back and boost my sales because they trust me.”*
- Human capital: *“The Philippine economy gets \$15 billion yearly remittances from its overseas workers.”*
- Public infrastructure: *“The new road enables me to sell my farm products to the town center every week.”*

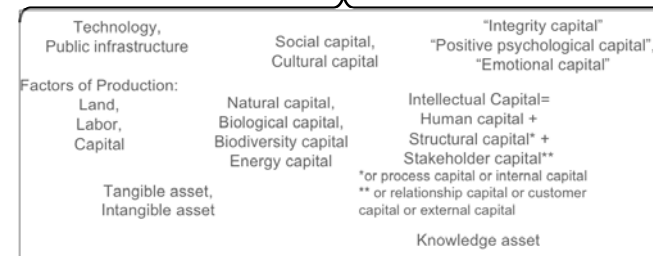
Stretching our Concept of “Capital”

TYPE OF CAPITAL	REGULAR INCOME
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Human capital + access to cultural assets:	<i>“My part-time job is French and Niponggo speaking tour guide in Bohol province.”</i>
Cultural capital + indigenous crafts:	<i>“Our Moriones tradition boosts our tourist income every March.”</i>
Access right through formal agreement:	<i>“Our agreement with the government gave us usufruct rights over our ancestral domain.”</i>
Traditional access right:	<i>“I gather and sell firewood from the communal forest every Saturday.”</i>
Indigenous knowledge:	<i>“Knowing the forest intimately enables the Ayta to survive there for months.”</i>
Structural capital:	<i>“My PowerPoint presentations attract more clients to my workshops.”</i>

Many factors contribute to wealth creation

Wealth/Value Creation
or Production
or Performance

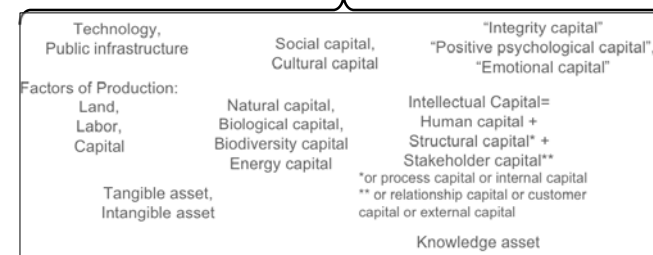


Insight #3:

To facilitate recognition or visibility, we must give those factors that contribute to wealth creation a generic label, A NAME.

Many factors contribute to wealth creation ◊ “Metacapital”

The term “**metacapital**” was proposed at the “Knowledge Architectures for Development” Conference at Singapore Management University last March 24-25, 2008.



We also observed something happening in failed projects...

Metacapital	Foundations on Inner Life and Values of the Community <i>(negative in italics)</i>
Social capital	Trust, loyalty, reputation, sharing, <i>factionalism, ethnic or religious conflict, rich-poor gap, mafia within the community</i>
Human capital	Commitment, leadership, previous trainings, skills and expertise, entrepreneurship, indigenous knowledge and wisdom, <i>dysfunctional egoism of leader, corrupt managers</i>
Cultural capital	Community and family values, beliefs and practices that enhance development, <i>animosity to outsiders, apathy, fear of innovations</i>
Structural capital	Community organization and procedures, tools and formal/informal systems, <i>inequitable distribution of managerial roles, new local elites created by project</i>
Stakeholder capital	External support systems, linkages to NGOs and civil society organizations (CSOs), goodwill, <i>undesirable community reputation, presence of criminal syndicates</i>
Access to natural capital in the public domain	Proper utilization of the natural environment, <i>overharvesting and destructive harvesting, mismanagement of wastes and waste disposal</i>

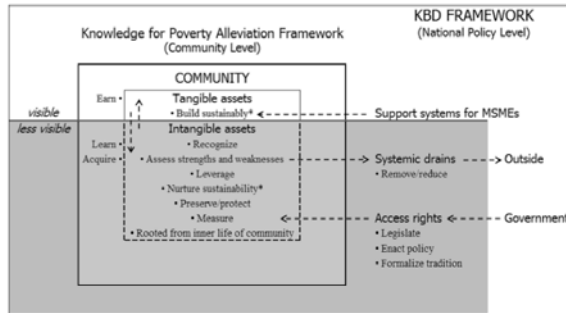
Insight #4:

Weaknesses in some metacapitals can cancel or subtract from the effectiveness of others.

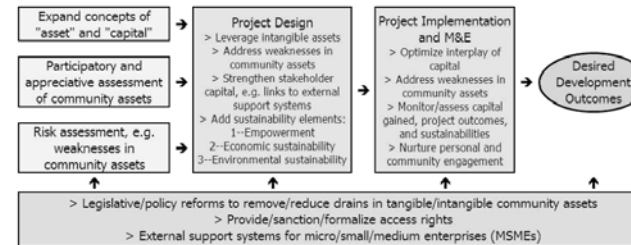
We brought together these insights and learning into the:

Knowledge for Poverty Alleviation model

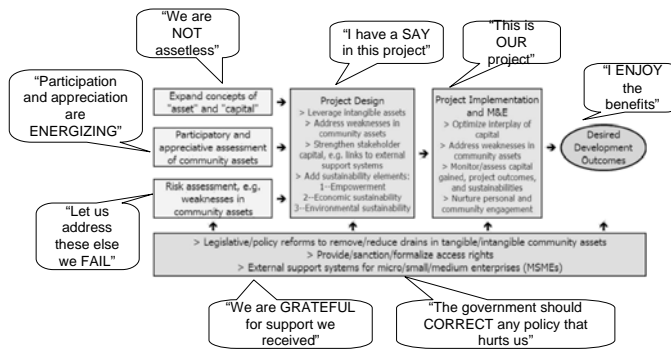
Knowledge for Poverty Alleviation Iceberg Metaphor: the “Seeing”



Knowledge for Poverty Alleviation Project Actions: the “Doing”



Knowledge for Poverty Alleviation Emotive drivers: the “Feeling”



What Field-Level Development Planners Said about KPA

"The poor are oftentimes assumed 'assetless', but with a clear framework, they possess something which they could start with, after all. Knowing this, more strategic interventions may be planned for them... We would like to affirm that this is a good framework..."

— Ms. Ethel Balenton, Foundation for Entrepreneurial Development

What Field-Level Development Planners Said about KPA

"This is the first time we heard about the various capitals that we can follow and serve as inspiration for our programs."

— Ms. Nenita Fontanilla,
Lamut Women's Organization

What Field-Level Development Planners Said about KPA

"It was not only the tangible assets that contributed to the attainment of objectives. Human capital was also a significant factor... Human capital (e.g. increased level of literacy) eventually contributed to social capital. They are all interrelated and reinforce each other, and should not be viewed from one angle. The structural capital, the establishment of the organization, could lead to other capitals."

— Mr. Leo L. Pantilo, Surigao del Norte NGO Coalition
for Development

Status

- Nov 2007 – April 2008: 3 work templates developed
- March 24, 2008: KPA introduced to the academic community
- KPA website launched by PEF and CCLFI to the Internet public
- April 9, 2008 during World Bank sponsored *Panibagong Paraan 2008*: KPA introduced to the development community
- Next work templates being developed
- Currently seeking program funding

KPA is a work in progress.

Let us collaborate towards the
refinement and operationalization
of the KPA framework

<http://kpa.cclif.org>

LEARN SEE DEVELOP COLLABORATE
about Kpa

Knowledge for Poverty Alleviation

increasing the chances of success of anti-poverty projects

Learn about KPA

- ▶ KPA: A Framework to Increase Success of Anti-Poverty Projects
- ▶ Rediscovering the wealth of "poor" communities: identifying intangible assets
- ▶ Intangible assets: Creating value for communities
- ▶ How do I learn more about KPA?

KPA: A Framework to Increase Success of Anti-Poverty Projects

The Knowledge for Poverty Alleviation (KPA) framework is a development model that is built on two recent, powerful development paradigms, *Knowledge-Based Management* and *Sustainable Development*.

insert pictures here

The KPA framework can be used in the participatory design and evaluation of anti-poverty projects at the community level to increase chances of project success and sustainability. KPA emphasizes the importance of recognizing a community's intangible assets, and proposes a set of actions to use internal and external assets to sustainably protect and build local tangible and intangible assets. Sustainability is pursued along the three domains of sustainable development: social empowerment, environmental protection, and economic sustainability.

The KPA Framework

(click to view a larger version)

This framework equips the development community with a new lens with which to view the poverty situation at the grassroots level. With a new pair of eyes, new strategies and options for improving well-being of low-income communities surface. New tools and approaches for harnessing the strengths of the community emerge. A new way to increase the chances of success of poverty alleviation projects and to sustain gains is developed.

LEARN SEE DEVELOP COLLABORATE
in refining kpa

Knowledge for Poverty Alleviation

increasing the chances of success of anti-poverty projects

Collaborate in Refining KPA

- ▶ Your insights and experiences are invaluable

Questions

- ▶ What are success and failure factors in development projects?
- ▶ What is "Success"?
- ▶ What is true community empowerment?

Your insights and experiences are invaluable

There is a wealth of development experiences, insights and knowledge out there. The KPA provides a promising framework for organizing this wealth of knowledge into more useful forms.

Much still remains to be done in this work-in-progress. The role of the partners -- CCLFI, Philippines and PEF -- is to be a midwife to the birth of the idea and to open the door for other willing and able partners and co-operators to help in furthering the development of the framework and in its further operationalization into useful tools that can produce improved results for anti-poverty projects.

The questions listed on the left represent some of the key issues on which the KPA framework is built. We invite you to take the next step with us by visiting these links, reading what others have said, and sharing your own thoughts using the feedback form provided. It is through our collaborative efforts that the promises of the KPA framework can be realized.

Share your thoughts

Share your insights and your experiences (along with your contact information) through the feedback form provided in each of the links to the left, and someone from CCLFI, Philippines or PEF will get in touch with you to book your free consultation.

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Thank you for your attention!

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