

# Knowledge for Poverty Alleviation: A Framework for Design and Evaluation of Development Projects for Low-Income Communities<sup>1</sup>

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31 July 2008  
Metro Manila, Philippines

## Abstract

This paper describes a framework that brings together two compelling and recent paradigms — knowledge-based management and sustainable development — into a perspective for developing low-income communities. It proposes the Knowledge for Poverty Alleviation (KPA) framework that 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. Initial applications of the KPA framework in the analysis of the most successful from among nearly one thousand poverty alleviation projects in the Philippines provide initial evidence of its explanatory and diagnostic usefulness. Some directions are indicated for development of program and project management toolkits to deliver better results.

## 1. Introductory Brief

Two compelling and recent paradigms, and two corresponding discourses, have emerged and developed quite separately during the last two decades: *knowledge-based management* (KBM) and *sustainable development* (SD). The term "knowledge-based management" is used here instead of the more commonly-used term "knowledge management" (KM) because there are valid criticisms that it is not knowledge *per se* that is managed.<sup>3</sup> We define KBM as management or governance premised on the observation that intangible assets such as knowledge have become more important than tangible assets in the creation of wealth. While the term KM has been used largely in the corporate sector where it started

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<sup>1</sup> This paper was presented at the conference on "Knowledge Architectures for Development", Singapore Management University, March 24-25, 2008.

<sup>2</sup> The authors wish to acknowledge Mr. Daan Boom, former Head of the ADB Knowledge Center, and Ms. Maria Socorro Afable, Managing Director of CCLFI.Philippines, for their valuable comments and suggestions during the preparation of this paper.

<sup>3</sup> Nonaka, I. 2008. Strategy as Distributed Phronesis: Knowledge Creation for the Common Good. In: Knowledge Management: from Brain to Business, Proceedings of the International Productivity Conference 2007, Bangkok, Thailand, 18-19 January 2007. Tokyo: Asian Productivity Organization. In the still evolving field of knowledge management, the nomenclature still varies. Besides "knowledge-based management," the term "intellectual capital management" is also employed. Intellectual capital consists of three categories: human capital, structural capital (sometimes referred to as process capital or internal capital), and stakeholder capital (sometimes referred to as relationship capital, external capital or customer capital). These are also referred to as "knowledge assets." The term "intellectual capital management" and its categories are less prone to misunderstanding compared to the term "knowledge management" because of the many different meanings that the word "knowledge" denotes.

in the late 1980s,<sup>4</sup> KBM can be generically applied to knowledge-based approaches in any sector.

SD on the other hand was developed by national development planners and field level practitioners, with initial impetus from environmental advocates starting in the 1970s. SD is premised on the observation that economic growth, if pursued at the expense of social capital or natural capital, is not sustainable.

This paper proposes to contribute to bringing together the hitherto distinct mental models behind these two schools of thought and action, and to apply it to a pressing development problem: alleviating or eradicating poverty at the community level. Specifically, this paper will propose a framework, the Knowledge for Poverty Alleviation (KPA) framework, show how it provides additional explanation why successful projects are successful, and point out next directions for its operationalization by development organizations.

The KPA framework consists of recognizing and leveraging various forms of intangible assets of a community to sustainably develop both its tangible and intangible assets.<sup>5</sup> From the KPA perspective, sustainability is pursued along the three value domains of sustainable development, where growths in economic, natural and social capital<sup>6</sup> are pursued in such a manner that growth of one is not at the expense of any other.<sup>7</sup>

The development of the KPA framework, processes and toolkits is work in progress. We are reporting in this paper the results from an on-going study jointly conducted by two non-profit foundations in the Philippines: [CCLFI.Philippines](#) which is a leading knowledge-based management and organizational learning advocacy and service provider in the Philippines, and [Peace and Equity Foundation](#) (PEF) which is a leading loan and grant-giving institution in the Philippines.

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<sup>4</sup> Chase, R. 2007. "Innovation and Intellectual Capital Management Set the Agenda" In: Serafin D. Talisayon (ed.) Knowledge Management: From Brain to Business, Proceedings of the 2007 International Productivity Conference, Bangkok, Thailand, 2007. Asian Productivity Organization.

<sup>5</sup> We adopt here the standard meanings of the terms "tangible" and "intangible" from the accounting profession, namely, that tangible assets are those that are measured in money units and are entered in the books of account of an organization. If an acceptable method of costing is used on what was hitherto referred to as "intangible," then it becomes "tangible." For example, internally developed software is an intangible asset, but once it is assigned a money value and entered into the accounting system, it becomes a tangible asset.

<sup>6</sup> The meanings of "social capital" include the goodwill, fellowship, cohesiveness, mutual trust and the quality of relationships among members of a social group that enable them to work together productively. Some authors include membership in civic organizations, political participation, and trust in government as part of social capital (Putnam, R. 1995. "Bowling Alone: America's Declining Social Capital." *Journal of Democracy*, volume 6, Number 1, January). The OECD defines it as "networks together with shared norms, values and understandings that facilitate cooperation within or among groups" (Cote S. and T. Healy. 2001. *The Well-being of Nations: The role of human and social capital*. Organisation for Economic Co-operation and Development, Paris). See also: "Social Capital: a Review of Literature". Social Analysis and Reporting Division, Office of National Statistics, U.K., October 2001.

<sup>7</sup> In this paper, the term "capital" is meant in the economic sense of factor of production, which is implicitly consistent with the common usages of the terms "intellectual capital" among KBM practitioners, "social capital" among sociologists and some economists, and "natural capital" in ecology and environmental management. A broader concept – "metacapital" – is proposed in Section 3.3 below. By the term "assets" we also mean particular entries in an accounting system but we adopt here the broader concept of "asset" proposed by Kiyosaki as anything that generates regular income (Kiyosaki, R. and Lechter, S. 2000. *Rich Dad Poor Dad*. Warner Books.)

In April 2008, PEF and CCLFI.Philippines introduced the KPA framework to the Philippine Development Innovation Marketplace or *Panibagong Paraan 2008*, a World-Bank led and initiated program to seek out innovative ideas to address development challenges.<sup>8</sup> The two NGO partners constructed a "KPA website" to share results of on-going studies with the development community.

## 2. Review of Literature

This review of literature draws from two separate strands in development literature: the KBM discourse and the SD discourse.

Development literature does point to some beginnings in cross-applications of these two discourses. For example, there are community-level frameworks that put the spotlight on intangible assets of communities. At the level of national development policy, the two discourses started to meet with the Asian Development Bank's concept of knowledge-based development (KBD).

### 2.1 Asset-based Frameworks at the Community Level

Community development had long been approached from a needs-based perspective, where development institutions focus on identifying the needs of the local community with the goal of presenting solutions that will address such needs. Recognizing the limitations that this approach presents in terms of community capacity building, as well as the undesirable impact of focusing on weaknesses rather than strengths, there came a shift in international development agency practice to the asset-based and strength-based approaches.

Among the frameworks that emerged from this approach are (i) the Asset-Based Community Development (ABCD) proposed by the Institute for Policy Research at the Northwestern University, (ii) the asset-building framework now employed by the Ford Foundation, (iii) the Sustainable Livelihoods Approach (SLA) developed by the Department for International Development (DFID), U.K., (iv) the Community Capitals Framework developed by the North Center Regional Center for Rural Development, (v) Hernando de Soto's<sup>9</sup> proposal that various forms of sanctioned access to public goods is a form of community asset, and (vi) Jeffrey Sachs<sup>10</sup> identification of various forms of tangible and intangible assets that local communities either own or can use for poverty alleviation. These frameworks share many similarities, including the recognition of both tangible and intangible community assets, the approach of building from strengths, and the emphasis on social capital to build social and economic enterprises.

The ABCD, proposed by Kretzmann and McKnight<sup>11</sup>, highlights the existing assets of the community and emphasizes the recognition and mobilization of these strengths to create

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<sup>8</sup> See: Panibagong Paraan 2008 at <http://go.worldbank.org/FU3ZT73ZU0>

<sup>9</sup> De Soto, H. 2000. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Basic Books.

<sup>10</sup> Sachs, J. 2005. *The End of Poverty: Economic Possibilities for Our Time*. Penguin Press.

<sup>11</sup> Kretzmann, J. and McKnight, J. 1993. *Building communities from the inside out*. Chicago, IL: ACTA Publications.

economic opportunities. The approach utilizes appreciative inquiry methods for building a community history and for community dreaming, and mapping of often unrecognized community assets, particularly social capital. It also draws on participatory approaches to development, collaborative economic development, and strengthening civil society to develop them as citizens charting their own direction as opposed to clients of development projects<sup>12</sup>. The building of assets can be done by linking existing initiatives in the community, creating community-wide organizations and engaging partners<sup>13</sup>.

The asset-building framework of the Ford Foundation guides its Asset Building and Community Development Program<sup>14</sup>. The basic premise is that building individual and community assets increases resilience and provides long-term stability and security that are requisites for permanent poverty reduction. The assets focused on are financial assets, natural resources, marketable skills, public assets, social assets, and effective community services and institutions.

Compared with the ABCD, a framework that puts explicit emphasis on sustainability is the Sustainable Livelihood Approach or SLA. Recognizing that promoting income-generating activities is not the same as enhancing livelihoods, the SLA takes into account other factors such as the vulnerability context of the poor, strategies used by the poor to cope with economic shocks, the asset pentagon of households and the community consisting of financial, human, social, physical and natural assets, and the structures and processes affecting livelihoods in the community<sup>15</sup>. The core concepts of the SLA are: people-centered, holistic, dynamic, builds on community strengths, explores macro-micro link, and considers sustainability.

The Community Capitals Framework<sup>16</sup>, on the other hand, was based on a research that looked into the characteristics of entrepreneurial and sustainable communities revealing that successful communities paid attention to seven types of capital: natural, cultural, human, social, political, financial and built. The application of this framework range from measuring what the community currently has, to identifying what potentials exist, and determining what capitals are needed in order to bring about a desired state.

One of the strengths and unique propositions of the Community Capital Framework is its emphasis on the interaction and interplay of the community capitals to build the other forms of capital. This interplay is based on the theory of cumulative causation formulated by Gunnar Myrdal<sup>17</sup> which states that, "the place that loses assets, for whatever reason, will continue to lose them through systems effect." Conversely, once assets are acquired, more assets will be acquired because everything is inter-connected as a system. Evidence of this interplay of assets (see Diagram 1) that can be characterized as "success leading to

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<sup>12</sup> Mathie, A., and Cunningham, G. 2002. From Clients to Citizens: Asset Based Community Development as a Strategy for Community Driven Development. Occasional Paper Series, no. 4. Antigonish, Nova Scotia: St Francis Xavier University. <http://www.stfx.ca/>

<sup>13</sup> Roehlkepartain, E. C. 2001. An Asset Approach to Positive Community Change. Minneapolis, MN: Search Institute. (ED 462 461)

<sup>14</sup> See: <http://www.fordfound.org/programs/assets>

<sup>15</sup> Hocking, G. 2003. "Oxfam Great Britain and Sustainable Livelihoods in the UK." Community Development Journal 38, no. 3, July: 235- 242.

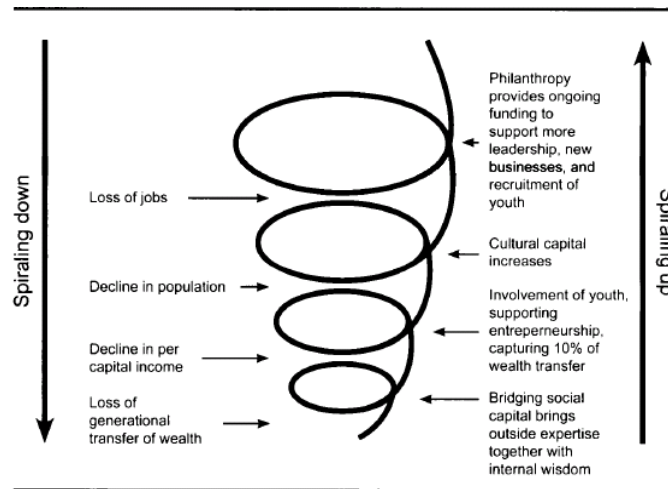
<sup>16</sup> For more information, see <http://www.ncrcrd.iastate.edu/projects/commcap/7capitals.htm#resources>

<sup>17</sup> Myrdal, G. 1957. Economic Theory and Underdeveloped Regions. London: Duckworth.

success” is found in applications of the Community Capital Framework in Chimapala, Mexico<sup>18</sup> and the Home Town Competitiveness (HTC) Program<sup>19</sup>.

In addition to the frameworks and approaches discussed above, certain frameworks that focus on unique and specific contexts have emerged. One such framework is the Peace and Conflict Impact Assessment (PCIA)<sup>20</sup> most useful in conflict-prone areas. This assessment framework anticipates and evaluates the potential and actual impact and unintended consequences of a proposed or completed development project on the state of peace in the area. It is based on the premise that projects cannot bring about positive impact and change in a community if relationships (social and stakeholder capital) are poor or deteriorate.

Diagram 1. The Spiralling of Capital Assets



Source: Emery and Flora, 2006<sup>21</sup>

## 2.2 Knowledge-Based Development at the National Policy Level

The World Bank proposed a knowledge-based framework at the national level, namely, the Knowledge-Based Economy (KBE) and a corresponding methodology for measurement, the Knowledge Assessment Methodology (KAM)<sup>22</sup>. KBE consists of four pillars, education, science & technology and innovation, ICT infrastructure and economic incentive regime. The first

<sup>18</sup> Gutierrez-Montes, I. 2005. Healthy Communities Equals Healthy Ecosystems? Evaluation (and Breakdown) of a Participatory Ecological Research Project towards a Community Natural Resource Management Process, San Miguel Chimalapa (Mexico). Ph. D. Dissertation. Iowa State University, Ames, Iowa.

<sup>19</sup> Emery, M. and Flora, C. 2006. "Spiralling Up: Mapping Community Transformation with Community Capitals Framework," Community Development, Spring, 37, 1, Social Science Module

<sup>20</sup> Bush, K. 1998. A Measure of Peace: Peace and Conflict Impact Assessment (PCIA) of Development Projects in Conflict Zones. Working Paper No. 1, The Peacebuilding and Reconstruction Program Initiative & The Evaluation Unit.

<sup>21</sup> Emery, M. and Flora, C. 2006. "Spiralling Up: Mapping Community Transformation with Community Capitals Framework," Community Development, Spring, 37, 1, Social Science Module

<sup>22</sup> See <http://www.worldbank.org/kam>

three are factors that have been observed to significantly influence national factor productivities.<sup>23</sup> KAM consists of corresponding national data elements that are readily available for longitudinal and cross-sectional comparisons.

In a technical note from the Asian Development Bank, the SD dimension was added to KBE, resulting in the Knowledge-Based Development (KBD)<sup>24</sup> framework (see Table 1, particularly the columns on "Social" and "Natural"). KPA contributes to the operationalization of KBD by applying intellectual capital concepts to a very pressing global concern, namely, eradication of poverty<sup>25</sup> at the community level. KPA is designed for application of KBD in the design, implementation and evaluation of community-based anti-poverty projects.

Table 1. Knowledge-Based Development Model

	Economic (KBE)	Social	Natural
Education (development of <b>human capital</b> )	<i>Education for a skilled workforce</i>	Education for total human development	Education for sustainable development
Innovation (development of <b>structural capital</b> )	Systems, processes and <i>technological innovations</i>	New institutions and protocols for peace, equity and human rights	Environmental technologies, e.g. renewable energy technologies
Building Networks (development of <b>stakeholder capital</b> )	Financial and physical networks, e.g. <i>IT infrastructure</i>	Social networks, social trust, cultural integrity	Agreements to protect and sustain planetary life support systems

### 2.3 Nurturing Personal and Community Engagement in Development

A number of studies across many disciplines corroborate each other towards the conclusion that intangible human and social qualities do produce tangible development outcomes. This causal link can be the basis for nurturing lasting personal and community engagement in the development process.

- An analysis of seventeen successful and innovative development projects in the Philippines revealed that their underlying success factors were not technical or tangible factors but largely "internal changes in the participants" such as a "we" feeling among the community (cohesiveness, or high social capital), a strong feeling that "this project is ours" (sense of ownership), and strong commitment (the motivational aspect of human capital).<sup>26</sup>
- In the corporate sector, the tangible impacts of intangible human qualities have also been recently demonstrated well by some authors. Covey and Merrill argued that when trust is low,

<sup>23</sup> Chen, D. and Dahlman, C. August, 2004. Knowledge and Development, a Cross-Section Approach. World Bank Policy Research Working Paper 3366. Washington, D.C.

<sup>24</sup> Asian Development Bank. 2007. Moving Toward Knowledge-Based Economies: Asian Experiences (a Technical Report). Asian Development Bank, September.

<sup>25</sup> See for instance discussions on the Millennium Development Goals in the UN Millennium Project 2005. Investing in Development: A Practical Plan to Achieve the Millennium Development Goals. Overview. United Nations Development Programme.

<sup>26</sup> Talisayon, S. 1991. "Lessons" in: Serafin D. Talisayon (Ed.). Innovative Development Processes in the Philippines: Case Studies. Asian Center, University of the Philippines.

performance is low and business costs go up<sup>27</sup>. Marcum and Smith marshalled research data to show that executives' ego can work both ways: increase competitiveness as well as pose a hindrance to further greatness or excellence<sup>28</sup>. Ego has substantial impacts on the corporate bottom line. There is accumulating evidence that emotional intelligence contributes more than technical knowledge towards excellent work performance and effectiveness.<sup>29</sup>

- At the national level, the intangible quality of "social trust" had been correlated by Fukuyama<sup>30</sup> with lower transaction costs and higher level of economic development. In a U.K. government review, various studies noted that high social capital is associated with better health, improved longevity, better educational achievement, lower rates of child abuse, and less corruption in government.<sup>31</sup>

At the other extreme, the "development disasters" that largely energized the SD movement were of two types: environmental and human. The second type of disaster led to discourses on "participatory" development modes, "empowerment" of disadvantaged groups, "inclusive" development frameworks, "appreciative" inquiry instead of interventionist or "top-down" models, and similar approaches.

The SD discourse that culminated in the 1992 Rio Summit where 118 countries adopted Agenda 21 is rooted in widespread development experiences that sustainability depends on the preservation and enhancement of all three forms of capital: social capital (community cohesiveness, trust, relationships, local values, local support systems, etc.), natural capital (biophysical support systems in the natural environment), and economic or financial capital (economic benefits, participation in management and control, ownership). The conventional SD wisdom is that the third, if pursued at the expense of the first and/or the second, is a kind of development that eventually will not be sustainable. As a result, a wide variety of group and social processes has emerged which we can label as "empowerment"<sup>32</sup> and has become integral in the SD discourse as an end, as well as a means to the end of authentic personal and community engagement in development.

Empowerment can generally be taken to mean providing individuals and groups the right, authority, and ability to make decisions and choices within a particular domain. Three aspects of empowerment are put forward by Papineau and Kiely<sup>33</sup> -- perception of self-efficacy and control; acquisition of knowledge, skills, and resources; and participation in collective action.

At the heart of empowerment is citizen or community participation. In the words of Sherry Arnstein, "participation" is "the redistribution of power that enables the have-not citizens,

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<sup>27</sup> Covey, S. and Merrill, R. 2008. *The Speed of Trust: the One Thing That Changes Everything*. Free Press.

<sup>28</sup> Marcum, D. and Smith, S. 2007. *Egonomics: What Makes Ego Our Greatest Asset (or Most Expensive Liability)*. Simon & Schuster.

<sup>29</sup> Newman, M. and Ainsworth, G. 2004. *The Business Case for Building Emotional Capital*. Byzedium Pty Ltd. See: [http://www.byzedium.com.au/cpa/htm/htm\\_mod\\_link.asp?id=63](http://www.byzedium.com.au/cpa/htm/htm_mod_link.asp?id=63)

<sup>30</sup> Fukuyama, F. 1995. Social Capital and the global economy. *Foreign Affairs*. 74(5):89-103

<sup>31</sup> Social Analysis and Reporting Division. 2001. *Social Capital: a Review of Literature*, Office of National Statistics, U.K., October.

<sup>32</sup> Unfortunately, the term "empowerment" from the transitive verb "to empower" connotes a solely top-down or externally-driven process. However, this may be the best well-understood label we can use for the moment.

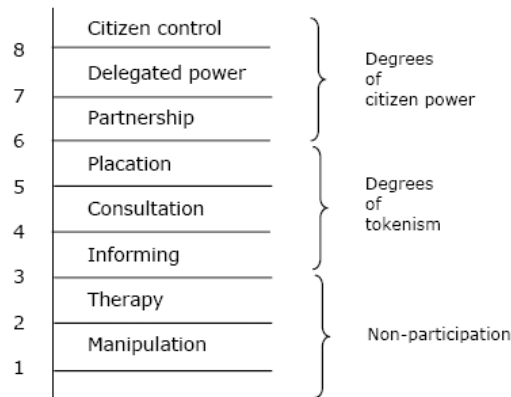
<sup>33</sup> Papineau, D. and Kiely, MC. 1996. "Participatory evaluation in a community organization: Fostering stakeholder empowerment and utilization", *Evaluation and Program Planning*, 19(1): 79-93.

presently excluded from the political and economic processes, to be deliberately included in the future<sup>34</sup>. There are many types of "participation", from the genuine to the more superficial ones. Arnstein's "ladder of participation" is useful for distinguishing among different types of participation (see Diagram 2).

Talisayon<sup>35</sup> observed that the productivity and stability of a project revolves around three interrelated questions which pertain to the extent to which all or most of the affected and concerned parties perceive an interest in, identify with, or are engaged in, the project. A project that is for, by and of the people would be a truly participatory project.

1. Ownership and control: Of whom is the project?
2. Management, from conceptualization to design and implementation of the project: By whom is the project?
3. Benefit: For whom is the project?

Diagram 2. Eight Steps on a Ladder of Citizen Participation



Source: Arnstein (1969)<sup>36</sup>

At the corporate level, practitioners of KBM frequently encounter the issue of more fully engaging knowledge workers. The issue is frequently labelled as a "change management" problem that often accompanies implementation of an organization-wide knowledge management (KM) program. A cross-case analysis of 22 case studies of good KM practices in nine Asian countries reveals a common theme: the use of a variety of approaches to motivate knowledge workers:<sup>37</sup>

<sup>34</sup> Arnstein, S. 1971. "A Ladder of Citizen Participation," Journal of the Royal Town Planning Institute. Also: Arnstein, S. 1969. "A Ladder of Citizen Participation," JAIP, Vol. 35, No. 4, July, pp. 216-224. Available: <http://lithgow-schmidt.dk/sherry-arnstein/ladder-of-citizen-participation.html>

<sup>35</sup> Talisayon, S. 1989. Designing for Consensus: The ASEAN Grid. Institution of Southeast Asian Studies, Singapore, page 105. Or see also: Talisayon, S. 1991. "Lessons" in: Serafin D. Talisayon (Ed.). Innovative Development Processes in the Philippines: Case Studies. Asian Center, University of the Philippines.

<sup>36</sup> Arnstein, S. 1969. "A Ladder of Citizen Participation," JAIP, Vol. 35, No. 4, July, pp. 216-224.

<sup>37</sup> Talisayon, Serafin. 2008. "Concluding Observations" in Serafin D. Talisayon (ed.). Knowledge Management in Asia: Experiences and Lessons. Tokyo: Asian Productivity Organization (to be published in April 2008).



- Rewards and recognition schemes: Knowledge Dollar (K\$) and the Joint President's and CEO's Knowledge Management Award in Airtel (India); the Learning Award for knowledge transfer and an Enterprise Award for intrapreneurship in Unilever Indonesia; various corporate awards by Wika (Indonesia).
- Measures to show the benefits and rationale for KM: Infosys (India) and Goldsun (Vietnam).
- Optimization of the convergence between personal and organizational goals: Department of Health (Philippines).
- Mix of informal and formal communication modes to strengthen buy-in from employees and customers, e.g. "floor walks", tea sessions and informal gatherings: Qian Hu (Singapore); balance of face-to-face meetings and virtual interaction: SCG Paper (Thailand)
- Redesign of physical spaces for interactions and to foster openness and trust among employees: SCG Paper (Thailand); redesigned library environment to be more reader friendly, using ergonomics furniture and encouraging a more cheerful mood using paintings and appropriate color scheme for walls and furniture: Bank Negara Malaysia.
- Top management commitment or executive sponsorship: result of surveys in Thailand and Malaysia; selection of Chief Knowledge Officer on the basis of commitment, leadership ability and recognition from other staff: Siriraj Hospital (Thailand); creation of a motivational organizational culture characterized by caring leadership which supports active questioning and allows for mistakes: JTC Corporation (Singapore).
- Learning as a win-win activity for employees and the company: Multimedia Cyber College at CAPCO (Taiwan); learning through face-to-face interaction in a team or community of practice: Unilever Indonesia, SCG Paper (Thailand), Siriraj Hospital (Thailand), Samsung Advanced Institute of Technology (Korea); cross-functional teams, benchmarking projects and study visits or attachments: Bank Negara Malaysia.
- The honor and prestige of being a mentor or coach: Airtel (India), Wika (Indonesia); the role of "begawan" or sage: Bank Indonesia.
- "Praise Ground," a practice of peer-to-peer public compliments for exemplary KM behavior at Samsung Advanced Institute of Technology (Korea).

### 3. The KPA Framework

A phenomenon observed about the global economy is the growing contribution of intangible assets over tangible assets in market value of corporations.<sup>38</sup> In other words, knowledge assets, which constitute most of intangible assets, have become the major creator and repository of corporate value.

A similar phenomenon can be observed about wealth creation at the community level.

When CCLFI.Philippines and PEF reviewed the most successful projects among more than 950 anti-poverty projects funded by PEF, it is apparent that project success can be explained in part to (a) use of available intangible assets of the community and (b) sustainable build-up of the community's tangible and intangible assets. These were not conscious decisions made at the time these projects were conceived and designed; rather, these were ex post or hindsight observations.

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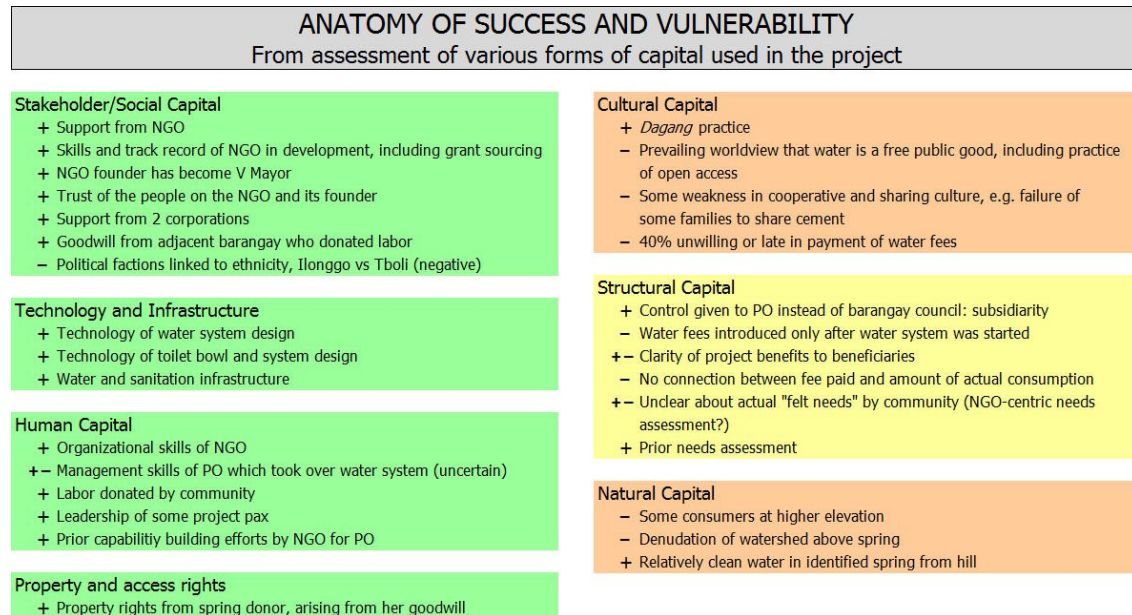
<sup>38</sup> For example, see: Blair, M. and Wallman, S. 2001. Unseen Wealth, Report of the Brookings Task Force on Intangibles, Brookings Press.

Again, the term “sustainable” is used here in the same sense of sustainable development, which can be reframed as simultaneous growths of economic, natural and social capital which are not at the expense of one another.

To illustrate (a), Diagram 3 summarizes and explains why a water and sanitation project for an upland cultural community in Mindanao, Philippines was among the more successful projects. Here, “success” was judged from the granting agency or PEF’s criteria of having achieved preset project objectives.

The plus (+) factors on the left side are mostly intangible assets, with the exception of the entries under the “Technology and Infrastructure” category. Although adjudged as successful, this particular project does have negative (–) factors (see the right side). These factors can alert the development planner/evaluator that the project success may not be permanent or may be at risk if certain vulnerabilities are not addressed.

Diagram 3



### 3.1 Recognition and Use of Intangible Assets of the Community

The crucial starting point in the KPA framework is *recognition* of various forms of intangible assets a community may possess or has access to, something that is not readily visible to many development planners and workers. Once recognized and appreciated, a set of management actions, both old and new, comes into view (see bullet points in Diagram 4 and Section 3.6). The framework can be visualized using the iceberg metaphor, to stress the perceptual reality that most of the important community assets are less visible to most people (see Diagram 4).

### 3.2 Reframing "Poverty"

From the KPA perspective, what was referred to by many as "poverty" is very often lack only of tangible assets: financial capital and local infrastructure. Once the development planner realizes that a "poor" community may have other forms of wealth that can be leveraged, accessed or built upon, then the process of poverty alleviation becomes a broader process of (a) using external and internal assets to sustainably generate both tangible and intangible assets of the community (horizontal arrows in Diagram 4) and (b) using intangible assets to generate more tangible assets, and vice-versa (vertical arrows in Diagram 4).

### 3.3 Broader concept of capital

Increasingly, researchers from many disciplines are recognizing that many other factors contribute to wealth creation besides the traditional factors of production – land, labor and capital. Development practitioners have recognized the contribution to national development of other factors such as technology, education and public infrastructure. The World Bank's KBE model acknowledges the importance of four "pillars:" education, ICT infrastructure, innovation systems including science and technology programs, and a favorable policy and regulatory environment.<sup>21</sup> This concept was expanded into the KBD model by the Asian Development Bank, by incorporating the three elements of intellectual capital employed by practitioners of knowledge-based management (or knowledge management) and three elements of sustainable development.<sup>23</sup>

Proponents of asset-based frameworks applied to community development (see Section 2.1) argue for the usefulness of a broader concept of "asset" and "capital" to include social-political, cultural and natural dimensions.

There is a growing realization among policy makers and decision makers that knowledge assets are the prime creators of value or wealth in the knowledge economy. The intellectual capital school draws from corporate experience to show that a firm's intangible assets cover three factors: human capital, structural capital (also called process capital or internal capital) and relationship capital (also called stakeholder capital or more narrowly as customer capital).<sup>39</sup>

Other concepts of capital are gaining currencies in other disciplines. In sustainable development, ecology and environmental management, the concepts of "natural capital," "biological capital," "biodiversity capital" and "energy capital" are appearing in academic literature and in practitioners' discourses. The concept of "social capital" is now used more widely outside the social sciences: economic development, community development and business management. Less common but notable are new concepts in the behavioral sciences such as "integrity capital," "positive psychological capital" and "emotional capital." We saw examples (see Section 2.4) demonstrating how intangible human and social qualities produce tangible outcomes.

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<sup>39</sup> This school of thought is best represented by the following well-read authors: (a) Sullivan, Patrick H. *Value Driven Intellectual Capital: How to Convert Intangible Corporate Assets Into Market Value*. Wiley, 2000. (b) Stewart, Thomas A. *Intellectual Capital: The New Wealth of Organizations*. Doubleday Business, 1998. (c) Sveiby, Karl Erik. *The New Organizational Wealth: Managing and Measuring Knowledge-Based Assets*. Berrett-Koehler Publishers, 1997.

To summarize, there are increasingly many factors becoming recognized as contributing to wealth or value creation. One of the skills that policy makers and decision makers need to learn to make better decisions in the context of the global knowledge economy is the skill of recognizing and managing intangibles. This skill requires a shift in mental model. To facilitate this paradigm shift, we propose the use of a new term – “metacapital” – to refer to those factors, whether tangible or intangible, and whether public or private, that contribute to production or wealth creation.

### 3.4 KPA: Building Assets within the larger KBD Framework

A basic thesis in KPA is that intangible assets do generate tangible returns (see upward arrow in Diagram 4 labelled “Earn”). This is consistent with the broader meaning of “asset” proposed by Kiyosaki as anything that can generate regular income.<sup>40</sup>

The reverse is also happening. Tangible assets such as grants from development funding institutions, loans for a microenterprise and members’ contributions to a cooperative can be converted to intangible assets through training and capacity building (downward arrow labelled “Learn, Acquire”).

The KPA framework clarifies how addition or erosion of community metacapital is taking place in relation to external agents and factors (horizontal arrows in Diagram 4) that are influenced more by KBD approaches. It brings out how systemic drains can contribute to worsening of poverty (in metacapitals, both tangible and intangible), and how local and national governments can act to prevent that erosion or to contribute to the build-up of community assets.

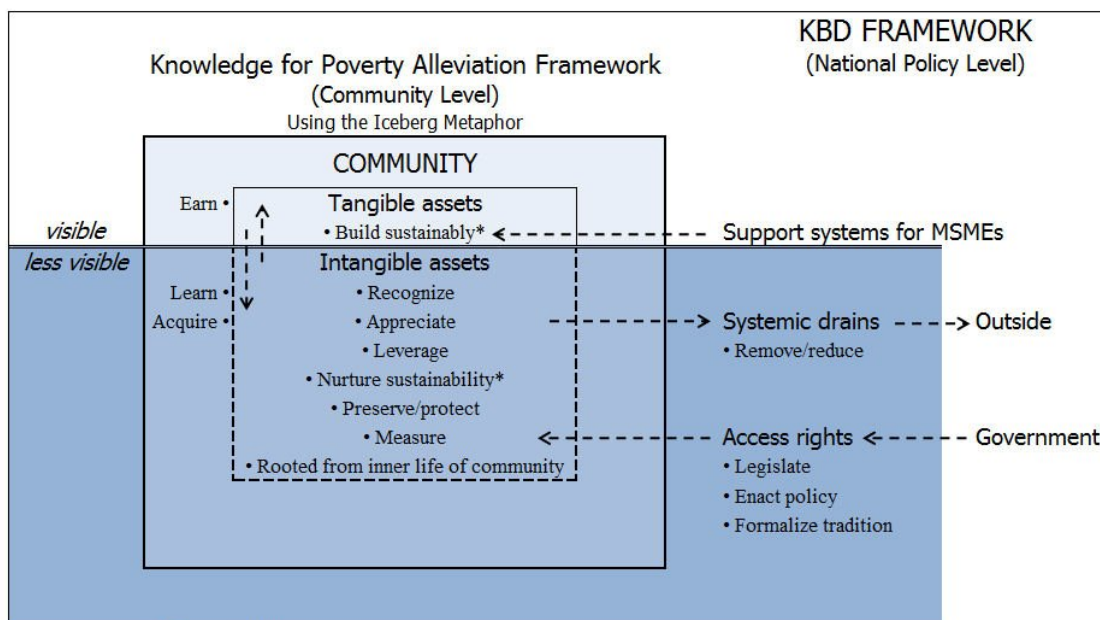
For example, systemic socio-economic and legal arrangements do continuously drain local communities of their metacapitals:

- Drain in natural capital. Based on the Regalian Doctrine, resource extraction companies deplete local natural resources and transfer them outside, but little of the economic proceeds returns to local governments and to the local people.
- Drain in human capital. Drawn by better opportunities, valedictorians (top performers in secondary schools) and other local talent migrate to big cities and to developed countries.
- Drain in fiscal resources. Only a small part of taxes collected locally and remitted to the central government comes back in the form of either cash or new public infrastructures or services.
- Drain in private financial resources. Local branches of commercial banks based in Manila are more deposit-takers than lenders, resulting in net flow of private savings from local communities to Manila.
- Other drains can come from: incursion of formalized land titles/patents and informal occupants into ancestral domains of indigenous peoples, policy changes accompanying periodic changes in political leadership, premature exposure to foreign competitors due to reduction of tariff barriers and other trade liberalization measures, etc.

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<sup>40</sup> Kiyosaki, R. and Lechter, S. 2000. Rich Dad Poor Dad. Warner Books. For example, a family car is normally considered as an “asset.” However, Kiyosaki argues that a family car generates regular expenses and therefore should not be classified under “asset.” Consistent with Kiyosaki’s redefinition of asset, indeed intangible assets can and do generate regular income. This redefinition is more aligned with the meaning of the term “capital” as a factor of production.

Diagram 4. Building Assets within the KBD Framework



**\*Sustainability criteria:**

- Economic: viable and competitive in the global knowledge economy
- Environmental: continuing stability, reproducibility and productivity of life support systems
- Social: project is of, for and by the community
- Growths of economic, natural and social capital are not at the expense of one another

On the other hand, the government can contribute to the build-up of community metacapitals:

- Legislation. Example 1: Republic Act 8371 or the Philippine Indigenous Peoples Rights Act (IPRA) set the ground rules for recognizing and operationalizing the rights of indigenous cultural communities to their traditional or ancestral domains, such as the requirement of "Free and Prior Informed Consent" of the community before a mining permit is issued over part of their ancestral domains. Example 2: Republic Act 7586 or the Philippine law on National Integrated Protected Areas Systems (NIPAS) defines municipal (fishing) waters as 15 kilometers from the shoreline; this is the exclusive fishing ground for municipal fishermen; commercial fishers are not allowed to fish within this zone.
- Policy. Example 1: the Philippine Department of Energy adopted a policy in 1994 (Energy Regulations I-94) requiring power companies to allocate Php 0.0025 per kilowatt-hour of total electricity sales to a fund a local "development and livelihood fund" and a similar amount for "reforestation, watershed management, health and/or environment enhancement." Example 2: the Philippine Office of the President enacted several Executive Orders in the 1990s which deregulated and de-cartelized many industries such as the airlines, domestic shipping, telecommunications, insurance, etc. The result of this set of policies is lower costs and higher quality of services, with widespread benefits to low-income households.
- Programs. Example 1: Village drugstores (called "*Botika sa Barangay*" in the Philippines) which were designed, franchised, resupplied and supported by the national government to distribute cheaper generic drugs, are relatively risk-free business ventures available to local communities. Example 2: Local government funded feeding programs aligned with the national government's nutrition promotion policy.

- Formalization of traditional rights. Example: harvesting of some designated forest products such as rattan is illegal in the Philippines, but the Department of Environment and Natural Resources granted exception to indigenous cultural communities such as Agtas who had been traditionally depending on the product for their livelihood.

The KBD concept introduced by the Asian Development Bank is yet to be operationalized. Here, an important issue is how a national government, as the national rule-setting institution, can create a roadmap of legislations, policies and programs so that the systemic drains that exacerbate poverty at the community level can be removed or reduced, and affirmative action can be taken to assist local communities build up their metacapitals, both tangible and intangible. Addressing these KBD concerns will provide a favorable context and environment for successful and sustainable KPA applications at the local level.

### 3.5 Nurturing Personal and Community Engagement

As we have seen, there is probably a causal link between intangible human and social qualities on the one hand, and tangible outcomes, on the other hand. Hitherto, focus of development attention on tangible assets tends to ignore or fail to appreciate the intrinsic values of intangible assets, values which are rooted in the inner life and values of the community. This perspective may be the basis for designing and applying tools — old and new — for effectively sensing and nurturing of personal and community engagement in the development process. Nurturing community engagement and building community assets then become mutually reinforcing processes.

One must understand that the intangible assets are connected to each other in a dynamic and evolving nature, such that intervention on one asset will have certain effects, intentional or unintentional, on the others. This interplay of capital is important, as the synergy it creates may contribute significantly to the development of the different dimensions of well-being of a community.

Table 2. Inner Foundations of Community Intangible Assets

Intangible Assets	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</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, project created new local elites</i>
Stakeholder capital	External support systems, linkages to NGOs and civil society organizations (CSOs), goodwill, <i>animosity to outsiders, bad community reputation, presence of criminal syndicates</i>
Access to natural capital in the public domain	Proper utilization of the natural resources, <i>overharvesting and destructive harvesting, mismanagement of wastes and waste disposal</i>

### 3.6 Participatory and Appreciative Approaches

To help energize, nurture and sustain community engagement, KPA processes must be rooted within the worldview and local social context of the community.

There are many variants of participatory and appreciative community-based processes that can be adapted to help community members and development workers alike recognize the intangible assets of the community, and to clarify the community members' collective development vision or goals. The energy typically generated in appreciative group inquiry and clarification of group vision can be marshalled for subsequent planning, problem-solving and addressing any weaknesses in their intangible assets.<sup>41</sup>

The output of a facilitated community self-discovery process, namely an emic identification and assessment of community intangible assets, is a good input for a pre-project community assessment and ensure that it is grounded on the social reality of the community.

### 3.7 Sustainability Criteria

SD criteria encompass three value domains: natural, economic and social. To assess the extent that a community project builds tangible and intangible assets in a sustainable manner, checklists or scales will have to be constructed and validated: environmental, economic and empowerment scales, respectively.

There is substantial literature on economic viability and sustainability of micro, small and medium-scale enterprises (MSME).<sup>42</sup> What needs to be pointed out here is another important link between KPA and KBD, or between the community operational level and the national policy level. The success of anti-poverty projects is very dependent on a variety of governmental and other external support systems (see Diagram 4) such as laws that facilitate access to financing; linkages of MSMEs to larger firms, and external markets and value chains, business incubation and business advisory facilities, relatively risk-free including government-supported MSME-ready franchises, government programs such as one-village-one-product (OVOP), and other forms of stakeholder capital from the community perspective.

A desirable goal in MSME development is to develop means and models for effectively linking local enterprises to global e-commerce and value chains, i. e. to fully participate in the global knowledge economy.

The operationalization of the KBD framework will also require the conversion of current knowledge about sustainability in the social and natural domains into validated checklists useful for development planners and managers for designing and monitoring/evaluation of anti-poverty projects.

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<sup>41</sup> For example, a workable cyclical process combining the energy-generating appreciative inquiry of David Cooperrider and the problem solving modes in organizational development is described by Richley, B. And T. Lingham. 2007. A Time to Build: Strategically Linking Positive and Conventional Change Methodologies to Develop Leadership Capacity. OD Practitioner, vol. 39, no. 1.

<sup>42</sup> For examples, see USAID's microLINKS (Microenterprise Learning, Information and Knowledge Sharing) at <http://www.microlinks.org/> and the Socio Economic Research Portal for the Philippines at <http://serp-p.pids.gov.ph/details.php3?tid=746>

### 3.8 Management Actions

By intent, the KPA framework is oriented to action. The actions cover: (a) recognizing, assessing, leveraging and sustainably building community tangible assets by using its intangible assets, and vice-versa, (b) accessing or seeking access rights to external including governmental resources, and (c) working for government legislations, policies, regulations and programs that remove or reduce systemic drains in community assets. Many actions are already being undertaken; what the KPA framework can do is to situate those actions within a coherent KBM framework and to identify action areas that require further R&D (Table 3).

Diagram 5 summarizes the KPA framework in a single diagram. Factors that are beyond the control of the community and are influenced more by KBD approaches are presented in the flesh box at the bottom.

**Table 3**

KPA ACTIONS FOR A COMMUNITY PROJECT				
		Project Identification and Design	Project Implementation and M&E	Ensuring Post-Project Sustainability
<b>Local Actions</b>		<ul style="list-style-type: none"> <li>• Identify, assess and leverage community intangible assets</li> </ul>	<ul style="list-style-type: none"> <li>• Develop intangible assets in relation to inner life and values of the community</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate and plan for continuous growth of intangible and tangible assets</li> </ul>
		<ul style="list-style-type: none"> <li>• Identify risks and vulnerabilities in community intangible assets</li> </ul>	<ul style="list-style-type: none"> <li>• Manage risks and vulnerabilities in community</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate outcomes of risk management of intangibles</li> </ul>
		<ul style="list-style-type: none"> <li>• Plan build-up of sustainable community intangible and tangible assets: use intangibles to build tangibles and vice-versa</li> </ul>	<ul style="list-style-type: none"> <li>• Implement sustainable and synergistic build-up of new community intangible and tangible assets</li> </ul>	<ul style="list-style-type: none"> <li>• Design and implement complementary and follow-through projects</li> </ul>
<b>National Actions</b>		<ul style="list-style-type: none"> <li>• Work for access rights to needed resources from the government or from other property owners</li> </ul>	<ul style="list-style-type: none"> <li>• Access support systems from the government, civil societies and international development agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Work for government actions to institutionalize the project, and government reforms to remove/reduce drains in community capital</li> </ul>

### 4. Application of KPA in Analyzing Project Success<sup>43</sup>

An initial application of the KPA framework to six of the most successful projects funded by the PEF provides some very interesting insights on the usefulness of this new framework in explaining project success (see Table 4).

These cases assessed various community assets along different phases of the project:

1. Pre-project in terms of capital and vulnerabilities existent in the community even before the project;
2. During project implementation in terms of actual capital used, leveraged, and liabilities addressed; and
3. Post-project in terms of capital or benefits gained.

<sup>43</sup> This section is informed by the results of two case study workshops—the Case Study Presentation: SRRE and KPA Framework Validation Workshop attended by officers of PEF and CCLFI.Philippines held last February 8-9, 2008 in Quezon City; and the Case Study Presentation to Partners attended by partner institutions, and officers of PEF and CCLFI.Philippines held last February 19-20, 2008 in Mandaluyong City.



Diagram 5. KPA Framework

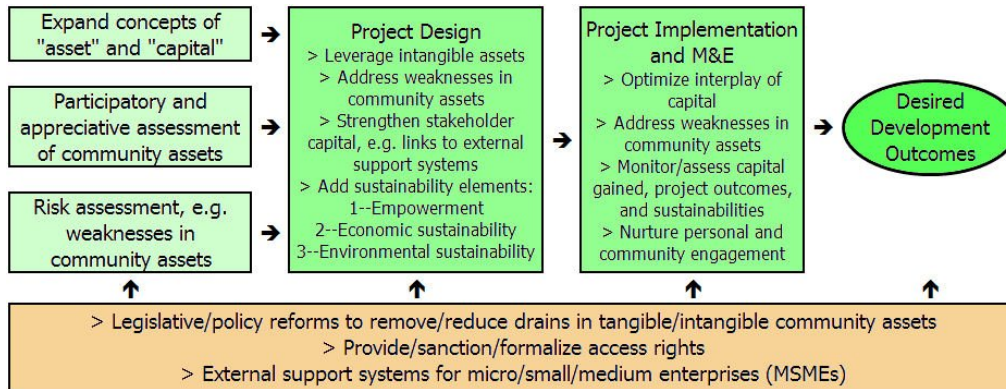


Table 4. PEF Projects Analyzed Using KPA

Project Title	Location	Implementing Organization (Partner Institution)
1. Tubig Para sa Barangay at Mga Impormal na Grupo (TUBIG) ( <i>Water for the Barangay and Informal Groups</i> )	Mandaluyong City and Pasig City (Luzon)	Foundation for Entrepreneurial Development, Inc. (FEDI)
2. Uplifting and Normalizing Malnourished Children of Lamut, Ifugao through Macro and Micro Nutrient Supplementation and Advocacy	Lamut, Ifugao Province (Luzon Island)	Lamut Women’s Organization (LAWO)
3. Health Plus Social Franchising	Antique Province (Visayas Islands)	Antique Federation of NGOs (AFON)
4. Bridge Financing for Education in Northern Samar	Mondragon, Northern Samar Province (Visayas Islands)	Sacred Heart Institute for Transformative Education (SHIFT) Foundation
5. Micro-Livelihood Support Program (MLSP) and Expanded Micro-Livelihood Support Program	Clarin, Misamis Occidental Province (Mindanao Island)	Gata Daku Multi-Purpose Cooperative (GDMPC)
6. Integrated Health Initiatives for Two Indigenous People (IP) Communities	Barangay Paypag, Bacauag and Barangay Gacepan, Sison both in Surigao del Norte Province (Mindanao Island)	Surigao del Norte NGO Coalition for Development (SUNGCOD)

The examination of the pre-project picture provided indications of how the project was able to succeed, as it made explicit the different assets that were used, and the different liabilities or vulnerabilities that needed to be addressed for project success. This first step provided insights on the cases. As the officer-in-charge of Foundation for Entrepreneurial

Development (FEDI) stated during the presentation of the cases to partner institutions, *"I would like to affirm the KPA as a good tool and framework very akin to resource mapping done before the project. (It is) clearly stating many resources in various forms that are often overlooked, particularly cultural capital"*.

Although not formally or intentionally included in the project design, the existing community assets surfaced in the pre-project assessment were employed as key components of project strategies. Among the most important assets utilized in the different projects are certain types of human capital. From the side of the implementing and/or grassroots organizations, this human capital takes the form of leadership capabilities, skills and qualities that served as the driving force behind the organization. From the side of the community, this takes the form of common aspirations for better lives with respect to having land tenure in the case of the indigenous communities in Surigao del Norte, access to water in the case of the informal settlers in Mandaluyong and Pasig, and better nutrition and nourishment in the case of Ifugao. The combination of these two types of human capital, from the side of the community and from the side of the implementing organization, seemed to have propelled project success, as it resulted in cooperation, participation, and commitment from both ends.

Stakeholder capital, particularly good relationships with local government agencies and units, is another form of capital that was leveraged across all the projects. This was strongest in the case of the malnutrition project in Ifugao Province, where the leveraging of stakeholder capital was used as the primary strategy by the implementing organization LAWO<sup>44</sup>. They took an active role in collaborating with the Convergence Team of the LGU (local government unit), composed of the Municipal Health Office, Municipal Social Welfare Office, the Municipal Agricultural Office, and the Office of the Mayor, starting with project conceptualization and development. Several prospective partners from various sectors were also involved by LAWO in order to generate more resources in cash or in kind. The AFON-implemented project on social franchising also heavily involved the Antique local government and the local Department of Health as partners in the project, with the Rural Health Offices housing the franchised Health Plus Outlets where the generic drugs are sold, and 43 community-based organizations managing such outlets. The project providing land tenure to IP (indigenous peoples) communities by SUNGCOD also cited the involvement of the government units as the critical success factor of the project<sup>45</sup>. Land was acquired for the IPs through the barangay LGUs, while the Department of Education was tapped to provide adult literacy program.

In terms of vulnerabilities that had to be addressed, two forms of capital emerged very strongly. These were the need for greater structural capital in the form of organizational capability building and strengthening of implementing organizations, and certain elements in the communities' cultural capital such as prevailing beliefs, norms and mindsets that had to be addressed so that the community can take full advantage of the benefits offered by the project.

The building of structural capital, in the form of improved organizational policies, processes and capabilities, served as a key element in ensuring that the social franchising concept was successfully implemented across Antique. Although AFON, a confederation of NGOs in

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<sup>44</sup> Fuelles, F. Feeding the Future: The Case of Lamut, Ifugao. (unpublished)

<sup>45</sup> Morallas-Basarte, A. Integrated Health Initiatives For Two IP Communities in Surigao del Norte. (unpublished)

Antique, already had a wide network of organizations, it is the enhanced capability and strength of these member community organizations which established the 43 outlets in Antique that contributed to the success of the Health Plus model<sup>46</sup>. The Gatu Daku<sup>47</sup> also had to set up its policies and systems in relation to microfinance in order for it to successfully implement the MLSP (micro-livelihood support program). They also had to establish self-help groups patterned according to the famous Grameen micro-lending system.

Projects also had to be sensitive to the existing cultural assets and liabilities of the community. For example, the project on Health Plus had to contend with the predominant thinking that "branded is better" (compared to cheaper generic drugs). The malnutrition program in Ifugao had to consider the Filipino taste in the preparation of the micronutrient supplement called Vita-Meal. Innovations in the preparation and nutritious recipes had to be introduced in order to sustain the feeding program to make the food appealing to children. The microfinance project of Gata Daku had to face the prevailing practice of borrowing from usurers. In the case of the water project of FEDI, community organizations had to act on the threat of syndicates puncturing water pipes by guarding the portion of the pipes running through their homes 24 hours a day<sup>48</sup>. Syndicates who sell water at extremely high prices are common among informal communities in the urban areas.

These cross-case findings showing assets that were leveraged and liabilities that were addressed demonstrate that the KPA provides a more comprehensive picture of a development project and the stories behind its performance. This was affirmed and appreciated by the fund manager of one of the projects when she stated, *"It's only now... and thank you because what you saw, we did not see... It gives me now a broader and clearer perspective of how the project succeeded."*

When it comes to project results, the KPA framework recognizes that project gains and benefits are more than what is initially indicated in the project objectives. Gains are likewise realized with other capital and assets of the community, with improvements in one asset contributing to the enhancement of other assets. The cases provided evidence of how this build-up of assets happens. As Sister Digna Dacanay of SHIFT noted, *"It is true; this interaction of capital generates more capital, more synergy"*. SHIFT saw how the financial capital provided by the project for bridge financing of a community high school translated to improved human capital of the teachers who found more time to perform their work which in turn enhanced the structural capital of the community as the parent-teacher association was strengthened<sup>49</sup>. The case of SUNGCOD showed how good stakeholder capital in the form of strong relationships with the LGU allowed for the acquisition of a physical asset (land for the IP communities) which in turn led to improved human capital in the form of increased self-esteem and which also led to enhanced structural capital as the IPs were formally organized to manage their dwelling places<sup>50</sup>.

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<sup>46</sup> Garcia, F. AFON Social Franchising Revisited. (unpublished)

<sup>47</sup> Morallas-Basarte, A. Microfinance: Building Financial Capital through Structural Capital, the Case of Gata Daku Multi-Purpose Cooperative of Misamis Occidental. (unpublished)

<sup>48</sup> This was shared and validated by FEDI during the case presentation and validation workshop among PEF and partner institutions.

<sup>49</sup> Garcia, F. Bridge Financing for Education in Northern Samar. (unpublished)

<sup>50</sup> Morallas-Basarte, A. Integrated Health Initiatives For Two IP Communities in Surigao del Norte. (unpublished)

The cases also provided evidence of how the macro context, which is the domain of KBD, affects development projects at the community level, which is the realm of KPA. Three cases are worth noting here. The first is the Health Plus social franchising project which provides a clear example of how enabling policies and laws at the national level facilitate development projects at the community level. In this case, the Law on Generic Drugs and an Administrative Order allowing legitimate community organizations to manage drug outlets called *Botika ng Barangay* (Village Pharmacy) provided the legal foundation for the social franchising concept.

The second is the LAWO feeding project which was anchored on the Municipal Nutrition Action Program of the LGU which was in turn contributing to the realization of the Philippine Nutrition Action Plan. The presence of a national program guaranteed the involvement of the LGU in this community-initiated project.

The third is the SHIFT project which demonstrates how laws of the national government can both serve to facilitate and hinder community development. The project was operating in the context of Republic Act 6728 that mandated the Educational Service Contracting<sup>51</sup> scheme of the Department of Education. However, while this provided the venue for the government to support the education of its youth, the bureaucracy of the government places undue pressure on private schools because of constantly delayed subsidies. It was in fact this perennial problem that the bridge financing project attempted to address.

## 5. KPA and Project Sustainability

One of the unique benefits of using the KPA as a lens in examining the development projects is its ability to provide insights on the likelihood of sustainability of project gains. In the six case studies, the results are quite striking. While certain sustainability elements common across the projects were determined to be present, many other elements were identified to be missing. The potential role of these missing elements was affirmed during two case validation exercises that involved key officers of PEF and CCLFI.Philippines and the partner institutions<sup>52</sup>.

In terms of social empowerment, the elements that were present were the following: the increased sense of confidence and self worth of the community, together with the organization of community members into formal groups; and the institutionalization of programs, through agreements with the LGUs, for instance, to ensure that the programs can be continued even after the end of the project.

The elements related to social empowerment that were lacking and that should have been addressed by the projects as early as project conceptualization include:

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<sup>51</sup> Under this scheme, private secondary schools were contracted to provide free education through the provision by the government of student subsidies paid directly to the private school.

<sup>52</sup> These are the Case Study Presentation: SRRE and KPA Framework Validation Workshop attended by officers of PEF and CCLFI.Philippines held last February 8-9, 2008 in Quezon City; and the Case Study Presentation to Partners attended by partner institutions, and officers of PEF CCLFI.Philippines held last February 19-20, 2008 in Mandaluyong City

1. Developing leaders and second-liners;
2. Continuous organizational strengthening, capacity building, and developing organizational self-reliance;
3. Help the community attract and work with various stakeholders who can assist them in their development needs; and
4. Helping the community determine their development needs, participate in planning and charting directions.

In terms of economic sustainability, the absence of an income-generating or sustainable livelihood component was evident in some projects. It was noted that many of the projects were on the expense side (providing access to services and resources that had to be bought) and were not matched on the income side. There were no clearly defined activities on how the community will be able to afford such services on a sustained basis. This was particularly noticeable in the case of FEDI where access to water was accompanied by monthly water bills and SUNGCOD's project with the indigenous people where settling them in a permanent location would expectedly create the need to purchase basic services and utilities.

## 6. Concluding Observations

The wedding of two powerful development paradigms — knowledge-based management and sustainable development — is a continuous and challenging task. This paper on the Knowledge for Poverty Alleviation or KPA framework attempted to contribute to this task in several ways.

Firstly, building on previous proposals and studies, the KPA framework outlines how intangible assets of communities can be recognized, assessed, leveraged, developed and managed in ways that are sustainable. Action items are identified to help bring theory to application.

Secondly, in extending the intellectual capital discourse to community-level anti-poverty projects, it was found necessary to reframe prevailing concepts of "asset", "capital" and even "poverty." To facilitate this reframing process, this paper proposes a new and broader concept: metacapital. KPA development is a work in progress that invites cross-disciplinary communication and collaboration among economists and sociologists, among ecologists and policy researchers, and among corporate KBM practitioners and rural SD practitioners. There is a need to test and validate operational tools for application at the field level.<sup>53</sup>

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<sup>53</sup> One of the tools developed so far is "Anatomy of Success and Vulnerability", a summary table (Diagram 3 is an example) which quickly organizes and shows the strengths and vulnerabilities in a community's intangible and tangible assets, and in external assets it has access to. Development workers who are familiar with a project, when shown its "Anatomy of Success and Vulnerability", readily appreciate the value of the tool and the new perspective behind it, for presenting new or additional insights why the project is succeeding and cues where it may fail in the future. A tool for pre-project participatory community assessment process is also being developed, which would provide useful inputs to the project design stage. PEF and CCLFI-Philippines also is developing two other tools: a table on Interplay of Capitals which shows assets leveraged, vulnerabilities addressed, and interventions made during project implementation, and a table on Changes in the Assets/Capital which compares pre- and post-project situations.

Thirdly, because the problem of poverty at the local level is embedded within the national policy context, the developments of the KPA and KBD frameworks should proceed together. This paper points to important linkages between KPA and KBD, and corresponding action items to address national policy issues and other systemic factors that may at times work to exacerbate poverty at the local levels.

Finally, the attention to intangible assets underscores a new insight: that authentic personal and social engagement in development is rooted in the inner life and values of the community — an insight that is corroborated by similar or parallel findings in the corporate sector. Applying KPA starts with a participatory and appreciative community self-assessment to surface the community's hitherto unrecognized intangible assets. This process produces inputs to the pre-project assessment prior to project design.