

# **Co-Production in Poverty Reduction: The Case of PAGBAG-O, a Non-Government Organization in Negros Oriental**

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## **Abstract**

Civil society organizations in the Philippines have largely proven themselves to be dependable partners of the government in service delivery, especially in areas of governance where gaps in public service delivery are well-pronounced. Where the government has fallen short of its mandate, civil society organizations, more popularly known as the Third Sector, within the context of co-production, work with the public sector to address these deficiencies. In the province of Negros Oriental, the Panaghugpong sa mga Gagmayng Bayanihang Grupo sa Oriental Negros, Inc. (PAGBAG-O, Inc.) - a federation of small farmers, fisherfolks, and women's cooperative and IPs organizations in the province, has been at the forefront of co-production to improve public service delivery to marginalized groups.

This paper explores the poverty-alleviating potential of PAGBAG-O through improved public service delivery to end users-consumers through the lens of co-production.

## **Introduction**

This work examines the poverty-alleviating potential of the co-production efforts between local government units in the province of Negros Oriental, line agencies of the Philippine government, and an NGO working with marginalized farmers, fisherfolks, women's cooperatives, and IPs. The PAGBAG-O or the Panaghugpong sa mga Gagmayng Bayanihang Grupo sa Oriental Negros, Incorporated, has worked with various people's organizations in the province for more than two decades and has been at the cutting edge of co-production to improve public service delivery and better people's lives. This research endeavors to examine the co-production between PAGBAG-O, the local government units, marginalized

groups and communities that it has organized, line agencies of the national government, and local and foreign donor institutions that it has partnered with through the lens of this novel governance paradigm developed by Elinor Ostrom and his cohorts in the Indiana University Workshop in Political Theory and Policy Analysis in the 1980s (Pestoff, 2009, p. 198; Brandsen & Pestoff, 2006). More specifically, it seeks to answer how co-production could alleviate poverty among the different people's organizations under its umbrella. The research, however, is limited by available information about the NGO found on their website, transcripts, and notes of the interview and exploratory meetings with officials of the federation last March 2018. Another source of information is the notes from the qualitative external evaluation conducted by an external evaluator for Bread for the World's (BfdW) Integrated Rural and Urban Development Assistance (Phase 1 & 2) financial grant to PAGBAG-O. It is worth noting that this external evaluation was the first to be conducted since 2012.

There are five sections in this research paper. The first section provides a snapshot of PAGBAG-O and details the development work it has been engaged in for over two decades. The second section examines the co-production paradigm to improve public service delivery to the end-users. This section details the findings of the evaluation conducted by an external evaluator on the NGO's project with Bread for the World (BfdW). Moreover, the third section explores the co-production between PAGBAG-O, the state, and other actors in Negros Oriental. The fourth section investigates the concept of value created due to co-production. The last section provides the concluding notes of the research paper.

This research takes a descriptive approach by superimposing existing concepts in co-production from literature and locating these concepts in PAGBAG-Os co-production efforts.

## **A Snapshot of PAGBAG-O Inc. in Negros Oriental**

For more than 30 years, the Panaghugpong sa mga Gagmayng Bayanihang Grupo sa Oriental Negros, Inc. or PAGBAG-O has been actively organizing marginalized groups and communities into people's organizations. Their work of consolidating peoples and

communities is geared towards assisting them to access public services better, effectively managing their resource base, and expanding their livelihood and income opportunities through training and education. As a non-government organization (NGO) referred to by existing governance and public management literature as the Third Sector, PAGBAG-O, since 1986, through the partnership and effort of the Indigenous Development Education and Social Assistance (IDESA) and the faith-based Negros District Conference of the United Church of Christ in the Philippines (UCCP), has been at the forefront in promoting citizen participation in the process of development, especially in poor communities in the province. Its aim is to (PAGBAG-O, n.d.; Bovaird, & Loeffler, 2012; Teves, 2017):

1. Develop community organizations that will work together for the transformation of rural communities.
2. Ensure that the rights and interests of the marginalized sector are protected;
3. Promote environmental rehabilitation and protection and the sustainable use of natural resources.

Essentially, the NGOs bold mission is to (PAGBAG-O, n.d.):

Foster active community participation in the development process to achieve individual aspirations and support the overall welfare of farmers, fisher folk, women, and youth in rural communities.

To achieve this, the NGO has institutionalized three (3) core programs, each serving as the building block for attaining the succeeding. PAGBAG-O's core programs are:

- Institutional Building Program
- Sustainable Resource Management and Development Program
- Community-based Enterprise Development Program

The NGO provides institutional building programs to organize people and communities with technical and financial support from development partners, affiliate organizations, and government line agencies (DSWD, DENR, DOLE, NCIP). Once communities and peoples are aggregated and empowered, they are better situated to manage their resources, defend their rights, and consciously uphold their responsibilities as citizens. Empowerment also allows these communities to participate in decision-making and other governance processes through direct engagement with the state via

active involvement in political spaces provided by the government. Similarly, empowered and engaged communities practicing sustainable agricultural methods and techniques acquired through the training, seminars, and technology transfers put up by PAGBAG-O in partnership with government agencies such as the Department of Agriculture and the Department of Environment and Natural Resources puts the communities in a better stage to engage the mechanism of the market for their local produce. This is where the community-based enterprise development program comes in handy (Aranas, 2018). People's organizations can access and acquire capitalization for small enterprises provided by line government agencies on top of what the NGO provides to capacitated peoples organizations (Teves, 2017). In addition, to access government resources and programs, the federation has fostered strong partnerships with nine (9) local government units where the NGO has organized grassroots organizations (PAGBAG-O, n.d.).

Over the years, its members and affiliate organizations have dramatically increased. As of writing, the NGO has 28 people organizations under its umbrella. It is interesting to note that civil society-state engagement seen in the case of PAGBAG-O is the whole idea behind Peter Evans' concept of State-Society Synergy (Evans, 1996). In this concept, there is the recognition that the state needs the participation of communities. Conversely, the people also require the form as it copes with social, political, and economic changes. The people need the state to protect their demands and guarantee their rights and interests. Larry Diamond argued that this synergy could only happen if there exists a strong and engaged civil society, which shall act to demand greater accountability, transparency, and responsiveness from the State. Evans posits that significant institutional changes will appear when this occurs, positively affecting the people, communities, and society.

### *Co-production and PAGBAG-O*

The partnership that PAGBAG-O has forged with the local government units in Negros Oriental is labeled by some as engagement, collective action, cooperation, and synergy. But

essentially, there is a common thread that links all this jargon. They are all connected by recognizing that citizens are a “valuable partner” in delivering public services (Voorberg et al., 2007). Public services, before the 1980s, was always viewed as an activity handled by a professional group or team of individuals bound by the duty to accomplish results in pursuit of the public’s interest. (Bovaird & Loeffler, 2012, p. 1120). This professional group or team of individuals compose the different agencies of the government that handle the delivery of public services to the end-user or the community. This was the common practice, especially in states operating under a centralized set-up. But under such a centralized and structured arrangement, governance suffered tremendously, particularly in delivering public services. For example, service delivery was compromised due to government budgetary constraints and austerity measures due to rising costs and changing social and environmental conditions. As government expenditure mounted, executive regimes were forced to cut certain services to accommodate new expenditure requirements. Also, it was observed that unique power relations were taking their toll on public service delivery. Social and political diversities also led experts to suggest that there were public domains that were hybrid and heterogenous and where institutional arrangements were variegated. These impressions in the 1980s led a group of public administration scholars at Indiana University in the United States to posit that there might be elements in the public service delivery that was not compatible with the existing centralized and state-centered delivery mechanism (Williams, Seong, & Johnson, 2016, pp. 695-696). Initially, these scholars in the Political Theory and Policy Analysis Workshop at Indiana University were grounded on the idea that citizens would receive more effective and efficient public services if a team delivered the same of highly trained and competent professionals in the public sector. However, while this preoccupied their theorizing, no empirical evidence supported this. However, at that time, the evidence was glaring, suggesting that multiple agencies were delivering public services, including private groups, volunteer organizations, and non-government entities (Brandson & Pestoff, 2006). Pestoff (2009, p. 204) noted that even more enthralling was the realization

that delivering public services proved extremely difficult without citizen or end-user participation. This started the scholars to think of the idea of co-production. Led by Elinor Ostrom - a noted political scientist in the university, her team observed that there was an active involvement of multiple parties such as the end-users, private entities, volunteers, and other organizations. The participation of these non-public sector entities resulted in effective service delivery (Williams et al., 2016). Pestoff (2009, p. 198) points out that the participation of citizens in public service delivery was a new domain in public administration. But because of the findings of Ostrom's group, there was a renewed interest in the state-citizen interaction and these so-called unexplored areas.

In its nascent stage, co-production was only treated as an alternative modality of public service delivery (Williams et al., 2016). But it soon gained momentum as an entirely new paradigm in public policy in the United States after many states, obliged by the desire to reduce state operation costs, explored the idea of state-citizen partnership in public service delivery (Mitlin, 2008). Alford (2014, p. 299) notes that Ostrom and her colleagues at Indiana University thought that what they coined was simply an instructive framework for public policy. Little did they know then that it would become foundational for many other frameworks stemming from it.

At the core of the whole co-production framework is the idea that citizens can participate in producing the services they consume. Citizen participation, central to Ostrom's framework, can also take place in delivering public goods and services (2014). Its direct implication is a vibrant citizenry producing public goods (Ostrom, 1996). Jacobsen and Anderson (2013, p. 705) note that co-production is essential in the existing literature on citizen participation. Ostrom's co-production transcended citizen participation in that citizens were involved in the decision-making process and, more importantly, in executing the public policy.

Elinor Ostrom (as cited in Mitlin, 2008, p. 346) defined co-production as:

A processthroughwhichinputsusedtoprovideagoodorservice are contributions by individuals who are not in the same organization.

Jacobsen and Anderson (2013, p. 705) refined Ostrom's seemingly broad definition, saying that:

Co-production involves the mixing of co-productive efforts of regular and consumer producers. This mixing may occur directly, involving coordinated efforts in the same production process, or indirectly through independent yet related measures of traditional and consumer producers.

Co-production is, therefore, noted by the mix of activities that public service agents and citizens contribute to the provision of public services. The former are involved as professionals or regular producers. At the same time, citizen production is based on the voluntary effort of individuals or groups to enhance the quality and/or quantity of services they receive.

The idea, therefore, of co-production begins with actors. These actors are classified as regular and consumer producers. Alford (2014, p. 300) noted that these actors take measures to co-produce public goods and services while driven by rational egoism to do so. When this idea was formulated back in the 80s as an output of Ostrom and her colleagues, it was considered an informative way of highlighting citizen participation. But its simplicity is somewhat deceptive in that it appears straightforward. However, as Alford observed, a more detailed reflection and analysis of Ostrom's framework reveal that it gives birth to many key areas in governance, politics, and citizen participation, which at that time were unexamined. For example, the most basic understanding of co-production was that consumers or the end users would co-produce only with the public sector. In other words, co-production was exclusively the affair between these two actors. But as Bovaird and Loeffler (2012, p. 1120) pointed out :

Co-production means delivering public services in an equal and reciprocal relationship between professionals, people using services, their families, and their neighbors. Services and neighborhoods become far more effective agents of change where activities are co-produced.

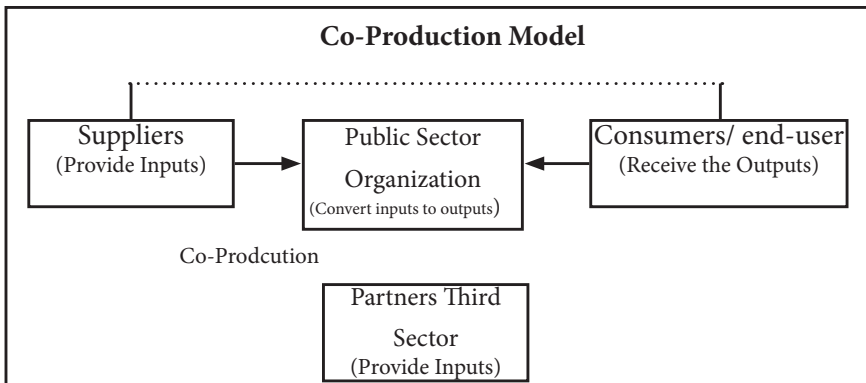


This articulation suggested that co-production is not confined between the regular producer and the consumer. Instead, there is a collection of other community actors who can participate in the co-production process. This is where Brandsen and Pestoff's (2006, pp. 494-495) notion of a Third Sector comes into play. The Third Sector comprises non-government organizations (NGO) and civil society organizations (CSO) that have been primarily involved in service provision with the State. The involvement of the Third Sector with service delivery dates back to the post-war reconstruction in Europe, where NGOs and CSOs played equally crucial roles with the State, thus completely transforming the entire notion of service delivery. Johnson and Prakash (2007, p. 222) noted that NGOs and CSOs play a significant role in shoring-up democracy. The United Nations and the World Bank acknowledged its pivotal role in governance and economic development.

To capture the essence of the entire notion of co-production, Figure 1. shows a bare model of the process (Alford, 2014, p. 303)

**Figure 1**

*Co-producers in Different Stages of the Co-production Process*



It can be gleaned from the model that delivering public services through the co-production paradigm is not a restrictive activity of the public sector and the end-users only. The presence of the Third Sector, labeled in the model as a "partner," straightforwardly suggests that it can forge partnerships with the consumers and the public sector. And this partnership, premised on co-production, is



what Joshi and Moore (Mitlin, 2008, p. 346) refer to as “institutionalized co-production,” which is definite and occurs over long periods and where the co-producers make considerable amounts of material and resource contributions. It could also be, as Joshi and Moore further stress, that the arrangements may just be temporary and may not involve formal agreements. Interestingly, as suggested by the model, partnerships can even be formed with suppliers of cities can establish partnerships with the public sector or touch base directly with consumers or the Third Sector for public service provision. This multiple co-production arrangement was later labeled by Alford (2014, p. 302) as polycentric co-production.

In the province of Negros Oriental, PAGBAG-O has been engaged in co-production for many years. While the concept is foreign to the development workers of the NGO, from what has been gathered, it has been involved in co-production since it began development work with local communities. Its network of people’s organizations and communities composed of 28 marginalized farmers, fisherfolks, women’s cooperatives, and IPs organizations spread across the entire province of Negros Oriental has co-produced with both the public sector and private development partners along its three core programs. These programs are the Institution Building Program (IB), the Sustainable Resource Management and Development Program (SRMDP), and the Community-based Enterprise Development Program (CBED) (PAGBAG-O, n.d.; Teves, 2017).

### **Institutional Building Program**

Institutional building programs (IBP) are crucial for the success of community development efforts. The lack of mechanisms to prepare target communities and groups of development projects has resulted in project failures and unnecessary wastage of government and private sector funding/resources. PAGBAG-Os IBP prepares and equips the marginalized groups they work with to advocate for their rights and maintain a proactive consciousness of their responsibilities towards their members and the state (Teves, 2017) Through the IBP, PAGBAG-O touches base with

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marginal rural and fisherfolk communities and organizes them to form a collective. Developing united communities is foundational to tapping into the resources of the State and actively participating in policy formulation and decision-making. After these individuals and communities have been aggregated into organizations, measures by way of training and capacity-building seminars meant to empower and sustain the collective are delivered by PAGBAG-O staff and personnel to the communities. These training and capacity-building seminars include Community Leadership, the Conduct of Internal Elections of Office Bearers, Capacity-building (non-specific) of Members and Office Bearers, Organizational Development, Organizational Management, Accessing Services from Local Organizations and Government Programs, and Building Relationships with People's Organizations.

The external evaluation conducted by an external project evaluator for BfdW revealed that the training and capacity-building seminars under the IBP have been beneficial to the beneficiary people's organizations (POs). It was noted that as a strategy, the IBP proved to change the attitudes and habits of beneficiary POs. As pointed out by the evaluator, some POs were already in the end-stage of their life as PO was revived and subsequently sustained due to the application of the IBP training. Furthermore, it was also pointed out that line agencies of government that partner with PAGBAG-O hold with such high esteem the social preparation and groundwork that the NGO does through its IBP. The NGO's assistance to the POs and their capacity-building programs have been critical in the success of projects funded by line agencies of government (Teves, 2017)

At this point, it is essential to highlight that co-production is already taking place in this particular stage of the process. This can be patently appreciated in Figure 2 (see next page), where co-production between the Third Sector and the consumer/end-user is seen. It is also significant to underscore that it is in the Institutional Building Program of PAGBAG-O that the organized marginal communities are trained and equipped for meaningful local participation in policy development and formulation and decision-making in governance. Aranas (2018) pointed this out and featured that the federation already has POs represented in the Local Development

Council of some Local Government Units. These POs, Aranas noted, are engaging local state actors in policy formulation and articulation of interests as members of the Local Development Council (LDC). Of the 28 people organizations mobilized by PAGBAG-O, all have secured seats in the Local Development Councils of the LGUs and are regularly consulted whenever crucial decisions have to be made by the municipal legislative council (Teves, 2017).

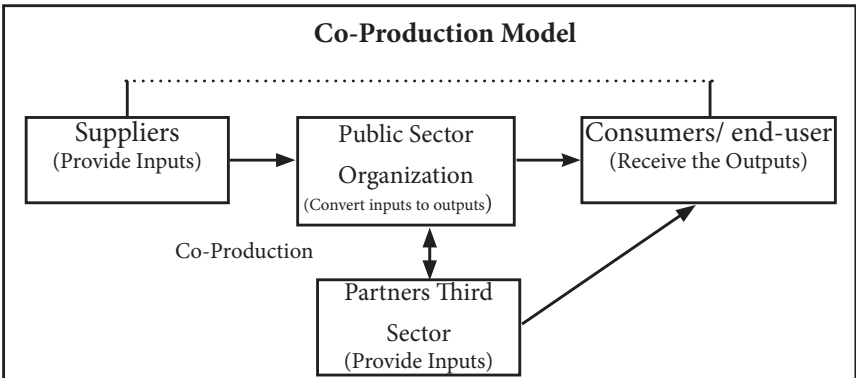
It is crucial to note that the participation of POs in the LDC is a right guaranteed by the Constitution and by the Local Government Code of 1991. The 1987 Constitution (Article 2 section 23) specifically mandates the institutional participation of civil society in State affairs:

The State shall encourage non-governmental, community-based, or sectoral organizations that promote the nation’s welfare.

The above-stated non-self-executory provision in the Constitution finds full expression in the Local Government Code (Article 3 section 34 and Title VI section 108), which explicitly mandates LGUs to promote the creation and the operation of NGOs and provide avenues that will encourage citizen participation in pursuance of local autonomy. What is significant is the specific provision that mandates the representation of NGOs in the Local Development Council. This positions NGOs and POs to better articulate the interest of the marginal communities they represent (Santiago, 2000).

**Figure 2**

*Highlighting the Co-production between the Third Sector and the Consumer*



## **Sustainable Resource Management and Development Program**

Under the SRMDP, PAGBAG-O capacitates the local marginalized communities that it has collectivized into effective natural resource managers and users. Being the most comprehensive of the three core programs of the NGO, the SRMDP features specialized training modules which function to stock the local peoples of knowledge so they can successfully manage to sustainable levels their water, soil, land, flora, and livestock resources. Training modules on Sustainable Agriculture and Organic Farming, Sloping Agricultural Land Technology and Contour Farming, Diversified Farming Systems and Crop Diversity, Soil Conservation and Development, On-Farm Production of Organic Fertilizer, Watershed Management, and Climate Change Awareness and Adaptation are provided regularly to farmer communities depending on their need and applicability to local conditions. In Negros Oriental, experts have linked land degradation, especially for upland farms, as the major impediment to farmers maximizing their resources. This has aggravated poverty conditions in the hinterland barrios and has considerably diminished the farmers' capacity to generate income. The training under the SRMDP calls attention to its capacity to enhance opportunities to increase crop yield, thereby allowing greater chances to augment farmers' household income. But what is notable is that while efforts are made to boost revenue by increasing farmers' yield, the technology used to meet this end are environment-friendly and least costly on the part of the farmer (PAGBAG-O, n.d.).

The training modules under the SRMDP necessitate skills. PAGBAG-O provides these skills through co-production with relevant government agencies and private partners, who provide the personnel to deliver the training. To this end, PAGBAG-O has forged partnerships with foreign and local government and non-government organizations. A survey of their website's information will reveal that it has extensive links with development partners (PAGBAG-O, n.d.; Aranas, 2018). Table 1 shows the partners and affiliates PAGBAG-O has collaborated with for the past three decades.

**Table 1**  
*List of Partners and Affiliates*

Development Partners	Affiliates
Brot fur die Welt (BfdW) Germany	Negros Oriental Network of NGOs (NEGORNET)
Evangelischer Entwicklungsdienst (EED) GER	Oriental Negros Children’s Advocacy Network
Ecumenical Scholarship Program (ESP) GER	Sibol ng Agham at Teknolohiya
Philippines Australia Community Assistance Prog. AUS	Community Empowerment and Resource Network Visayas
Heifer International USA	Planning Research Institutional Support and Management Services
Direct Aid Program AUS	
Australian Youth Ambassador for Development	Department of Agrarian Reform
Feed the Children Philippines	Department of Labor and Employment
Provincial Government of Negros Oriental	Department of Social Welfare and Development
Peace Equity Foundation Philippines	National Commission on Indigenous People

The rich network of partners and affiliates that PAGBAG-O has highlighted the polycentric nature of the co-production it engages in. The actors contribute resources towards the attainment of particular ends. This underscores the profound impact NGOs and civil society organizations play in critical aspects of development. Aside from providing services, NGOs and civil society are thus viewed as serving a “public purpose” by supplying and creating social capital and resources that the State might not have (Pena & Nito, 2005). The case of PAGBAG-O hovers around the forecast of NGOs giving rise to a “world society” that might lead to an entirely new phase of politics “beyond the state” (Johnson & Prakash, 2007).

An external evaluator’s assessment of this core program indicated that POs under the PAGBAG-Os umbrella had adopted diversified farming systems under the SRMDP. However, the number of POs that have embraced the resource management techniques under the core program is not entirely remarkable. Using a sample size of 12 POs, the external evaluation revealed that only 8 out of 12 POs adopted the resource management system. Four of the eight that adopted the resource management techniques indicated improved and elevated productivity and income levels. It should be pointed out that the POs are not all similarly situated. For example, some POs have different land ownership statuses compared to others.

Some POs are also constrained by the size of the land they have, which makes multi-cropping, for example, difficult to achieve. Others have reported that the land size is sufficient. However, the farmers reside in different locations, which makes accessing the land daily challenging. Farmers also reported that, in many instances, they had realized surpluses in their production. However, these surpluses have not been fully converted to cash as accessing the market proved difficult (Teves, 2017).

The other 4 POs have only reported slightly elevated and slightly improved productivity. They have also indicated a dependence on chemical fertilizers and relied heavily on seasonal crops like coconuts. These factors were said to have hindered their full adoption of the resource management techniques in the SRMDP. Interestingly, the remaining 4 POs found it challenging to adopt farming systems under the core program. This is primarily because of the precarious conditions they are confronted with. For example, these POs have reported poor soil conditions and a lack of water to irrigate the farms.

Remarkably, the POs which are beneficiaries of the Department of Environment and Natural Resources (DENR) under their resource protection and conservation program has been, as noted by the evaluator, quite successful (Teves, 2017).

### **Community-based Enterprise Development Program**

The third core program of PAGBAG-O is designed to boost rural economies by growing local enterprises that improve the socio-economic conditions of the marginalized communities organized by the NGO. In very pragmatic terms, the developed enterprises are meant to augment income and broaden opportunities to earn instead of focusing only on one potential source. Similar to the two other core programs, the CBED is composed of module-based training designed to equip the consumers or the members of the POs with skills and knowledge on decision-making about farm expenses and income. A module is also available to allow members of the people's organization to explore other income opportunities, such as handicrafts and food processing. A module also trains the community on how to properly market their products

and establish networks with other local producers and buyers of their farm outputs. Engaging in the program is the module on business development and strategic planning for people's organizations (PAGBAG-O, n.d.). Similar to the other two core programs, PAGBAG-O has the personnel to conduct the training and also taps on the resources of its partners and affiliates to cascade these modules.

Based on the evaluation conducted by the external evaluator for BfdW, most of the POs under PAGBAG-O were able to successfully secure seed capital from various line agencies of the government as a start-up for a micro-enterprise. The POs availed of the Php 15,000- Php 20,000 capital which most POs used as capitalization for a buy-and-sell business of animal feeds and fertilizers. These goods are sold to their primary consumers- their members, at relatively low mark-ups. Sustainability problems, however, hounded the POs as repayment by members proved to be challenging. Other POs established consumer product stores (sari-sari stores), which sold essential commodities to members of the PO. This venture showed signs of success during the evaluation. Income from these consumer stores has augmented the income of members and has even significantly helped the children of members acquire a college education (Teves, 2017).

The evaluator, however, noted that releasing this seed capital usually takes a long time, adversely impacting the trust and confidence of the POs in the releasing agencies of government.

### **Variegated Co-production Activities**

What is uncomplicated in the case of PAGBAG-O is that its co-production has not been confined to service delivery. Through its core programs, it has co-produced not only with the public sector but with many actors identified in the co-production paradigm. Bovaird and Loeffler (2012, p. 1124) refer to this as "co-production by different authors." The co-production can be in the co-planning of policy, co-design of the services that will be delivered, co-prioritization of services through participatory budgeting, co-financing of services, co-managing, co-delivery of services, and co-assessment. The difference between these co-production activities provides a



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wide latitude for PAGBAG-O and the other actors to co-produce. Similarly, Brandsen and Pestoff call attention to Osborne and McLaughlin's (2006, pp. 496-497) breaking down co-production concepts: co-production, co-management, and co-governance. These breakdown concepts indicate a Third Sector's direct involvement in service delivery. For example, co-governance suggests a kind of arrangement wherein the Third Sector participates in the planning and delivery of services. Direct participation of the Third Sector is also evident in co-management, where services are produced in collaboration with the state. In co-production, the citizens or end-users contribute significantly to creating their own benefits. PAGBAG-O has, by far, do this as a federation NGO. The partnerships it has established with local government units, the representation of the people's organizations it has organized in the partner LGU's Local Development Council, the agreements it has forged with local and foreign non-government organizations, which have been providing funds for the NGO and the cooperation and commitment of support from national government agencies like the Department of Labor and Employment is testament to this. The Benefits of Citizen Involvement in Co-Production.

Earlier in the paper, it was mentioned that in co-production, the citizens or consumers are integral in delivering public services. Their involvement in the co-production configuration underscores their role in producing the services they will use. Their collaboration in providing services alters the service supplied and consequently, as Brandsen and Pestoff argue, reshapes them (2006, p. 496). Based on the literature, consumers acquire certain benefits from citizen involvement in service delivery. Bovaird (as cited in Mitlin, 2008, p. 347) notes that the participation of citizens has profound democratic implications. For example, it now situates consumers or the citizens at the core of the government's decision-making process. Second, local leaders and public sector managers are introduced to ways to interact with consumers. Third, the consumers become active participants in the co-planning and delivery. Essentially, it is a radical departure from the state-centered approach to service delivery. In addition to its democratizing quality, the co-production paradigm is an effective platform to combat poverty. The root causes of poverty

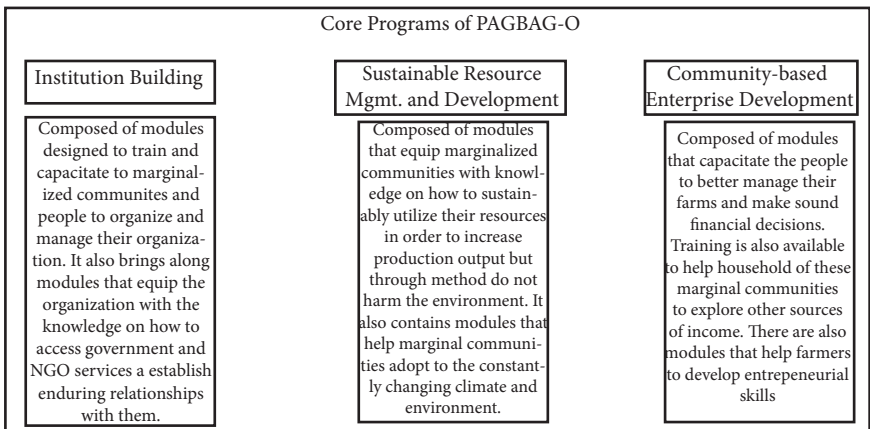
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can be discussed in another paper. But of great import is to identify what sustains and maintains it. Mitlin (2008, p. 340) points out that the social malady of poverty is supported by an individual's inability to exist and "flourish in a cash economy." Their lack of a stable supply of income frustrates their ability to replicate themselves. Mitlin further stressed that the lack of basic services delivered by the state (e.g. water, housing) also dramatically contributes to poverty. For example, the lack of a safe and secure dwelling is partly due to an individual's inability to generate income. But more importantly, it reflects the inability of the state to provide the mechanisms and avenues for this need to be met by the citizens. Co-production, then, is a viable option to improve the services of the state in that it provides a platform for the poor to be effectively organized so they can secure better arrangements with the state. For example, a study in Bangladesh concluded that a lack of access to basic services, which took its toll on the people's health, significantly contributed to the depletion of their financial resources, thus pushing them deeper into poverty (2008, p. 341).

Examining the three-core programs of PAGBAG-O reveals that they are geared towards addressing the harsh conditions of poverty in rural communities. Theoretically, and based on experience in the Philippines, an agriculture-based economy is prone to the cost-price squeeze phenomena, resulting in repeating cycles of poverty (Tayengco, 2008). The core programs of PAGBAG-O aim to address that by methodically targeting the root of poverty in rural agricultural communities. For instance, under the Institutional Building (IB) program, by assembling previously disparate and segregated marginal communities where poverty is sharp and equipping them with the competencies to sustain organizational cohesion, they can now better access government and non-government programs and resources, which can aid in the improvement of their economic conditions. This can come by tapping into government and NGO programs that provide subsidies or capacity-building training and programs to transfer technology to farmers, fisherfolks, and other community members. This is not to suggest that government or non-government organization and their menu of intervention programs provides the ultimate solution to poverty. Government and

non-government material interventions and programs are one of many tools in the holistic approach to combating the social dilemma. Correlated with the IB program is the Sustainable Resource Management and Development Program. Under this program, the marginal community is outfitted with knowledge on addressing essential resource needs like soil and land degradation, contour and slope farming, and organic farming methods. At the heart of this module-based training is maximizing farm production despite their limited resources, evolving climactic conditions, and unfriendly geography. But then again, with the rising cost of farm inputs and the constant effects of inflation on their primary survival necessities, income generated from sustainable agricultural or fishing practices might not be enough for the household. That is why it is of great import that other sources of income be developed. This is the overarching idea behind the Community-based Enterprise Development Program. Aside from supplying the community with practical ideas for augmenting income through alternative livelihood opportunities, the marginal community is also taught how to make sound financial decisions regarding managing their small-scale farming or fishing. In addition, they are taught how to develop their produce to marketable standards, access markets for their produce, and subsistence levels (Aranas, 2018). Figure 3 essentially captures this systematic process along the three core programs of the NGO.

**Figure 3**  
*Core Programs of the NGO*



## Drivers and Motivations of Co-Production

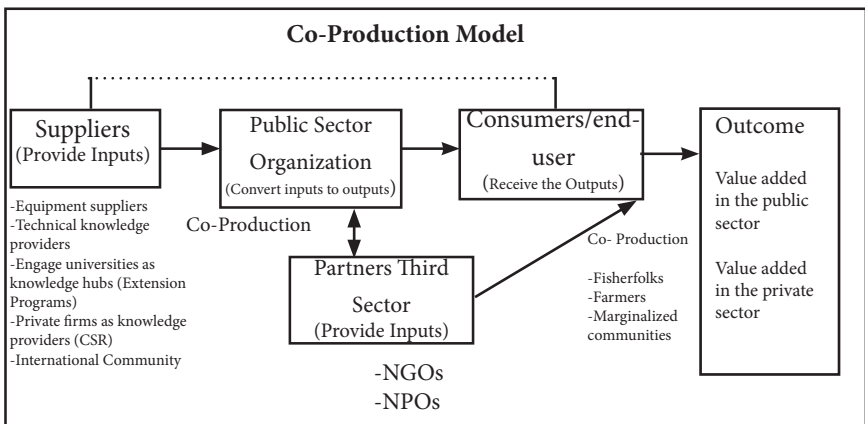
At this juncture of the paper, it can be confidently claimed that the essence and meaning of Elinor Ostrom's co-production paradigm have been elucidated. But what remains puzzling is what drives the actors (the NGOs, the volunteer groups, the public sector, and the citizen-consumers) to co-produce. Joshi and Moore (as cited in Mitlin, 2008, p. 346) identify two critical drivers to co-production, anchored on the "imperfections and incompleteness of the State." The first is the failure of the government to provide the public services needed. This non-fulfillment of a mandate could stem from a broad spectrum of sources. It could be due to budgetary constraints resulting from budgetary cuts or fiscal inadequacies. Or, similar to countries that the International Monetary Fund has prescribed, it could be due to externally directed budgetary allocations. Enduring power relations anchored on patronage and clientelism at the local government level can weaken state capacity and impede co-productive ventures (Credo, 2020). Second, logistical challenges can sometimes constrain the regular service provider to provide the public service needed by the consumers, owing to a lack of personnel and equipment to deliver the services.

For the non-State actors (the NGOs and the POs), it is a question of motivation. What motivates them to co-produce with the regular producer of public services? Alford (2014, p. 303) notes that in the case of suppliers, which co-produce with the regular producer and the consumers, it is the income that they generate from the co-production and, to a certain extent, their direct undivided attention to the work involved in the process. On the part of the other partners like the NGOs and their affiliates, Alford notes that it can stem from their impulse to get a fair share of the returns in proportion to the effort they contributed to the process. Consumers are generally motivated by the tangible material benefits they get from co-production. But not to demonize the consumer, selfish motives can be the push factor that drives consumers to participate in co-production or, as Bovaird and Loeffler (2012, p. 1127) explained, may be encouraged to play an active role in increasing value. Alford (2014, p. 305) also mentioned that in addition to the tangible motivation to co-produce,

actors are motivated to co-produce because of the dread of punishment, self-seeking behavior, “intrinsic rewards,” social recognition and “normative appeals,” and many more what is clear though is the fact that there is a plethora of motivations that steers actors to co-produce, which goes beyond reasoned self-centeredness. These drivers and motivations apply to PAGBAG-O and the actors that it has co-produced with. This would include the Local Government Units, the consumers they have organized into people’s organizations, the local and foreign development partners that support its programs, and the national government agencies with which it has partnered.

At this point, it is crucial to highlight that the co-production paradigm of Elinor Ostrom has gone through a process of evolution. From a simple novel idea of expanding service delivery to include the consumer, the model has metamorphosed into a polycentric model of public service delivery. The consumer-citizens are not the only important component in improving the quality and quantity of public services. But it has expanded to include various actors transcending ideology and rational egoism. Figure 4 shows the contextualized Co-Production model with all the labels as it applies in the case of PAGBAG-O.

**Figure 4**  
*Contextualized Co-Production Model*



## Value as Outcome of Co-Production

The model calls our attention to the result of co-production. Alford (2014, p. 306) astutely pointed out that this was primarily left unexplored when the group of Elinor Ostrom first came up with the idea, which led to the new paradigm. Co-production results in the creation of value. This value created exists on three levels. For example, when a local government unit co-produces with the community to whom the service is to be delivered, it results in the creation of public value on the part of the regular producer, the private value on the part of the individual consumer, and group value on the part of the larger community. In an example perspicuously explained by Alford, he cited the co-production between the housing ministry of Melbourne, Victoria, and the tenants of a public housing facility. The co-production between the housing ministry and the tenants centered around involving every tenant in the management of the housing facility. The housing ministry was driven to co-produce with the tenants because of their mandate to ensure safe, decent, and livable housing facilities for the citizens. On the part of the tenants, their decision to co-produce, albeit precipitated by the predilection to address concerns like vandalism and anti-social behavior, to a great extent, was spurred by non-material factors like the sense of group belonging and connection. The individual tenants received private value through the housing units they got from the government. The housing ministry officials also gained personal value through institutional affirmation that they have accomplished what they have been tasked to do. That feeling of accomplishment is felt by the officials who became part of the co-production. The community beyond the housing facility gained public value through the actualization of equity and the reduction of the incidence of homelessness as well as crimes that are associated with it. The dwellers realized group value in the housing facility as their co-production improved their estate facilities, promoting cleanliness and order.

A similar case is also cited by Joshi and Moore (as mentioned in Mitlin, 2008, p. 346), where an elite group of individuals, anxious over the deteriorating security situation in their community in Karachi, Pakistan, were able to successfully strengthen the

police service in their locality through a system of liasoning. This case underscores the fact that co-production aids in the performance of duty when state order and stability are compromised or in decline.

Superimposing these two cases to the case of PAGBAG-O, it appears that its co-production with local government units, line agencies of the national government, other NGOs, and the POs in the province have doubtlessly resulted in the creation of public, private, and group value. Take, for example the training conducted with the marginalized communities on organic farming technology under the Sustainable Resource Management Program (SRMDP). On the side of the individual farmer, he realizes the private value in that he acquires knowledge and skill on a promising technology with a growing market potential. The Department of Agriculture, the national government agency that PAGBAG-O has partnered with in delivering the service, also gains value. Its personnel and technicians who conducted the training realized the sense of fulfillment in being able to do their sworn task and mandate. Of equal importance is the public value created out of the training. The marginalized community and the public sector produced critical norms of environmental concern, the utilization of natural and readily available materials to increase crop yield instead of using expensive and environmentally destructive chemical fertilizers, and the promotion of less expensive but healthy farm produce. Collectively, the farmers create group value by showing concern and care for the environment and the community's health, respectively. The example here is just but one of the many aspects where co-production is taking place with the public sector, PAGBAG-O, and other actors to achieve the outcome of better public service delivery and the reduction of the incidence of poverty among people in the agriculture sector.

## Conclusion

In retrospect, Elinor Ostrom's co-production paradigm has gone a long way. Today, the original schema that came out of the Workshop in Political Theory and Policy Analysis at Indiana University has completely transmogrified with the introduction of new actors other than the regular producers and the consumers of



public services. In the transformed model, which includes different dimensions not explored by Ostrom and her colleagues, there is a recognition of the vital role played by the Third Sector. This sector comprises non-government organizations, civil society organizations, volunteer groups, and cause-oriented groups that contribute their resources to improve service delivery to the community.

In Negros Oriental, the NGO PAGBAG-O, with its network of 28 POs, its linkages with foreign and local development partners, and partner line agencies of government, has been in the leading position in co-production for the past three decades (Teves, 2017). With its aim of developing community organizations that will collectively work for the transformation of rural communities, ensure that the rights of the marginalized are recognized and protected and promote environmental rehabilitation and protection and the sustainable use of natural resources, the NGO has partnered with other actors like the local government units, line agencies of the national government, foreign and local development organizations, and peoples organizations. The growing number of LGUs that have opened their doors to citizen participation in governance to people's organizations that PAGBAG-O has organized through the Local Development Council is a clear indicator of its acceptance by the LGU. The increasing reach of the NGO, evidenced by the expanding people's organization and marginalized groups and communities formed, is also telling of its success and efficacy. Also, the sustained support of its international and local development partners indicates sound management and effective implementation of its three-core programs. While it is tempting to make claims of the poverty-alleviating potential of PAGBAG-O's co-production with other actors based on the preceding structural and institutional development narratives taken from existing and available information, the absence of compelling empirical quantitative or qualitative evidence in support of such claim from the ground makes it so precarious to fashion such generalizations. The external evaluation, however, conducted by an independent evaluator engaged by BfdW, made pretty solid claims. As noted in its Final Evaluation Report (Teves, 2017), the NGO has successfully implemented its core programs. As an organization, PAGBAG-O has, through the years, remained

relevant. It has successfully capacitated POs with the needed skill and knowledge in crafting proposals, thus allowing them to access government funding for various projects of the POs. The evaluation also noted tangible signs that the NGO has successfully cascaded skillsets to POs in organizational management. This is how far our gauging of the poverty-alleviating potential of PAGBAG-O can go.

But enduring challenges to co-production remain. As pointed out by Williams, Seong, and Johnson (2016), some challenges durably confront actors who are in co-production. First, co-production works in decentralized State arrangements. Hence, it is requisite that for the transformative paradigm to achieve success, there have to be significant institutional revamps, especially in states that remain highly centralized. Spaces for citizen participation need to be made available, and a heightened consciousness of accountability be instilled among public officials. Second, co-production requires organizations like NGOs and volunteer groups to undergo a transformation process, especially in the financing, monitoring, and implementation, to accommodate co-production. Third, co-production causes inevitable tensions in governance to surface. For example, a balance must be struck between principles in public administration and effectiveness and connecting mechanisms of checks and balances and the value of trust between organizations. But above and beyond these challenges, a more significant provocation presents itself to the public sector, PAGBAG-O, its partners, and other NGOs/CSOs in the field of development work. The challenge has a lot to do with how to break the persisting poverty in the rural countryside. Co-production is not the ultimate solution. While its aesthetic quality might cause us to jump to such conclusions, we cannot be faulted if we do so. But what is certain, though, is that it presents itself as a viable tool to address the social malady of poverty.

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