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DEMOCRATIC LOCAL GOVERNANCE IN THE PHILIPPINES

Tradition Hinders Transition

The Philippines has taken a major step toward more autonomous, responsive, and accountable local government, and broader participation by citizens at the local level. But traditional political values and behavior hold the country back from full-scale democratic local governance.

SUMMARY

The Philippines government reversed the centralized political power and governance of Ferdinand Marcos' authoritarian regime, enacting the Local Government Code in 1991.

The code expresses a national political commitment to democracy and goes a long way toward providing the tools for local governments to function more democratically and for citizens and civil society to be more involved.

Traditional local patronage politics, however, is still more the rule than the exception. Too many local bosses build power bases through relationships based on favors often reinforced by threats. This militates against free and fair elections and increased democratic local governance. Local political party organizations, which can be forces for government participation and citizen involvement, are fairly weak. And local bosses in many cases are loath to grant civil society organizations or

CONTENTS

Summary.....	1
Introduction.....	2
The Study.....	3
Overview.....	4
USAID Support	6
Other Support.....	8
Challenges	9
Meeting the Challenges	13
Lessons Learned....	15

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citizens the roles carved out for them in the Local Government Code.

USAID has long supported the Philippines' transition to democracy. In the 1970s, for instance, the Agency sponsored a trip to the United States for mayors and other local officials (including the principal author of the Local Government Code) to receive training in public administration.

Over the past 15 years, USAID has given more than \$78 million to nongovernmental organizations and people's organizations to support their role as agents of democratic change and reform.

Since 1992, the Agency has supported civil society directly, with \$15.1 million to help fisherfolk, the urban poor, and indigenous peoples form coalitions. Through the Local Development Assistance Project (1990–95), USAID/Philippines provided \$50 million to help decentralize government functions; increase local governments' autonomy, authority, and resources; and broaden citizen participation.

In 1995, the Agency began the Governance and Local Democracy project, committing \$20 million thus far to support development through decentralized governance. These programs have had a visible impact on the progress of democratic local governance in the Philippines.

However, the country still faces formidable barriers, starting with the patronage-style politics and the electoral fraud and exclusion of civil society that attends it. Weak local party organizations and citizens' lack of knowledge about their rights and responsibilities in a democracy also slow the transition to democratic governance.

Among the lessons learned from USAID's experience with democratic local governance in the Philippines:

- It is important to build an understanding of democratic processes and develop tools for implementing democracy, even if it means having to wait for the right time to pursue related reforms.
- Political will, at both national and local levels, is essential to build a foundation for democratic local governance.
- Civil society organizations can fill the void when local political parties aren't strong enough to ensure citizen participation and government accountability.
- Donors need to be flexible and anticipate changing circumstances for programs to be effective.
- Promoting democratic principles and attitudes is essential, but is often ignored in the traditional emphasis on improving local government administration and service delivery.

INTRODUCTION

After more than a dozen years of increasingly authoritarian and corrupt rule under Ferdinand Marcos, the Philippines restored democracy in 1986. The EDSA revolution, so-called because it started on Epifanía de los Santos Boulevard in Manila, deposed the dictator and legitimized the election of Corazón Aquino as president. Five years later, in 1991, the Philippines launched the ambitious Local Government Code to bring democracy to the local level.

A CDIE study of democratic local governance undertaken in spring 1996 found the Philippines has made significant progress in establishing legal guidelines for greater local government autonomy, for more responsive and accountable local government, and for broader participation by civil society at the lo-

cal level. But traditional political values and practices that continue to influence political life have hamstrung development of fully democratic local governance. Democratic local governance is understood in this study to mean the effective devolution of authority and resources from the central government to local bodies accountable to and controlled by the will of its citizens.

Political power and governance were highly centralized under Marcos. Through the Local Government Code, the government has been trying to establish democratic governance at the local level. The code emphasizes a clear and transparent devolution of responsibilities, resources, and people to local governments. The code buttresses the democratic aspect of local governance by including the means for sectors of civil society and for citizens themselves to participate directly in governance.

Civil society organizations are represented on local government councils, from municipal planning boards to provincial development councils. Citizens can participate directly by voting for initiatives to enact legislation by popular vote and calling for referenda to vote on government-proposed legislation. Citizens can also petition for the removal of public officials.

The code expresses a national political will for democracy. But traditional local patronage politics continues. Part of that legacy is reflected in nostalgia among some Filipinos. One acting *barangay* (neighborhood) captain said, “things were better under Marcos.” In the good old days, he explained, all the *barangay* leaders had to do to get funds or projects was to show loyalty to Marcos. Meetings, votes, and consensus-building were unnecessary. The neighborhood captain’s view captures an impatience and discontent with democratic debate and compromise that others echoed less explicitly.

For example, a leading political boss in a city the team visited scoffed at the need to pay attention to leaders of nongovernmental organizations (NGOs). His view is that if NGOs want to participate, they should vote his people out of office.

THE STUDY

During a three-week field visit in April–May 1996, a three-person team commissioned by USAID’s Center for Development Information and Evaluation (CDIE) assessed progress in promoting local-level democracy in the Philippines. The team examined the impact of the Local Government Code, enacted in October 1991, and USAID projects aimed at strengthening local-level democracy. The study is the first in a series of studies that will generate lessons learned and guidelines for USAID and other donor support of democratic local governance.

CDIE selected the Philippines to begin this series for two reasons. First, the country’s national decentralization policy, as codified in the Local Government Code, is a bold initiative. Second, over the years USAID has invested heavily in programs and projects to support democratic local governance in the Philippines, including implementation of the new code.

This study looks at two issues: 1) How successful has the government been in developing a participatory, accountable, and transparent system of democratic local governance? 2) What impact have USAID and other donors had in promoting democratic local governance?

The team reviewed documents and interviewed senior staff members of donor agencies, church leaders (Protestant and Roman Catholic), and faculty and students at national and regional universities. In addition, the team held roundtable discussions with senior

political, private sector, civil society, and academic figures to better understand the implementation of the code and aspects of Philippines democracy. The team interviewed journalists, NGO leaders and staff, politicians, bureaucrats, and well-known public figures.

Team members visited a local government unit, Bulacan, a province just outside metropolitan Manila that is seeking to assert independence from the expanding city. The team visited six other places. Bohol is a province near Cebu island that is losing people to other parts of the Philippines and abroad. Palawan province has been accorded special powers to preserve its natural resources.

Cebu City is one of the fastest-growing economic centers in the Philippines but faces severe constraints because of limited water supplies. Minglanilla is a suburb of Cebu City. General Santos City in Mindanao is a fast-growing, newly declared independent city.

Sarangani Province, also in Mindanao, is facing rapid growth from investments, many from Indonesia. Davao City, an independent city in the center of Mindanao, is run by one of the country's most well-known entrepreneurial mayors.

To develop an understanding of public opinion and attitudes about the Local Government Code and democracy, the team commissioned and supervised an intercept interview survey. The survey drew its sample by stopping 249 people randomly on the streets in three cities—General Santos City; Tagbilaran, the capital of Bohol province; and Puerto Princesa, the capital of Palawan province.

OVERVIEW

History and tradition influence the country's move toward democracy.

Background

The Republic of the Philippines has a long tradition of democratic practice and local governance, beginning with the Spanish colonial period and continuing through the years of U.S. rule. The United States promoted democracy at the national and local levels, culminating in independence for the Philippines on July 4, 1946.

The martial-law rule of Ferdinand Marcos disrupted the democratic tradition, but democracy was restored by popular uprising in 1986. From 1986 through 1992, democratically elected President Corazón Aquino withstood repeated coup attempts by garnering and maintaining popular support. President Fidel Ramos, who succeeded Aquino in 1992, continues this dedication to democracy.

In practice, however, before the Local Government Code, local government could best be characterized as a system of local patronage. Municipalities were most often dominated by a political boss who maintained power by providing services and support to the townspeople.

At the same time, the local boss often used strong-arm tactics—gunmen or bribes to buy votes—to keep dissidents in line and maintain a hold on power. Often a political boss founded a political dynasty. Power passed from father to son or brother to brother. Some of those dynasties, located in key areas of the country, became bases for entrance to the national political elite.

Local Political Structure

The basic units of local government in the Philippines are provinces, municipalities, independent cities, and *barangays* (or neighborhoods).

There are 77 provinces, which are the largest territorial units. There are 65 cities, some part of the province where they're located, some not. There are 1,542 municipalities, which are part of a province. There are 41,926 barangays, the lowest formally organized local government unit. Municipalities and cities are each composed of barangays. Each level of local government has an elected council and an advisory unit for its governor, mayor, or barangay captain.

The Local Government Code

The Local Government Code grew out of the post-EDSA constitution, which affirmed the importance of local government. It seeks to establish democratic government at the local level by eliminating the local patronage system and limiting powers of the central bureaucracy. The principal authors used some of the knowledge gained from USAID training in the United States in drafting the code. The code devolves authority, resources, and responsibility to local government units (see box).

It mandates representation of NGOs and certain sectors of society, such as labor, the urban poor, and women. These groups are represented in legislative councils, local development councils, and special boards, such as planning councils. The code introduced, for the first time in Philippines history, tools of direct democracy, such as initiatives to enact new legislation through popular vote, referenda to vote on legislation proposed by the local government, and recall, using citizen petition and elections to remove officials.

Since 1991, the government has demonstrated a commitment to implementing the code by 1)

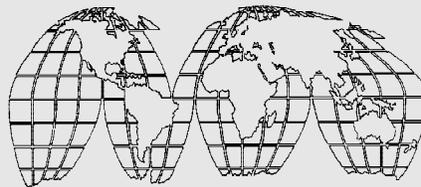
broadening local taxing powers, 2) providing local government units with a share of the national wealth generated in their area, such as from mining, fisheries, and forestry, and 3) increasing the local government share of revenue from national taxes. In addition, the code gives local governments the right to generate revenue from local fees and charges.

The central government has devolved certain services, such as health, to the local level. More than 70,000 government employees were reassigned to local governments, along with facilities, equipment, and mandated internal revenue allotments. Local financial officers have also been reassigned to local governments.

There have been violations of the letter and intent of the Local Government Code, however. In some cases, central departments impinge on local authorities. The health department, for example, sets salaries of reassigned health employees. The commission on audit continues to assert authority through

centrally supervised audits. The department of finance directly supervises local treasurers. While these practices seem contrary to the code, most local government officials interviewed accept them as beyond their control.

In most local government units the team visited, devolution has succeeded on several levels. First, the central government has transferred resources, both financial and human, to the local level. Second, local governments can raise their own revenue through taxation, borrowing, and fees. Third, local officials have more autonomy in deciding how resources will be used.



“THE CODE SEEKS TO ESTABLISH DEMOCRATIC GOVERNMENT AT THE LOCAL LEVEL BY ELIMINATING THE LOCAL PATRONAGE SYSTEM.”

USAID has long been in the forefront of efforts to promote democratic participation and improve local governance in the Philippines. As far back as the 1970s, for example, the Agency sponsored mayors and other local officials (including Senator Aquilino Pimentel, the principal author of the Local Government Code, then a mayor in Mindanao) for training in public administration in the United States.

At the same time, USAID supported development of the country's public administration through the University of the Philippines. That support generated a cadre of scholars and prac-

tioners, many of whom are active today in efforts to strengthen democracy.

For example, the former dean of the school of public administration of the University of the Philippines, together with other university academics, recently founded an NGO to promote transparency in government at the local and national levels. This group was also instrumental in training subsequent generations of scholars and bureaucrats active in local government through agencies such as the Local Government Academy of the national Department of Interior and Local Government.

Over the past 15 years, USAID has given more than \$78 million to NGOs and POs to sup-

Provisions of the Local Government Code

The Local Government Code of 1991 devolves powers from the central government to local government units—the barangays or neighborhoods, municipalities, cities, and provinces—so they can be autonomous. The code calls for more responsive and accountable local government through decentralization.

Specifically, the code:

1. devolves power and authority to deliver services to local government units and calls for health, agriculture, environment, infrastructure, and social welfare services to be run by barangays
2. provides for quarterly distribution of internal revenue allotments to local government units from national revenue collected, using a formula based on government level and population
3. authorizes local government units to levy and collect local taxes and fees and to borrow from any source
4. permits recall of local government officials
5. mandates participation of government-accredited NGOs (nonprofit organizations ranging from issue-based advocacy organizations to service clubs) and people's organizations (community-based membership organizations) in local government council deliberations
6. authorizes local initiatives and referenda to allow registered voters to propose, enact, repeal, or amend ordinances directly at the local government level
7. requires elected sectoral representation from labor, women, and others, such as the urban poor, indigenous people, and people with disabilities

port and broaden their role as agents of democratic change and government reform. The Agency also provided tens of millions of dollars for joint community development projects with the Philippines government. Those projects involved local government and increased public participation.

Since 1992 the Agency has supported civil society directly, providing \$15.1 million to support formation of coalitions of disadvantaged and underrepresented groups. USAID/Philippines is working with coalitions of fisherfolk, the urban poor, and indigenous peoples. These groups are working at the local, regional, and national level and are part of a USAID effort to strengthen the capacity of people's organizations to represent their constituencies in the arenas allowed by the code.

The most significant USAID undertaking in local governance before enactment of the Local Government Code was the Local Development Assistance Program (LDAP). Conducted from September 1990 through March 1995, it was a joint project of the Philippines government (\$16.7 million) and USAID (\$50 million). The program supported reforms to decentralize government functions; increase the financial resources, autonomy, and authority of local governments; and broaden citizen participation in local governance.

The program had three principal components: performance-based disbursements, grants to NGOs, and monitoring and technical assistance. The primary emphasis was on additional discretionary resources, greater administrative authority, and increased institution-building for local government units, along with an increased role for the private sector in local development.

LDAP achieved its objectives in part because once the code was passed, it took advantage of the opportunity to strengthen local government.

It began as a project supporting development of local autonomy and became a tool for USAID and the Philippines government to help implement the code.

According to the final evaluation report published in March 1995, the project was instrumental in: 1) increasing the amount of internal revenue allotments to local government units, 2) helping implement the code, 3) facilitating a massive information campaign, training programs, and technical studies on the value of decentralization, and 4) increasing the private sector role in local development. The report concludes:

LDAP began with relatively modest goals; it was designed to generate knowledge about...gain experience with, and...build support for decentralization. With the passage of the Local Government Code a whole range of new opportunities was made available. It is to the credit of LDAP and its managers that these opportunities were quickly recognized and seized.

USAID is expanding its role in democratic local governance through the joint Governance and Local Democracy project (GOLD).

Started in 1995, this \$31.8 million (\$20 million from USAID and the rest from Philippines local governments) project is intended to show "that through a decentralized system of governance, local communities can accelerate the development process and improve government performance in the delivery of basic services."

The goal, according to the project summary, is to "achieve effective local governance with maximized popular participation and establish a functioning system of communication to support replication."

There are 10 GOLD sites. The project emphasizes local development planning as a means

to build confidence in government and encourage citizen participation.

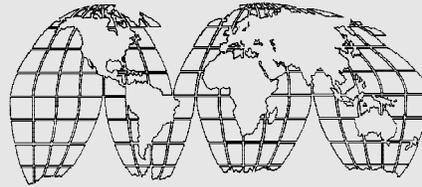
To accomplish this, USAID contractors help local officials and citizens organize workshops to generate community development proposals. The workshops include government officials, NGO and PO leaders, national association representatives, and members of the business community. GOLD also provides for dissemination of project achievements so they can be replicated.

The project supports involvement of national organizations, such as the leagues of Cities, Provinces, and Municipalities, to link government officials and interests at the national level with their local-level counterparts who are considering or implementing local development projects.

While GOLD is in an early stage of development, there are already signs of progress. Rapid field appraisals and workshop records in the five GOLD sites the team visited (Bohol province, Bulacan province, General Santos City, Palawan province, and Sarangani province), show that civic groups are generating and carrying out projects. Local officials and NGOs are collaborating in USAID-facilitated workshops. NGO representatives told the team the workshops are an opportunity for them to meet with local authorities on equal terms to exchange views, establish priorities, and plan. Other workshop participants concurred, adding they are hopeful this will lead to improved municipal services.

The workshops give high priority to projects that develop computerized property tax assess-

ments, improve management of power and water systems, and develop environmental management systems. Most projects involve improving government efficiency, mobilizing resources, and boosting economic development. Only one province placed an emphasis (although not its highest emphasis) on local government transparency and accountability.



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GOLD workshops are oriented toward modifying those values and circumstances that undermine the democratic process at the local level, including a lack of effective political organizations, low tolerance for dissent, and hierarchical social values. Carefully facilitated sessions bring together politicians, local government employees, and civil society representatives to discuss problems, solutions, and action agendas regarding democratic governance.

However, while GOLD is boosting cooperation between government and nongovernment sectors in project planning, it is not yet necessarily affecting the everyday framework of local governance. For the most part, local governance remains unchanged—dominated by an elite, exclusive rather than inclusive, directive rather than consensus-based.

OTHER DONOR SUPPORT

In addition to USAID, there is considerable donor support for local government, but the focus is primarily on governance or infrastructure. For example, the Canadian International Development Agency supports the Ateneo de Davao University’s Master of Pub-

lic Administration program, which has a local government focus. It is also working to strengthen capacity of several local government units in Mindanao.

The World Bank and the Asia Development Bank emphasize infrastructure improvement, such as roads and transport facilities. However, because their efforts are channeled through national development mechanisms, not local government units, the agencies undercut local autonomy by bolstering the national government's tutelage role.

The Asia Foundation has a small grant program to promote participation and government accountability. For example, it has given the Philippines Center for Investigative Journalism a grant the center has used to investigate the role of political bosses. The Ford Foundation, in conjunction with the Local Government Academy and the Asian Institute for Management, supports the *Galing Pook Awards*. These awards publicize exemplary efforts in local governance. The Ford Foundation is also funding small projects to encourage public debate on democratic local governance and civic education.

CHALLENGES

Filipinos face significant challenges in implementing Local Government Code reforms:

- overcoming a political legacy of personality-based, patron–client politics
- ensuring free and fair political competition
- achieving participation of NGOs, POs, and other civil society organizations in planning and legislative activities of the local development councils
- developing national–local relations, particularly regarding local autonomy, local

control over resources, and unfunded mandates

- creating accountability and transparency in local government

Pulitika: the legacy of local politics

The fundamental difficulty in developing democratic local governance in the Philippines is the complicated relationship Filipinos have with local elites, local and central government representatives, and citizen groups. Since colonial days, local interests, personal loyalties, and economic power have been interwoven in a dynamic called *pulitika*.

In its simplest definition, *pulitika* refers to a patron–client relationship built on favors (including vote-buying) to maintain the political boss's control over a town or province. That control is reinforced by the threat or use of violence. The standard expression describes political bossism as based on “guns, goons, and gold.” *Pulitika* also embraces the relationship of patrons and their supporters and clients, including family ties. (Families loom large in determining social relations in the Philippines.)

Underpinning these relationships is a set of values that emphasize loyalty to family, locality, and the local boss. That boss could be a member of the landowner class, the landowner's representative, or even a foreman or supervisor. What a boss needed was the skills to build patron–client networks, family connections, or the wealth to secure votes. The political boss (most often a man) used the opportunities in his territory to benefit himself and his supporters and clients.

Pulitika operates at all levels. Political power and influence throughout the system are built on personal loyalties and alliances. For example, getting things done at the local level

depends on one's political influence in local government. That in turn depends on one's relationship with and loyalties to local elites.

Pulitika is paternalistic. Citizens must rely on a person or family, not the local government as an institution. Illustrative of this paternalistic attitude is the view elected officials and even some influential opinion-makers hold that Filipinos are "immature" in their understanding and exercise of democratic rights and responsibilities. Filipinos need the guidance of a boss, according to this view, because they cannot understand or manage the complex tasks of governance.

Free and Fair Political Competition

A related challenge is maintaining competition in local politics, and particularly conducting free and fair elections. Vote-buying, coercion, and fraud have been associated historically with local elections in provinces, cities, municipalities, barangays, and even youth councils (instituted during the Marcos years). These practices continue today.

Journalists and civil society groups criticize the youth councils as a vehicle for local elites or bosses to train young people in corrupt politics and election-rigging. The most recent round of youth council elections, in 1996, gave rise to accusations of fraud by local authorities in various parts of the country. In interviews with local officials, the CDIE team identified instances of youth councils serving as the political training ground for the children of mayors, vice governors, and governors.

According to news reports, many Filipinos assume all elections are corrupt. Even some senior electoral officials have stated publicly they consider fraudulent elections the norm. These officials view the electoral process negatively. In a televised debate on vote-rigging in a recent national election, a high-ranking member of the na-

tional electoral tribunal called those who protest obvious cases of voter fraud "sore losers."

This undermines public trust and confidence and thwarts development of a competitive democratic process at the local level. Formal mechanisms and institutions have been put in place to eliminate fraud, but these have not worked. No matter how effectively local officials provide services, if elections are rigged, true democratic local governance does not exist.

Another weakness is the lack of a political party structure. At the local level parties are most often personal groups centered on one or more local figures. They may be tied to or serve as part of a national leader's power base. For example, the mayor of one of the sites the team visited identified himself as a supporter of President Ramos and his party. The mayor helped his wife become barangay captain and his son get elected to the youth council. Other politicians identified themselves with a senator from the area and his party.

It is not party identification that is the key to understanding local politics but family and other ties that link local officials and their followers. The aggregate interests of civil society and the development of a resource base (funding, campaign skills, ties to like-minded groups) characteristic of political parties are undeveloped in the Philippines.

The Role of Popular Participation

The Local Government Code envisioned several mechanisms to enhance citizen involvement. These include the tools of direct democracy made popular in California early in the 20th century—initiatives to enact new legislation through popular vote, referenda to vote on legislation proposed by the local government, and recall, using citizen petition and elections to remove officials. Of these, recall

appears to be used most effectively. Several local officials have been subject to recall petitions in the past year.

However, the code's key tool for promoting popular participation was the incorporation of representatives of NGOs and POs into bodies such as local development councils.

These councils, mandated for provinces, cities, and municipalities, are supposed to undertake annual medium- and long-term planning; formulate related investment programs; prioritize development programs and projects; and coordinate, monitor, and evaluate project implementation. According to the code, NGOs and POs are to hold 25 percent of the seats on local development councils.

The reality is far different. Many local development councils rarely meet. When they do, they have little say in annual planning or budgeting, let alone longer-term planning. In Palawan, for example, the provincial executive branch finalizes the annual budget before the local development council is allowed to examine it and the related annual plan. A similar process takes place in Tagbilaran in Bohol.

Councils are also, as a rule, not involved in coordinating or evaluating development projects. While there is some participation (USAID/Philippines' 1995 R4 states that 20 percent of the representatives in targeted local governments are NGO representatives), the team's findings and other studies point to the limits on that participation.

An Asian Institute of Management study describes the provincial development council of Misamis Oriental province. The council has met twice from 1991 to 1995. Although it lists 10 NGOs as members, several of the NGO leaders said they have little or no knowledge of the council's activities. One has never been invited to a council meeting.

NGOs contacted by the study author indicated that *pulitika* is still the way to get things done. One NGO leader remarked that a personal relationship with the governor is necessary, because he controls all provincial government departments. A signal of approval from him is the only way to speed up results.

Perhaps most important, local officials in many cases oppose NGO involvement. Some officials complain that NGOs are included in code-mandated activities not by citizen choice or election. One ex-mayor (and still political boss) said:

If nongovernmental organizations want to govern, they should run for public office and be part of the government....It should be the local government units that may voluntarily empower the NGOs and not the other way around.

NGOs must be formally recognized by local government units or the national government to participate in local government activities. That means local officials can deny or threaten to deny recognition. The CDIE team found this to be the case in Cebu, Mindanao, and Palawan, where NGOs and POs have had to fight for the right to choose their representatives to provincial or local government boards.

In Palawan, an association of local environmental NGOs tried to select one of its members for gubernatorial appointment to Palawan's special environmental control board. An NGO member is legally mandated to sit on the board, but no selection procedure is spelled out. The governor refused to be dictated to by the NGOs and the matter was still up in the air when the team left the Philippines.

To avoid dealing with NGOs, some mayors and council members go so far as to make decisions outside normal channels and even appoint puppet NGOs to create a façade of participation. There seem to be no checks in

place to counter this evasion of the intent of the law. No sanctions have been visited on municipalities that have engaged in this practice, the view being that local government units have the right to accredit NGOs in their jurisdiction.

Local–National Government Relations

Democratic local governance does not exist in a political vacuum. Authorities beyond the local level must be persuaded or influenced to support empowerment of local governments.

Unquestionably, the code is a significant advance. It defines the relationship between the national government and local government units. It mandated the transfer of resources and personnel that gave local government units the resources to handle increased responsibilities in areas such as health.

Problems remain however. Many local governments complain about what they consider unfunded mandates. For example, local governments have had to accept nationally imposed salary scales for health workers transferred to them. In some cases, health workers' salaries exceed those of other local staff, including council members and even mayors. Often health workers' salaries strain local budgets. This is a particular burden for poorer areas, where resources are already limited.

Several officials in poorer areas have suggested that the internal revenue allocation mandated by the Local Government Code be adjusted or increased to provide more money

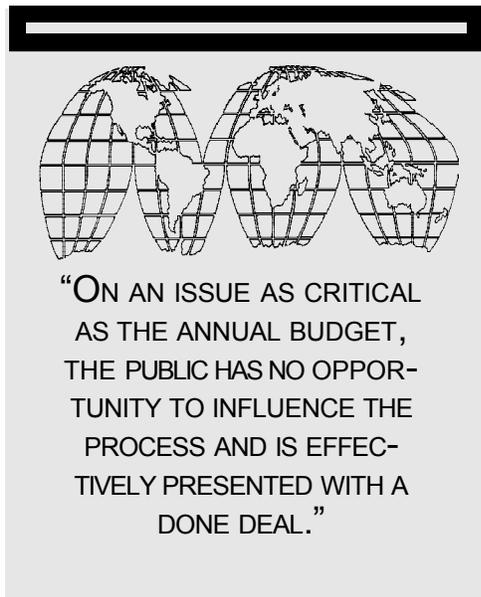
to poorer areas. An adjustment, however, is unlikely because wealthier local governments and the national government do not support it. (The code specifies a formula for distributing 40 percent of the national internal revenue based on population and type of government unit. It distributes the money as follows: provinces, 9.2 percent; cities, 9.2 percent; municipalities, 13.6 percent; and barangays, 8 percent.)

While the Local Government Code grants local government units autonomy, there are constraints to exercising that autonomy. National government auditors in some areas, for instance, still manage to exercise oversight over local government financial operations although they no longer have such a function under the code.

In the policy sphere, local governments cannot stop or modify national policies that directly affect their area. They cannot, for instance, grant or refuse mining licenses.

In Davao City, the mayor found mining equipment operating in his city without his having even been notified by the Department of Mines in Manila. Cement plants and oil refineries have been licensed by national authorities in Manila to operate in Cebu and Mindanao without considering the effect on the local population or giving local governments a voice in decision-making.

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Accountability and Transparency

Local governments must be accountable to their constituents for democracy to function at the local level. One obvious weakness the team noted was local governments' failure to inform

and involve the public in decision-making. In Bohol, for example, the city of Tagbilaran develops an annual budget internally through a series of consultations with local officials without meaningful public participation. The public can ostensibly comment at city council meetings. But on an issue as critical as the annual budget, the public has no opportunity to influence the process and is effectively presented with a done deal.

USAID/Philippines' R4 for 1995 provides an indication of the extent of the lack of accountability and transparency in government operations. Only 15 local government units of the 210 in the GOLD project provide public information on resources, expenditures, and operations.

Journalists, educators, and NGO members have made efforts to inform Filipinos of their rights. But representatives of these groups repeatedly told CDIE that Filipinos need to know more about their right to demand accountability from local, regional, and national officials. They also concurred that local officials need to be reminded of their responsibility to keep citizens informed and act in their constituents' best interests.

Leaders of one people's organization underscored the practical problems involved. They pointed out that local government officials are receiving training to be administrators, but citizens have no training for their new role as voters and participants in politics.

Without exception, those interviewed by the CDIE team stressed the need for civic education in the broadest sense of the term, including discussions about democratic values to broaden citizens' knowledge of political power and the democratic process.

The team's survey supports these observations. For example, although 57 percent had heard of the Local Government Code, only 36 percent knew the code increased resources to their cities.

Fifty-nine percent had little or no involvement with the political processes associated with a vibrant democracy. Ten percent did not participate at all; 29 percent engaged in only one form of participation (talking about politics with a friend or relative, attending a rally, or voting). Twenty percent had engaged in two types of political behavior but they were primarily limited to talking about politics and voting.

The Mission's 1995 Results Review and Resource Request (R4) aptly describes the difficulties the country faces:

If broad and sustainable participatory democracy is truly to take root in the Philippines, Filipinos will have to professionalize their still highly personalized political institutions. They will have to bring a semblance of cohesion to their vibrant, extremely diverse, and huge nongovernmental sector. They will have to find ways to help important but marginalized elements of the population participate meaningfully in the political process. They will have to create and nurture institutions of civil society that provide meaningful alternatives to formal governmental processes. They will have to implement effectively the devolution and decentralization of power. They will have to strengthen those groups dedicated to the protection of what is unarguably a still-fragile democracy.

MEETING THE CHALLENGES

The challenges facing democratic local governance in the Philippines are daunting. But significant progress has been made in meeting them. The Local Government Code gives local governments considerable resources, transferred regularly. Local government units are using those resources to meet their new obligations, although not without difficulties in many cases. At a minimum, most local govern-

ments are reported to be fulfilling their basic commitments to provide devolved services. The longer term capacity of poorer governments to meet their commitments is a challenge that will have to be faced.

National–local relations are another concern. Under the code, local governments are to be autonomous to plan and manage devolved services, as well as to plan and manage their internal administrative affairs. However, national agencies such as the departments of Finance and Environment and Natural Resources often challenge local government actions.

To improve financial capacity and ensure autonomy, local governments need to use their political resources in dealing with the national government.

The two most valued resources governors and mayors named in discussions with the CDIE team demonstrate the duality of politics in the Philippines. One is the work of the leagues of Provinces, Cities, and Municipalities to represent the interests of local government units at the national level, both with the executive branch and the Congress. (The League of Barangays, from all reports, is not functioning as an effective national organization.)

The second comes straight out of the country’s political tradition—the personal connections between governors and mayors and the president of the country or key members of the executive branch and Congress.

USAID/Philippines recognizes the importance of the first set of resources, the leagues, and is using GOLD to develop them into effective lob-

bies for local government units. As more impersonal means of working with the national government prove effective, this personal aspect of politics may diminish.

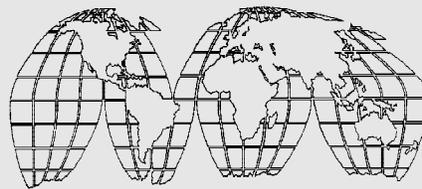
The challenges to democracy are far more difficult to resolve than the challenges to governance. They also need to be met head on. Programs aimed at improving local service delivery in the past generally did not take into

account the democratic process at the local level—greater inclusion of citizens, and development of mechanisms for fair political competition, accountability, and transparency. USAID’s municipal development programs in the 1970s, for example, did little to contribute to local-level democracy in the Philippines.

The conditions for meeting the challenge of *pulitika* and building more effective local democracy have now changed, however.

The Local Government Code provides mechanisms such as popular participation by NGOs and POs, and tools of direct democracy such as initiative, referendum, and recall that allow for citizen participation, monitoring, and oversight. In addition, parts of civil society are now more committed to taking advantage of the opportunities provided by the code to generate broader participation.

Nonetheless, formidable barriers remain. They start with the personal, family-based, patron-client systems subsumed under the concept of *pulitika*. They include electoral fraud, the weakness of local party organizations, and the effective exclusion of civil society organizations from the role assigned them in local planning and monitoring by most local governments.



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Meeting these challenges will require a range of resources. An essential element is civil society organizations—NGOs and POs. Civil society organizations have a statutory role in government accountability.

USAID/Philippines has taken that role as a starting point to build a stronger civil society, seeking through GOLD to build closer relationships between local governments and NGOs and POs in planning and carrying out projects.

The initial benefit will be the informal networking and continuing dialog between local government officials and NGO leaders. In the long run, however, such communication will need to be institutionalized to make the role of civil society sustainable.

Absent effective local party organizations, civil society organizations can be a vehicle to increase local government accountability and transparency. But that may mean that NGOs and POs will have to expand their role in local politics, even endorsing candidates for local office and generating voter support for their candidates.

USAID/Philippines has recognized the necessity of strengthening civil society organizations through coalition-building. The techniques groups learn and the skills they acquire through these activities may be effective at the local level.

For civil society organizations to be effective in the political process will also require significant changes in the electoral process, which is still subject to fraud and abuse. Success by some of these groups may serve as encouragement for other civil society organizations to take on the difficult task of participating in politics at the local level.

Many civil society organizations, journalists, and scholars talked of the need to develop civic education. To meet the challenge of *pulitika* and related problems of limited and unfair elec-

toral competition, citizens and NGO and PO activists need to know more about their roles as voters and participants in local politics. Some NGOs, including religious groups, have begun local civic education programs.

Investigative journalists such as those at the Center for Investigative Journalism have published books and articles on local governments, highlighting the negative side of traditional political bosses and success stories of local government officials, journalists, NGOs, and POs that are building more participatory and accountable government.

LESSONS LEARNED

- Build on prior development assistance experience.

Donor investments that build an understanding of the democratic process and develop tools for implementing democracy can foster reforms when the time is ripe. The concepts in the Local Government Code of direct democracy (use of initiative, referendum, and recall) came in part from lessons absorbed by the code's principal author through USAID-supported participant training programs in the 1970s. USAID and other donor support in the 1970s also contributed to the existence of a cadre of intellectuals and administrators who have helped formulate implementation strategies for the code.

- Political will is essential at both the national and local levels.

Political will at the national level can lay the foundation for democratic local governance. But it is not possible to build on that foundation if political will does not exist at the local level. The Local Government Code makes local efforts for democratization possible by ensuring that local governments have the

resources and legal framework to develop a more participatory and effective government. But it did not eliminate pulitika with its mechanisms of control at the ballot box and through patronage. The next stage (which USAID/Philippines is addressing with its GOLD and civil society activities) is to build political participation at the local level to generate support for reforms.

- Civil society organizations can substitute for absent political parties.

Absent strong local political parties, civil society organizations can fill the void in holding government accountable. Because politics at all levels of Philippines society has been personal and tied primarily to the building of patron-client networks, party structure at the national and local levels has been weak. Civil society organizations can build coalitions to ensure citizen participation and government accountability. Donors can help build coalitions and educate civil society organizations on their new roles.

- Be flexible and adapt to changing circumstances.

Understanding a country's political context and having the flexibility to adapt to changing circumstances can make a significant difference

in donor impact. USAID/Philippines tracked and adjusted for shifting political conditions, changing LDAP from a means of educating people about decentralization to helping implement the Local Government Code. The Mission's reworking of its longstanding co-financing projects into a civil society component within the democracy strategic objective is further evidence of the Mission's ability to adapt.

- Emphasize democratic principles and attitudes in local governance programming.

Donors should address democratic processes directly, not just as a byproduct of strengthening local government capacity to deliver services or carry out development projects. In the Philippines, the major challenge to democracy is local-level politics, not government ability to deliver goods and services. Punitika-style politics can deliver goods and services, but that is not democracy. Donors should help strengthen democracy by supporting the groups that want to expand participation and help ensure accountability and transparency at the local level.

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