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REVIEW AND ASSESSMENT OF RURAL  
DEVELOPMENT PROGRAMS AND PROJECTS  
IN THE PHILIPPINES-DECENTRALIZATION

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**PROJECT TITLE : Review and Assessment of Rural Development (RD) Programs and Projects in the Philippines - Decentralization Component**

**Title for Decentralization Component :**

**A Review of Decentralization of Rural Development Programs and Evaluation of its Effectiveness: Focus on Delivery of Services and Implementation of Livelihood Programs**

## **Q U I L I N E**

	<b>Page</b>
<b>Chapter I. Current Situation of the Rural Sector</b>	<b>1-8</b>
A. Social	
B. Economic	
1. Poverty Situation	
2. Agro-industrial Situation	
3. Comprehensive Agrarian Reform Program	
4. Population Control	
5. Women	
<b>Chapter II. Relationship of Decentralization and Rural Development</b>	<b>9-17</b>
A. Definition of Rural Development	
B. Definition of Decentralization in Contrast to Centralization	
C. History of Decentralization	
<b>Chapter III. Design and Proposed/ Planned Implementation of Decentralization</b>	<b>18-26</b>
A. Local Government Code of 1991	
1. Scope of Decentralization	
2. Intergovernmental Relations	
3. Duties and Functions of Local Government Officials	
B. Decentralization and the 1993-1998 Medium Term Philippine Development Plan	
<b>Chapter IV. Implementation of Decentralization</b>	<b>27</b>
A. Agro-industrial Sector	<b>26-36</b>

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	B. Health and Population Control Programs	37-53
	C. Comprehensive Agrarian Reform Program	53-59
	D. Infrastructure Program	59-61
	E. Women in Development	61-69
Chapter V.	Survey of Local Government Executives Regarding Decentralization	70-82
Chapter VI.	Field Verification of Decentralization Activities	
	A. The Dumaguete City Experience in Decentralization	83-88
	B. The Negros Oriental Experience in Decentralization	88-94
Chapter VII.	Summary of Issues and Problems in the Implementation of Decentralization	95-103
Chapter VIII.	Consistency and Complementarity of Decentralization with the other Rural Development Programs	
	A. Relationship of Rural Development Programs with:	
	1. Agro-industrial Development	
	2. Comprehensive Agrarian Reform Program	
	3. Population Control and Health	
	4. Poverty Alleviation	
	B. Effectiveness	
	1. Narrowing Inequity between Rural and Urban Population	
	2. Improving Access of Women to Rural Delivery System and Support Services	
Chapter IX.	Conclusions and recommendations	

PROJECT TITLE: REVIEW AND ASSESSMENT OF RURAL DEVELOPMENT (RD)  
PROGRAMS AND PROJECTS IN THE PHILIPPINES -  
DECENTRALIZATION COMPONENT

TITLE FOR DECENTRALIZATION COMPONENT:

A REVIEW OF DECENTRALIZATION OF RURAL DEVELOPMENT PROGRAMS  
AND EVALUATION OF ITS EFFECTIVENESS: FOCUS ON DELIVERY OF  
SERVICES AND IMPLEMENTATION OF LIVELIHOOD PROGRAMS

INTRODUCTION

This paper is part of a bigger study which seeks to review and assess rural development programs and projects in the Philippines. It focuses attention on the implementation of decentralization and its implications for rural development.

This paper is divided into nine chapters. Chapters I and II examine briefly the current status of the rural sector and the relationship between decentralization and rural development. Chapter III reviews the planned implementation of decentralization as specified in the Local Government Code of 1991 and the Medium Term Philippine Development Plan.

The rest of the chapters examine the extent of decentralization from several perspective. Chapter IV looks at decentralization as implemented by the concerned national agencies, e.g. Department of Agriculture and Department of Trade and Industry for agro-industrial development; the Department of Health for health and population control programs; the Department of Agrarian Reform for the Comprehensive agrarian reform program; the Department of Public Works and Highways for infrastructure, and the National Commission on the Role of Filipino Women for women and development.

Chapter V validates findings from national government agencies with a survey of local government executives from fifth and sixth class municipalities on the extent of decentralization in their respective local government units.

Further validation is made in Chapter VI which summarizes findings from field trips made to three local government units: the province of Negros Oriental, and the cities of Dumaguete and Bacolod. Intensive interviews were conducted with the governor of Negros Oriental and the mayor of Dumaguete City as well as the community development officer of Bacolod City.

The consistency and complementarity of decentralization with other rural development programs are examined in Chapter VII.

In the light of the findings at the national as well as local levels, issues and problems in the implementation of decentralization are identified in Chapter VIII. Insights which emerged from the integration of three major sources of information - national agencies, local government executive and two local government units -- were integrated and compared. These are discussed within the context of national issues and problems which inevitably impinge on the effectiveness of the implementation of decentralization.

The paper ends with Chapter IX which presents conclusions and recommendations.

In terms of methodology, in addition to the usual survey of literature and examination of documents, heavy reliance was placed on field work and interviews of national, as well as local officials. While the Local Government Code was passed in 1991,

actual decentralization of functions to local government units did not take place until 1993. Thus, information on the extent of decentralization were not available in documents and could only be extracted through interviews and field verification. Efforts were made to relate with those given by local government units and executives. Most of the data were collected during the first quarter of 1993 up to the end of the year.

To summarize, this paper assesses the extent of decentralization and implications for rural development by analyzing data obtained from three major players in the decentralization process: national government agencies and officials, local government officials and local government units. These are examined within the framework of national issues and problems which influence the effectiveness of the decentralization process.

## CHAPTER I

### CURRENT SITUATION OF THE RURAL SECTOR

In its 1993 Human Development Index, the United Nations Development Program (UNDP) ranked the Philippines 92nd among the 173 countries. The UNDP index combines life expectancy, literacy and income indicators in measuring human development. Among Southeast Asian Countries, Singapore ranks No. 43, Malaysia No. 47 and Thailand No. 74.

The report shows that while life expectancy and literacy in the Philippines compare favourably with other countries, incomes have remained stagnant. Thus, extremely low levels of income account for massive levels of poverty in the Philippines.

There are many estimates and figures on poverty in the Philippines. The numbers vary but one thing is very clear: poverty is a major block to development and it is concentrated in the rural areas.

Although agriculture gives the highest contribution to Gross Domestic Product (GNP) among the three sources of revenue (industry, services and agriculture), the poverty incidence in the country is highest among landless laborers, coconut and rice farmers, fishermen and upland farmers. (Arsenio Balisacan : 19 February 1989:6)

Indeed, in the Philippines, the roots of poverty are generally considered as sunk deep in the rural areas where 60% of the total poor can be found and where subsistence agriculture is generally practiced. There are almost 86% of agriculture families living below the poverty level. In its recent study of

poverty in the agricultural sector, the Congressional Planning and Budget Office (CPBO) brought up the fact that a rural family earns on the average only ₱2,041 per month - which is not enough to buy a budget of food or nutrients required for a wholesome life for at least six individuals. (E.P. Patanne, 1993)

It is generally recognized that rural poverty, as the number one problem in the country has worsened through the years.

The 1993-1998 Medium Term Philippine Development Plan underscored this observations as follows:

"Poverty is more pronounced in the rural and agricultural areas, majority of farmworkers are underpaid with real wages on the decline. Labor productivity in the agricultural sector is also low and part-time work and underemployment is now widespread. This is aggravated by the inability of the industrial sector to absorb the surplus labor from the rural areas." (Medium - Term Philippine Development Plan : 1993 - 1998 : 3-1)

The problems in rural communities are primarily economic in nature. The previous governments adapted the "trickle down" approach to development. It is the belief that an increase in Gross National Product (GNP) leads to development. In the Philippines, increase in GNP only widens the Philippines' has political problems. There is lack of political integrity. (Local Government Bulletin December 1990 : 18 - 19) Past government policies gave high taxes on farm products but the government also imposed lower prices on farmers' products. In the urban areas, there are a lot of modern highways. In the provinces, there are no market roads. Although the government exports the forest, the government does not give security to farmers against soil erosions and floods. (Belinda Aquino 1986)

In Agriculture, programs to increase harvests were not coordinated with the key objectives of improving the rural income, and the agricultural sector continues with its general practice of monocropping of traditional crops such as rice, corn, coconut and sugar cane. Such monocrops utilize approximately 80% of the 13 million hectares of agricultural land in the country. (Patanne, Ibid.) The CPBO study cited earlier said that "past government programs have failed to address these problems as indicated - by the concentration of both financial and manpower resources in the production of traditional, low-value added crops instead of the promotion of agricultural diversification which can generate potential farm income of P80,000 to 1 million per hectare."

The findings of a study on "Rural Development and Migration: A Study of Family Choices in the Philippines", conducted by Sally Findley in 1987 generally still holds true today in illustrating the state of the rural, agricultural sector. Although farmers want to stay in farming, they were forced to migrate to urban areas for more opportunities. Crop failures, minimal nutritional levels and rural health, lack of land, loans for fertilizers and price guarantees deter them from farming. Government influences the movement of people through the introduction of programs which directly involve the movement or relocation of population. Prices, land distribution, agricultural inputs and credits and even efficient farming are all potentials of regional or national agriculture and economic development plan.

At present, the urban poor whose number has been increasing over the years ranging from 30-40% of the total poor, are in fact rural migrants who have fled their economically beleaguered barrios. What can be inferred is the fact that agriculture which is the mainstay of the rural economy, has not been able to support a growing population. Farming, in other words, can be equated with the poverty in the rural areas. (E.P. Patanne 1993)

Poverty in rural population hits hardest among women. In 1987, 51% of the total Filipino population were women, where two-thirds reside in the rural areas. Peasantry, agricultural workers, industrial and service workers and seasonal farmworkers, housewives (biggest group) comprise the activities of women in the rural areas. Women were considered secondary producers. Men always get bigger wage compared to women. Aside from part-time producers (feeding the family members), women are also full-time reproducers of human beings (nurturing role). Women are pushed into accepting work which is least paying and labor and time consuming. They usually work 15-19 hours a day especially during harvest season. Unlike men, most women lack skills and education necessary for their employment. (Belen Rio 1986-1987 : 85 - 87)

Obviously, development efforts must be directed towards the countryside, particularly, the rural sector and agricultural sector.

Towards that end, Balisacan said that, "fundamental reforms for sustained development and growth can be attained through the elimination of policy biases, particularly those imposed by trade and industrial policies against the rural and agricultural sec-

tor." (Arsenio Balisacan : 19 February 1989: 6)

The government has committed itself to giving equal attention to the development of the rural sector, particularly agriculture, along with the urban sector. The current Medium Term Development Plan reflects this thrust.

## CHAPTER II

### RELATIONSHIP OF DECENTRALIZATION AND RURAL DEVELOPMENT

#### A. DEFINITION OF RURAL DEVELOPMENT

Rural Development (RD) is defined by Professor Alex Brillantes as:

"a strategy that aims to eliminate poverty prevalent in the rural areas through the amelioration of the quality of life of these people. This is done by providing, usually through a comprehensive and integrated approach, basic social and economic services that include health, education, shelter, agriculture, infrastructure and public works and other general services."  
(Alex Brillantes, Jr. 13 September 1989)

On the other hand, Amando Dalisay defined Rural Development as "an integrated process which brings new life, new values and new social institutions to the rural areas consistent with the needs, aspirations and realities prevailing in the rural communities today. It is a process by which a workable program is developed toward increasing human productivity and building social institutions for the benefit of the rural population."  
(Amando Dalisay 1974 : 3)

For Manuel Bonifacio, one aspect of Rural Development is the community-based agriculture. He believes that the people in the rural areas have the basic capabilities to improve their quality of life. When problems arise, the people will be able to confront them through their own efforts with assistance and support from development agencies.  
(Manuel Bonifacio 1986)

Within the context or perspective of government, rural development may be considered as synonymous to countryside development. It is both a strategy and a comprehensive process that is best described by providing development programs such as registra-

tion, agricultural production, irrigation, electrification, infrastructure as well as other projects. The countryside development program of every administration almost always has this primordial goal: to generate employment that would improve the quality of life in the rural areas. A corollary objective of the government's development effort is to decongest in the process major cities and urban areas in the country.

In trying to determine any relationship between rural development and decentralization, a review and discussion of the issues and problems concerning the effectiveness of RD would be necessary.

There are two interrelated problems regarding the effectiveness of RD. First is the lack of participation and under-responsiveness of the people during the formulation and implementation stage. Another is the general failure to fully appreciate the sociological, political and economic contexts of RD. (Alex Brillantes, Jr. 13 September 1989)

## B. DECENTRALIZATION VIS-A-VIS CENTRALIZATION

According to Dr. Raul de Guzman and Dr. Perfecto Padilla, there are two issues in the implementation of RD programs. One issue is whether to adapt Centralization or Decentralization. The other is whether administrative decentralization and increased participation can be effective in a context of centralization.

Proponents of centralization argued that it is better since there is a unity of vision, comprehensiveness

of planning, social coordination of effort, national allocation of resources to meet competing needs, and speed in policy decision-making. Centralization is a societal value where local government is dependent on the national government and the national government is reluctant to surrender power to local government. Because of the existing condition, there is a duality of government services at the Field level. In effect, scarce government resources are wasted and local initiatives and self-reliance are prevented.

On the other hand, proponents of decentralization argued that initiative, effort and social responsibility will be promoted throughout the society.

Advocates of decentralization may have predicated their position on the promise and benefits which the decentralization process offers, as captured in its very definition.

Randinelli and Chuma define decentralization as "the transfer of power of planning, decision making or administrative authority from the central government to its field (level) organizations, local administrative units, semi-autonomous and parastatal organizations, local governments or non-governmental organizations."

In an unpublished paper on "Decentralization and Agricultural Support Services" Brillantes and Palabrica defined decentralization as "the transfer of power, authority, resources, responsibilities and accountabilities from the national to lower levels of government in order to enable

them to respond to certain local specific needs and perform specific public functions and deliver basic services that include agriculture, health, social services and even infrastructure."

According to C. Abilla, "the process of decentralization involves a shift in power base and accountability, for which the LGUs and Central government agencies must be prepared to accept and implement."

Moreover, Brillantes who stated that decentralization can be operationalized through increased devolution of powers to the local government and increased reliance on NGOs, cited the following reasons for adopting decentralization in the country:

1. ensuring maximum participation in the decision making process to respond to the needs of the people;
2. encouraging and training local officials to be self-sufficient;
3. hastening the decision making processes; and
4. decongesting the central government with certain functions. (Alex Brillantes, Jr. 22-24 May 1987)

The decentralization efforts of the government can be divided into these two approaches:

1. Devolution - it is where the national government devolved powers and authority to local government units. It is also called political decentralization which means a substantial devolution of authority and power and goes beyond the static legal definition of what constitutes authority. It likewise views itself in terms relative to the objective and program which are areas of public implementation. (Gaudisio Sosmena July 1987 : 249)

Corollary to the above, the following activities were initiated by the government to devolve powers to local government units;

- a) creation of regional government;
- b) establishment of local development councils;
- c) constitutional mandate and local government code.

(Raul de Guzman and Perfecto Padilla 20 - 30 January 1985)

2. Decentralization - it is where central offices deconcentrated functions to field offices. It is also called administrative decentralization.

Administrative decentralization is a general strategy of regionalization. It includes the division of the country into several regions together with the organization of accompanying regional structures that would facilitate the decentralization of planning and administration at their levels.

In the process of decentralization, the following activities were initiated by the central offices:

- a) creation of regional offices;
- b) establishment of regional councils;
- c) establishment of regional and subregional development authority;
- d) adoption of Integrated Area Development Program; and
- e) installation of the Integrated Area Management System for Agricultural Services.  
(Ibid)

### C. HISTORY OF DECENTRALIZATION

During late '70s and early '80s, there was a worldwide interest in decentralization. Improvement in planning and implementation for development, and citizen's participation were the two goals of decentralization during that time. (David Gow and Jerry Van Sant 1985 : 107 - 120)

According to Gow and Sant, "decentralization implies

the devolution of decision making authority and control over the management of development initiatives and resources from the center toward the periphery." (Ibid)

Participation is defined as a "local autonomy through which potential beneficiaries discover the possibilities of exercising choice and thereby become capable of managing their own future." (Ibid) Participation of people is always emphasized on RD programs and decentralization.

Where the Philippines is concerned, as early as 1898, Filipino nationalists had been battling for political decentralization, seeing as they did the byzantine labyrinth of the bureaucratic system which vests power heavily in the center. But the quest for self determination has been fraught with pitfalls then as now, the past becoming a reflection of the present. (Red Batario, 10 October 1993) In "Decentralization: An Imperative for the 90's", Dr. Brillantes wrote: "Such exploration proved shortlived. The arrival of American colonizers scuttled further efforts toward local autonomy. Instead all local governments were placed under military control for consolidation and security purposes. During the Commonwealth period, the centralized government structure was retained where local governments were placed under the supervision of the President. Although token reforms were made toward local autonomy, these pales against the requirements of national security, political stability and nation-building."

In 1946 until 1972, the First Local Autonomy Act was passed (RA 2264 : 1959). It is "an act amending the laws governing local government by increasing their autonomy and reorganization." Provincial governments have greater fiscal planning and regulatory powers. Another is RA 2379 (Barrio Charter Act : 1959); it is an "Act Granting Autonomy to the Barrios of the Philippines." Barrios were governed by an elective Barrio Council, including powers to enact barrio Ordinances. "Decentralization Act of 1967 or RA 5185 was also passed. It increased the financial resources of the local governments; it broadened their decision-making functions. It became an effective instrument for self-reliance. (Alex Brillantes, Jr. 22 - 24 May 1987)

From 1972 until 1985, Marcos had consistently pushed for limited political decentralization. Art. II, Sec. 10 of 1973 Constitution states that, "the state shall promote and guarantee the autonomy of LGUs, especially the Barrio, to ensure their fullest development as self-reliant communities." Art. XI of the 1973 Constitution is a specific Article for Local government. The first significant efforts in decentralization by the Philippine government dates back twenty years to a 1972 Constitutional Provision mandating Congress to enact a Local Government Code, "to provide a more responsive and accountable local government structure." In February 1983, Batas Pambansa 337 or the Local Government Code of 1983 was approved. The Code standardized the responsibility, powers, and organization of the provinces, cities, municipalities and barangays. The President has a

general supervision over the local government. There is centralization of local policies and projects. The situation is political centralization and administrative decentralization. The President had the authority to appoint and replace Local Government officials. Under a joint forces of Philippine Constabulary and Interior National Police Structure local police and fire protection service were centralized. Because of too much political centralization, efficiency and effectiveness among LGUs were not achieved. (Alex Brillantes April 1987 : 136 - 137)

As experience had shown, BP 337 had been observed more in the breach than in the main with the President wielding vast powers over local governments including centralized control over planning and implementation of development programs and projects as a political expedient. (Batario, ibid)

Then under the term of Corazon Aquino, Republic Act 7160, otherwise known as the Local Government Code of 1991, was enacted on October 10, 1991. The 1983 and the 1991 Codes altered the long history of centralism and changed the nature of intergovernmental relations, i.e. centralism as the core theme, with the decentralization of governmental powers.

The Local Government Code (LGC) of 1991 was to be made effective in July 1992. Like the 1983 Code, under the new LGC, the President of the Philippines shall exercise general supervision over Local Government Units (LGUs). The present code is more explicit than the previous one since it (RA

7160) has a separate section on decentralization - the Operative Principles of Decentralization. Under the present Code, basic services, such as: agriculture, health, social services, maintenance of public works and highways, and environmental protection are devolved. The local chief executives have the power to appoint personnel either paid wholly or mainly from local funds. (Proserpina Tapales April 1992 : 103 - 106)

## CHAPTER III

### DESIGN AND PLANNED IMPLEMENTATION OF DECENTRALIZATION

The present administration is set to implement the decentralization program on the basis first of pertinent provisions and statement of intents in the 1993-1998 Medium-Term Philippine Development Plan (MTPDP), and second, of the Republic Act No. 7160 or 1991 Local Government Code. Together with its Implementing Rules and Regulations, the New Code is hoped to succeed in its implementation unlike previous acts concerning devolution and decentralization which in general were implemented with some passiveness and reluctance by both the central government and the local government units.

#### A. LOCAL GOVERNMENT CODE OF 1991

The present Local Government Code (LGC) is explicit on the implementation of decentralization in the country. Section 3 of RA 7160 states the Operative Principles of Decentralization, to wit:

- a) There shall be an effective allocation among the different local government units of their respective powers, functions, responsibilities and resources;
- b) There shall be established in every local government unit an accountable, efficient and dynamic organizational structure and operating mechanism that will meet the priority needs and services requirements of its communities;
- c) Subject to civil service law rules and regulations, local officials and employees paid wholly or mainly from local funds shall be appointed or removed, according to merit and fitness, by the appropriate appointing authority;
- d) The vesting of duty, responsibility and accountability

in LGUs shall be accompanied with provision for reasonably adequate resources to discharge their powers and effectively carry out their functions; hence, they shall have the power to create and broaden their own sources of revenue and the right to a just share in national taxes and an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas;

- e) Provinces with respect to component cities and municipalities with respect to component barangays, shall ensure that the acts of their component units are within the scope of their prescribed powers and functions;
- f) LGUs may group themselves, consolidate or coordinate their efforts, services and resources for purposes commonly beneficial to them;
- g) The capabilities of LGUs, especially the municipalities and barangays shall be enhanced by providing them with opportunities to participate actively in the implementation of national programs and projects;
- h) There shall be a continuing mechanism to enhance local autonomy not only by legislative enabling acts but also by administrative and organizational reforms;
- i) LGUs shall share with the National Government the responsibility in the management and maintenance of ecological balance within their territorial jurisdiction, subject to the provisions of this Code and national policies;
- j) Effective mechanisms for ensuring the accountability of LGUs to their respective constituents shall be strengthened in order to upgrade continually the quality of local leadership;
- k) The realization of local autonomy shall be facilitated through improved coordination of national government policies and program and extension of adequate technical and material assistance to less developed and deserving local government units;
- l) The participation of the private sector in local governance, particularly in the delivery of basic services, shall be encouraged to ensure the viability of local autonomy as an alternative strategy for sustainable development; and
- m) The National Government shall ensure that decentralization contributes to the continuing improvement of the performance of LGUs and quality of life.

The Local Government Code of 1991 consists primarily of the following:

Book I

General Provisions

1. Title I - Basic Principles
2. Title II - Elective Officials
3. Title III - Human Resources and Development
4. Title VI - Local School Boards
5. Title V - Local Health Boards
6. Title VI - Local Development Council
7. Title VII - Local Peace and Order Council
8. Title VIII - Autonomous Special Economic Zones
9. Title IX - Other Provisions Applicable to Local Government Units

Book II

Local Taxation and Fiscal Matters

1. Title I - Local Government Taxation
2. Title II - Real Property Taxation
3. Title III - Share of Local Government Units in the Proceeds of National Taxes
4. Title IV - Credit Financing
5. Title V - Local Fiscal Administration
6. Title VI - Property and Supply Management in Local Government Units

Book III

Local Government Units

1. Title I - The Barangay
2. Title II - The Municipality
3. Title III - The City
4. Title IV - The Province
5. Title V - Appointive Local Officials
6. Title VI - League of Local Government Units and Elective Officials

Book VI

Miscellaneous and Fiscal Provisions

1. Title I - Penal Provisions
2. Title II - Provisions of Implementation
3. Title III - Transitory Provisions
4. Title VI - Final Provisions

\ A close examination of the 1983 Local Government Code vis-a-vis the 1991 LGC, would indicate that except for the 1991 LGC's provision liberalizing the percentage of the internal revenue allotment (IRA) to local government units, the New Code in many aspects, does not differ much from the 1983 Code.

Specifically, under the New Code, local government units are entitled to a share in the national internal revenue taxes based on the collection of the third fiscal year preceding the current fiscal year as follows:

- a) On the first year of the effectivity of the Code, thirty percent (30%);
- b) On the second year, thirty-five percent (35%); and
- c) On the third year and thereafter, forty percent (40%).  
(1991 LGC Sec. 284)

Moreover, the new code provides, under Sec. 285 that the share of the LGUs in the IRA shall be allocated in the following manner:

- a) Provinces - Twenty-three percent (23%);
- b) Cities - Twenty-three percent (23%)
- c) Municipalities - Thirty-four percent (34%); and
- d) Barangays - Twenty percent (20%)

The IRA share of each province, city and municipality shall further be determined on the basis of the following formula:

- a) Population - Fifty percent (50%)
- b) Land Area - Twenty-five percent (25%); and

c) Equal Sharing - Twenty-five percent (25%).

It may then be safe to assume that the New Code has specifically provided for the LGUs share in the IRA, including share in the national wealth derived from any mining taxes, gross sales/receipts of any government agency or corporation in order to enable the local government units to implement/carry out the functions and services that have been devolved to them under the 1991 LGC and to finance as well local development and livelihood projects. In particular, the 1991 Code mandated that these line departments fully and/or substantially devolve to the LGUs their functions/services, including personnel and facilities.

In order to ensure an immediate but smooth implementation of the 1991 Code, the Oversight Committee was organized, with the Executive Secretary as Chairman. Technical Working Groups, directly under the Oversight Committee was also created, composed of representatives from various national government agencies and other institutions to formulate the Code's Implementing Rules and Regulations. This was followed by the organization of the Monitoring Committees at the national, regional, provincial, city and municipal levels.

The Department of Interior and Local Government (DILG) serves as Secretariat to the Oversight Committee. It is also the lead agency in the National Monitoring Committee which is composed of representatives from the DBM, DOF, Senate, House of Representatives, League of Provinces, league

of Cities, League of Municipalities, Liga ng mga Barangay, COA, and national government agencies (NGAs) affected by devolution.

The effectivity of the Code is in January 1992, with the Implementing Rules and Regulations approved only on 21 February 1992 under Administrative Order No. 269. The IRR was finalized following a series of meetings/consultations on the Code amongst DILG, the Cabinet, NGAs concerned, Constitutional Commissions, Non-Government Organizations and other staff agencies of the government. After the issuance of the IRR, the DILG spearheaded nationwide orientations and briefings on the New Code and its implementing Rules and Regulations.

**B. DECENTRALIZATION AND THE 1993-1998 MEDIUM-TERM PHILIPPINE DEVELOPMENT PLAN (MTPDP)**

The present Medium Term Philippine Development Plan gives emphasis on people empowerment through the local government units and field offices. The MTPDP stated that "Decentralization, deregulation, reliance on the private sector, the encouragement of cooperatives, and the removal of bureaucratic hindrances and penalties to small enterprises are naturally comprehended under empowerment. People empowerment implies a reliance on markets, entrepreneurship, innovation and effort, thus enabling each LGU to contribute its utmost share and propel the realization of rural development objectives. However, this effort which implies empowering the people is a principal problem in Rural Development. (Amando

Dalisay 1974)

Corollary to people empowerment, Leandro Rola wrote that if Rural Development is observed without institutions, rural development projects tend to be relief-oriented, often initiated by outsiders and hardly supported or managed by the beneficiaries - the rural poor. The cooperative is an example of an institution. Cooperative is defined as "institutions primarily of small producers and/or consumers who band themselves to achieve common, social, and economic ends." It has a juridical personality. (Leandro Rola 1991 : 93 - 100)

The upgrading of LGU skills is a requirement to the effective implementation of the LGC under the MTFDP. This implies speeding up capability - building programs for LGUs through sustained and coordinated efforts of national and local training institutions. (Medium-Term Philippine Development Plan 1993-1998 : 5 - 2)

The MTFDP drafted the following principles on the institution of administrative reforms;

- a) private initiatives and people empowerment;
- b) decentralization and local autonomy;
- c) effective frontline services;
- d) transparency and accountability; and
- e) cost effectiveness.

In terms of Administrative Decentralization, the MTFDP plans to "strengthen linkages among regional and field offices of national agencies, the LGUs and the private sector

at the local level to ensure complementarity of development efforts and improve service delivery and program implementation activities."

Each Regional Development Council (RDC) shall be given allocable funds to be used in accordance with the priority programs and projects of the region. The Local Development Council (LDCs) shall also be strengthened.

The MTPDP also plans to progressively decentralize government responsibilities, powers and authority to field units, as follows:

- a) Further delegate more substantive and administrative authority to regional and field offices;
- b) Address imbalances in staffing and improve operational efficiency across offices at regional and sub-regional levels;
- c) Improve personnel training and pooling or sharing, among field offices, of technical capabilities, information and physical resources; and
- d) Release the proportion of central agency budgets for regional and sub-regional operations in line with progressive decentralization.

Further to the pertinent statements in the 1993-1998 MTPDP which point to the government's recognition of the importance of decentralization, President Fidel V. Ramos, himself, directly expressed his support to decentralization on his Budget Message for 1993, in terms of the following:

..."Third, it provides for people empowerment and capability building. Some ₱78.4 billion has been allocated to support the groundwork for the social infrastructure that we intend to institutionalize in our communities. This provision for socially oriented projects does not only include the funding for social

services departments, like the DECS, and the DOH, but also those for the social projects of local governments, government corporations and the economic services departments, like the DA, Department of Trade and Industry (DTI), and the DENR.....The DOH budget, which decreased from ₱9.3 in 1992 to ₱5.7 billion in 1993 because of some ₱4.4 billion in projects that will be passed on to local governments, will support new programs, the expansion of projects that will remain with the department, and the initial implementation of the newly enacted Magna Carta for Public Health Workers.

Seventh, it fully supports the devolution of basic public services to local governments. The portion of the budget that will go to LGUs will rise by 71.9% from ₱21.2 billion in 1992 to ₱36.4 billion in 1993. The greater allocation reflects the increase by 35% of the local government's share of internal revenue taxes, as called for by the LGU. To devolve to them, 5% of the 35% internal revenue allocation (IRA) will be used as a common fund from which LGUs can draw to cover funding deficiencies resulting from the devolution of national government activities." (Fidel Ramos 1993 : 6-7)

## CHAPTER IV

### IMPLEMENTATION OF DECENTRALIZATION

As provided under Republic Act No. 7160 or the 1991 Local Government Code, implementation of the functions and services devolved to the local government units should have commenced between January 1992 to end of December 1992.

The first year of implementation of the Code, by way of focusing on the status of decentralization has provided a lot of interesting and significant findings by various individuals and groups who undertook studies, descriptive and evaluative, on the subject.

To begin with, the Code was enacted at the height of the campaign of the 1992 presidential elections which preoccupied the attention of the Executive Branch, the Congress and the Local Government Units themselves. The Code though was charged by some quarters especially the critical ones, as bait by the Aquino administration to win the political allegiance of legislators and local officials in the last elections.

With the local officials having been placed/elected in May 1992, then the interest in the Code and its implementation were resuscitated, so to speak. And depending on the disposition and the priorities of the local executives, the implementation got underway in a transitional state during the remaining months of 1992.

#### A. AGRO-INDUSTRIAL SECTOR

The principal lead agencies responsible for the devolution and decentralization process in this sector are

the Department of Agriculture (DA) and the Department of Trade and Industry (DTI).

Taking its cue from the previous administration which through painstaking advocacy, was able to pull off some policy reforms that tilted the bias in favor of the agriculture sector, the Department of Agriculture under the present administration is committed to successfully address the old challenges concerning the sector.

Rural poverty is still widespread. Farmers still get the low-end of the pay scale, and about 2.2 million rural households earning only half of what an urban family does are in the bottom third of the income scale. Thus, with the country's economy essentially agriculture-based, it is impossible to isolate agriculture from the country's policies and programs. (Roberto S. Sebastian, 1992)

Within the above context and its mandate to pursue the economic upliftment of the rural folk, especially the farmers and fishermen, the DA's directions are outlined in the Philippine Agricultural Development Plan (PDAP) which supplements the broad goals/targets provided in the 1993-1998 Medium-Term Philippine Development Plan.

The PDAP contains a central blue print for national agricultural development and 31 supplemental plans for each major commodity, support, service and regions. According to the DA, this document "individualizes" development in the countryside by paying more attention to each region's strengths and advantages, and the agricultural variables in

each area.

In its attempt to find the most appropriate development strategy for each region, and eventually each province, the DA is complementing the decentralization programs and, thus, helps the Local Government Units more effectively in allocating resources to meet their respective needs. Towards this end, the DA is still in the process of validating the regional and provincial integrated agricultural development plans through an increasingly specific methodology. This includes, among others, the crop zonification guidelines as well as existing climatic variables. The final validated reports are presented to the LGUs so they could effectively plan their respective agro-industrial development programs.

Corollary to the DA's program thrusts and targets to accelerate countryside development are complementary reforms - such as in the area of forming cooperatives for farmers and fishermen, enhancing livestock and poultry production, further pushing for the construction, rehabilitation protection and management of land and aquatic resources, and encouraging labor-intensive, export-oriented agro-industries in the countryside. Alongside those complementary reforms is the intensification of agricultural research, results of which will be disseminated to the LGUs which, pursuant to the 1991 Local Government Code, now has the bulk of DA's devolved extension workers.

## IMPLEMENTATION OF DECENTRALIZATION OF AGRO-INDUSTRIAL SECTOR:

In the initial stage of implementing the devolution of DA's extension force to LGUs, the seeming general reaction is that this would greatly affect the operationalization of the PDAP. However, the DA Secretary himself viewed this with an optimistic outlook by saying that "if we get the LGU's from the province all the way down it will make life easier for DA," (Roberto S. Sebastian, May 16, 1993) Moreover, some of the DA's attached bureaus with specialized activities like the Bureau of Plant and Industry, Bureau of Animal Industry and Agricultural Training Institute were not affected by the devolution.

The Department of Trade and Industry (DTI), under its enabling Charter, is responsible for three key result areas of Philippine economic life - investments, exports and small business development as the key to regional countryside growth. (Rizalino S. Navarro, 1992) Equally important as these key result areas is the DTI's work in consumer welfare and protection.

In order to attain the development goals and objectives embodied in the Medium-Term Philippine Development Plan 1993-1998, the national government has adopted an area-focused agro-industrial development strategy (AID). Such strategy underscores the vital and complementary roles of agriculture and industry sectors to attain economic development and renewal and ultimately countryside development.

With greater linkages between agricultural and industrial development to be pursued under a common planning framework "Sustainable Agro-Industrial Development", the agricultural sector will be producing commodities which are processed by the industrial sector into high-valued products. The AID strategy, thus, aim to develop a highly productive agriculture sector that is composed of viable firm enterprises with strong production and marketing linkages with industry.

Agro-industrialization as a strategy recognizes the urgent need to redirect development efforts to areas outside the capital region by strongly advocating a more brand-based regional and rural development. The gains from ensuing economic activities are then seen as an opportunity to attain a more equitable distribution of income." (Cielo F. Habito, June 1993)

As noted earlier, the 1991 Local Government Code has identified the DA as one of the national government agencies, whose many functions/key result areas are to be decentralized and its concerned staff/personnel devolved to the local government units. However, the Code did not provide for decentralization/devolving DTI functions/services and personnel. The role therefore of the DTI in the decentralization program is that of providing institutional linkages and support to LGUs in the various agro-industrial projects that are in place in the locality and for which the LGU signified its need for assistance. Moreover, the DTI is to continue delivering its basic functions down to municipal levels, which is that of issuing permits or licenses to local entre-

preneur-owners.

Ramon L. Clarete in his paper, "Government Decentralization: Opportunity and Dangers for Agricultural Development", discusses the aspect of the 1991 Local Government Code pertinent to agriculture. This includes agricultural extension and on-site-research activities, functions which were originally listed in the Department of Agriculture. The new Code requires the transfer of personnel, assets and equipment to LGUs who are to take over the functions of providing these services to the farming population.

The barangay is responsible for distributing planting materials and the operations of buying stations for procuring farm products. The city/municipal is responsible for extension and on-site research services and facilities to agriculture. These include the dispersal of livestock and poultry, fingerlings and other seedling material for agriculture; operation of seed farms and seedling nurseries; demonstration farms; quality control of copra and improvements of the marketing system thereof possibly involving cooperatives; communal irrigation systems, water and soil resources utilization and conservation projects; and enforcement of fishery laws in municipal waters, including the conservation of mangroves.

The province/city is responsible for the agricultural extension and on-site research services and facilities such as the prevention and control of plant and animal pests and diseases; dairy farms; livestock markets; animal breeding

stations; artificial insemination centers; and assistance in the organization of farms and fishing cooperatives and other collective organizations, as well as the transfer of appropriate technology. In addition to the above, Clarete noted that LGUs are given legislative mandate in the provision of agricultural extension services and facilities. The Sangguniang Panglunsod/Bayan is empowered to appropriate funds for the provision of leave services and facilities; to grant exclusive privilege of constructing fish corrals or fish pens or catching fish or fry of any species for propagation within a definite portion or area of the municipal waters; and to provide measures against illegal forms of fishing.

As can be gleaned from the foregoing, there is a wide range of functions, services, facilities (including corresponding personnel) that have been devolved to the LGU's. As such, will the devolution/decentralization of the agricultural sector, in the process, enable or help facilitate rural development?

The following provides some insights on the DA's decentralization program which started during the second quarter of 1992:

The Policy and Planning Services of the DA observed that the political and administrative decentralization of the Department of the Local Government Units pursuant to the Local Government Code of 1991 is ideal. This is considering that the LGUs are in the best position to determine the needs of their constituents. In

the past, certain agro-industrial based programs carried out in provinces or municipalities failed because, the design and applied technology as identified by the DA and/or DTI, were not suited to the area or for its residents.

The DA's extension services and research activities and the personnel responsible for these functions have been devolved to the LGUs. In the transition process, serious problems arose, such as confusion over the maximum number of DA personnel that will be absorbed by the LGU, and whether the LGU's existing resources would be adequate for such purpose. Moreover, there is also some apprehension on the choice of key positions, such as Provincial Agricultural Officer or Municipal Extension Officer, who used to be appointed by the DA prior to 1991 Local Government Code. Considering that there is also in the plantilla of the provincial LGU the position: Provincial Agriculturist even before decentralization, such situation resulted in duplication or overlapping of positions. For all intents and purposes, since it is not administratively feasible to retain both positions, the governor or the mayor will choose between the two. As expected, the local executive will most likely appoint the agriculturist who was already within the area of his jurisdiction before the 1991 Code was in place. This may not augur well for the competence and technical skills required of

an agriculturist or an extension worker. The bottom line therefore, is that decentralization may result to sacrificing quality of personnel and service delivery to give way to the political appointee. Moreover, according to the DA's Policy and Planning Services staff, which is also responsible for monitoring the department's decentralized activities to the LGUs, some of DA personnel already devolved to the LGUs lament the fact that they are "hanging" in the sense that their positions are not in the LGU's OSCAS/plantilla positions. Or assuming that they are in the LGU's plantilla, they have difficulty in getting their salaries which more often than not are delayed. Yet, starting April 1993, the budget for agricultural services has been released directly to the LGUs by the DBM.

As in other functions/services devolved to the LGUs, the Code emphasized the need for specific Implementing Rules and Regulations. For its part, the DA has not completed its Manual of Operations and IRR to guide the LGUs and therefore provide for smooth implementation of the decentralized agricultural services. What has been furnished by the DA to the LGUs are existing guidelines prior to the Code which are considered inadequate and too broad or general. Notwithstanding this constraint, the DA says it is committed to provide technical assistance to the LGUs seeking their support.

Although the government's policy pronouncement for growth and economic renewal is agro-industrial sustainable development, and majority if not all LGUs want to industrialize their areas, the agricultural sector expressed fears on the matter of land conversion. With the DTI's Regional Industrial Center (RICs) and Provincial Industrial Estates (PEA) and the preponderance of subdivision and housing projects which is part of the urban development process, the apprehension manifested for the seemingly wanton conversion of agricultural lands, for other purposes, say residential or commercial, is therefore not without basis. In the end this may run counter to a balance agro-industrial development.

#### B. HEALTH AND POPULATION CONTROL PROGRAM

It has been the general perception that the country's health situation is always characterized by a shortage of funds allotted to address the health care needs of a continually growing population. This is a challenge which every administration, through the Department of Health (DOH) has to address. It appears that this challenge has been further magnified with the passage of the 1991 Local Government Code which provides that a major portion of DOH's functions, personnel and resources be devolved to local government units throughout the country.

The DOH's core program strategy is "Primary Health

Care", concentrating more on the simple, inexpensive and basic practices at home and the community, an approach deviating from complicated and specialized secondary and tertiary services as a priority thrust. This is to be pursued vigorously by people empowerment which at the DOH is described as "Health in the Hands of the People". This philosophy is centered around the efforts to transfer the responsibility of attaining and maintaining health from the hands of the professional to the beneficiary himself. (Juan M. Flavier, 1992)

In the area of population management, as the designated lead agency, the DOH coordinates the government's family planning efforts with various government and non-government organizations and groups concerned with safe childbearing and population management. The DOH is guided by two important premises in its Family Planning Program, which are:

1. Respect for the sanctity of human life which includes a strong repudiation against abortion and any procedures or products scientifically proven to cause abortion, and
2. Freedom to make informed responsible choices.

#### **DOH'S DECENTRALIZATION PROGRAM**

Administrative decentralization of the Department started even before the enactment of the new Local Government Code. The DOH regionalization program began in 1960. The initial public impression then of a DOH Regional Office was it being just a "mailbox", receiving referrals and sending such referrals to the head office for final action. However,

under the administration of Secretary Alfredo Bengzon, the DOH regional offices were strengthened as budgets and resources were now decentralized.

In the early Eighties, the DOH created Integrated Provincial Offices (IPOs) which integrated hospitals and preventive or public health services under one office at the provincial level. The Department views this as a move towards giving more power to the provinces. Further in 1988, the DOH put up District Health Offices (DHOs) which integrated the Rural Health Units (RHUs) with the hospitals under one leadership. Because of decentralizing more of its functions and administration to the district level, this enabled the Health District to identify easily which of its personnel and activities would be devolved to the LGUs under the 1991 Code.

A Task Force on Decentralization, created by DOH in 1991 drafted the Implementing Rules and Regulations (IRR) on the decentralization of health services. The IRR was approved only on August 1992, already under Sec. Flavio's administration. The IRR is guided by the New Code's provision that the following health services and facilities are to be devolved:

For a Barangay: health and social services which include maintenance of barangay health center and day care center; and services and facilities related to hygiene, sanitation, beautification, and solid waste collection.

For a municipality: health services which include the implementation of programs and projects on primary health care, and communicable and non-communicable disease control service; access to secondary and tertiary health services; purchase of medicines, medical supplies and equipment needed to carry out the mentioned services.

For a province, health services include hospitals and other tertiary health services.

Pursuant to the 1991 Local Government Code, the DOH extends the following assistance to LGUs:

- Technical assistance involving institutional and human resources capability programs
- Health personnel complementation
- Infrastructure development
- Medicines and other supplies augmentation
- Health facilities improvement
- Infrastructure development
- Direct fund development

#### INTERGOVERNMENTAL RELATIONS

As a result of the new Code's implementation, the DOH's first level of interaction/networking for health services through its Regional Director is the Office of the Governor which now has direct supervision over municipal mayors on matters of health service delivery. Prior to R.A. 7160, there used to be a DOH district office or hospital that

relates to and services municipalities covered by the district. Under the 1991 Code, the district structure has been abolished, hence there are no more district hospitals that interface directly with LGUs and vice versa. Everything must be coursed through the governor's office, particularly the Provincial Health Officer (PHO) who is appointed by the governor. A number of problems and issues surface on this type of intergovernmental relations. For one thing, the town mayors are not used to being under the governor's direct supervision and control, or for that matter, his chosen PHO, when it comes to health services. In this regard, the DOH tries its best to be a facilitator between the provincial offices and the municipal offices to ensure timely and effective delivery of health services.

The DOH has created a Local Government Assistance and Monitoring Service (LGAMS) at the Central Office whose functions essentially include the coordination and monitoring of decentralized/devolved functions of the Department, provision of technical assistance to LGUs' policy formulation process for health matters and preparation of regular reports to the DOH Management Committee composed of the Secretary, Undersecretaries, Assistant Secretaries and Consultants. To validate reports from the regions, the LGAMS' Liason Officer (presently Dr. Juan Perez III) regularly meets with the DOH Regional Directors. During such meetings, the Directors discuss present developments concerning the Department's devolved functions and problems/issues attendant in the process. The Regional Directors, as a result of devolution,

have become the frontliners of the Department as they are now compelled to coordinate directly with the provincial governors covering their region, as well as other local government executives/mayors.

In addition to hands-on discussion/meetings between the Central Office and Regional Offices the LGAMS publishes regularly a Bulletin on Devolution which presents current thinking activities on the decentralization/devolution of health services, personnel and facilities, the Bulletin serves too, as a useful guide or reference to all the DOH members/representatives to the Local Health Boards, Regional Offices and Central Office personnel.

#### DEVOLUTION OF HEALTH SERVICES/PERSONNEL AND THE LOCAL GOVERNMENT UNITS

Local Health Boards. Under the Local Government Code, the functions of the Local Health Boards shall be:

1. To promote to the Sanggunian concerned in accordance with standards set by the DOH, annual budgetary allocations for the operation and maintenance of health facilities and services within the municipality, city or province, as the case may be;
2. To serve as an advisory committee to the Sanggunian concerned on health matters such as, but not limited, to necessity for, and application of local appropriations for public health purposes; and
3. Consistent with the technical and administrative standards of the DOH, create committees which shall advise local health agencies on matters such as, but not limited to, personnel selection and promotion, bids and awards, guidance and complaints, personnel discipline, budget review, operations review and similar functions. (LGC: 1991, BK.1, Title V, Sec. 103.3 (b) )

At this point in the implementation of the Code, there seems to be a critical problem concerning the Local Health Board (LHB), i.e. whether or not it is formed or created by the Local Government Unit. Perhaps because this matter has not been defined even in the Code's Implementing Rules and Regulations, some LGUs perceive that the Local Health Board is useless or powerless, while others are bent on promoting the LHB's and making full use of the Board. The DOH observed that perception of and attitude towards the LHB varies from one LGU to another. As a matter of fact a number of municipalities todate have not organized/formalized the creation of Local Health Boards; and if ever there are some LHB's in place, they hardly meet nor make presentations to the Sanggunians. Some local government executives though view the LHBs positively and in fact initiate meeting with the LHBs to generate support, including indorsement of budget or appropriations for the LGU's health programs and projects.

With the enactment of the 1991 Code, the DOH is mandated to devolve to LGUs 45,896 of its personnel nationwide which comprise 61% of the Department's total workforce of 74,896 (prior to devolution). This is in addition to the majority of the DOH's functions, facilities and assets that are to be decentralized to LGUs.

Perhaps this big number of health personnel to be devolved to LGUs which constitute some 80% of total personnel affected by devolution (18,215 from the Department of Agriculture; 4,142 from the Social Welfare and development, and 895 from the Department of Environment and Natural

Resources), and the difficulties in providing transfer to LGUs have contributed to the views or positions taken by our law-makers to oppose the devolution of health services and exempt it from the implementation of the 1991 Local Government Code.

Moreover, some Congressmen expressed apprehension over devolving health services to local government units since this will further fragment the integrated multi-level health care structure of the country. The LGUs, they claimed, are not equipped to effectively discharge the health services of the 1,534 municipalities in the country where 1,498 belong to the fourth, fifth and sixth classes. Thus, the only 35 towns belonging to the first, second, and third-class categories have the financial capability to discharge the functions mandated by the Code for devolution. As such, a big majority of the LGUs will not be able to afford to hire doctors, nurses, pharmacists, midwives and technicians. Moreover, there were also doubts on the capacity of 97% of municipalities to support and maintain operations of a rural health center which will require an annual budget of P1.3 million.

Based on the foregoing, Representative Leonardo Verceles was prompted to author House Bill 3331 which provides for the exclusion of health services from the functions to be devolved to LGUs. The Bill has passed the House. (Manila Bulletin, march 20, 1993 p 8)

For its part, the Senate proposed Bill 1173 authored by

Senator Freddie Webb which provides for a three-year period of devolution of health services and facilities to local governments units in order that the delivery of health services will not be hampered. The rationale for this move is consistent with the observation of the Lower House, i.e., the LGUs perceived inability to carry out its action.

Furthermore, the seeming confusion in the transition period from the national government to the LGUs of the thousands of health workers has spawned restlessness and massive demoralization among the government health personnel.

The over 20,000 health workers already devolved to the LGUs during the start of 1993 expressed discontentment over the delay of their salaries from three to four months, and anxieties concerning their security of tenure. The alliance of Health Workers in the Department of Health reported in May 1993 that the reason for the non-payment of salaries of the health personnel devolved to LGUs as of said month is due to non-issuance yet of their appointment papers. Per Memorandum Circular No. 19 issued by the Civil Service Commission, the devolved personnel are new appointees. However, the devolved personnel should be considered transferred, as has been the general interpretation of the national government agencies, including the DILG. This apparent conflict in interpretation of the Code has contributed to the delays in the smooth transfer of DOH health personnel to the LGUs. In general, the municipal mayors opposed the move of the Senate saying that it is ill-timed, considering that 80 percent of the municipalities had already put in place the

devolution of health personnel and functions.

Thus, the League of Municipalities of the Philippines declared, disputing observations by some quarters, that it is incorrect to say that untrained and inexperienced personnel constitute one of the major roadblocks to the devolution process because the "health personnel who used to perform basic health services are the very personnel who are now working in the different municipalities." What is needed, therefore, is the immediate remittance by the Department of Budget and Management of the Internal Revenue Allotment (IRA) shares of the municipalities so that the delivery of health service will not be prejudiced. (The Manila Times, April 3, 1993; p. 3)

The Department of Interior and Local Government understandably, strongly opposed the House of Representatives' proposal to exempt the Department of Health from the devolution/decentralization process and the Senate's proposal to halt for three years the devolution of health services to LGUs simply because of their perceived inability to carry out the functions. DILG Secretary Alunan recognizes that the issue behind the delay in the devolution of health services is not lack of technical capabilities, but financial or funds deficit. Therefore, "if the problem is financial then the solution would be to help fund the LGUs and not to stop the devolution process." (Manila Chronicle, July 14, 1993, p. 3)

## ISSUES, PROBLEMS AND CONSTRAINTS

From the point of view of the DOH, major problems/constraints have emerged in the devolution of health services and personnel to LGUs, which include the following:

1. Administrative/personnel related - As has been indicated earlier, the process of devolving/transferring the almost 45,000 DOH personnel to the LGUs was rough-sailing. This is notwithstanding the refusal by some LGUs to accept the Department's health workers with excuses ranging from "not yet ready to no funds/budget available to pay the salaries". Corollary to this is the uncertainty in the health worker's security of tenure and diminution of salaries and benefits for some.
2. Organizational/structural - A big number of municipalities have not organized the Local Health Boards which the DOH believes to be the appropriate structure that will ensure the continuity and effective delivery of health services.
3. Budget/Finance-related - In this transition period, which the DOH itself perceives may take three to five years, the Regional Offices suffered a major setback in their administrative and operational budget because with decentralization in place there are vertical national programs that were maintained by the Department, eg. systop malaria disease. Logically, the field personnel for such programs were not turned over to the LGUs. Since this was not anticipated earlier, the retention of this function to the Department and the personnel involved has become an additional burden to the Regional Offices considering the huge reduction in the DOH's operating budget as a result of decentralization.

In particular the Provincial Health Officer of Nueva Vizcaya, a province in Region II (Cagayan Valley) observed that the devolution of health services which started last year sort of delayed the delivery of basic health services. The provincial health office/hospital has been placed directly under the Office of the Governor, thus the entire process of service delivery, from administrative to operational, is not that smooth.

It is in the area of budget and funding that the provincial health office suffered most following the implementation of decentralization/devolution. Because of the IRA, as provided in the Code, the budget for health was further reduced. To illustrate, the IRA formula essentially takes into consideration the municipality's land area and population as factors for the revenue allotment. This commonly results in a municipality with a bigger land area getting a bigger share in the budgetary allocation, even if it is sparsely populated. Comparatively a municipality with a smaller land area is provided a smaller budget for devolution. Yet that municipality's population is twice or more than the other municipality with a bigger area. Therefore, the IRA formula is not indicative of the actual needs of the municipality, city or province.

According to the Provincial Health Officer, the low morale of health personnel who were transferred to the LGUs as a result of devolution cannot be over-emphasized. Further, the pressures confronting him are tremendous. Aside from running the day-to-day operations of the provincial hospital, he has to meet devolved health workers, and assure them of their security of tenure (even if he himself is not certain about it). The policies and guidelines concerning the devolution, he further observed, are not clear-cut, so they (at the hospital) have to play it by ear, so to speak, and the prevailing attitude is wait-and-see.

By and large, the level of interpersonal relationship between the provincial health officer and the governor is a

critical factor that could either facilitate or debilitate the decentralization process for health services. Be that as it may, the provincial health officer expressed strongly that there has to be a way by which the policy-makers or the central government should establish a meaningful and accurate means by which the budgets intended for LGUs to undertake the devolved functions could be maximized; otherwise the very essence of devolving major health functions & service to the LGUs would be defeated.

The DILG's "Final Report on Devolution" (Transfer of Personnel and Assets) pursuant to R.A. 7160, which was released in October 1993, pointed out that of the total 45,896 personnel of the DOH to be devolved, some 45,626 had been accepted by the LGUs. The 207 health workers had to be retained by the Department. The reasons for retention may be due to any of the following:

1. Not administratively viable
2. Personnel have pending cases in court
3. Personnel/LGU relationship due to political relationship
4. Personnel have threats of their lives in places of assignment
5. Attitudinal/technical factors on the part of devolved personnel

While the transfer of the DOH's personnel to the LGUs has been completed, the future for the devolved health personnel is not encouraging. According to no less than Secretary of Budget and Management Salvador Enriquez, health personnel devolved to the LGUs under the New Code will

continue not to receive their salaries until next year unless Congress agrees to allocate a portion of the Internal Revenue Allotment for local government units. Moreover, as some LGUs are experiencing now, the mismatch between available resources and the requirements for resources will continue in 1994..." (Philippine Times Journal, November 27, 1993 p.1) This was expressed by the DBM Secretary following non-consideration by Congress of DBM's proposal to include in the 1994 General Appropriations Act a special provision calling for the apportionment of the IRA for 1994 among all LGUs after deducting the cost of devolved functions of the health department.

To our mind, the problem of mismatch between available resources and the devolved functions/services not only in health, but other sectors as well, vis-a-vis the IRA for LGUs, needs to be addressed beyond mere special provisions in the national budget. Assuming that Congress approved the DBM's proposal, that would mean a palliative and short-term solution which is good only for 1994. After such augmentation to the LGUs to implement the devolved functions next year, what is the scenario for 1995 onwards? Perhaps what seems imperative at this point is for our policy-makers at the Executive Branch and Congress, too, to arrive at measures that would provide long-term solutions to the problem of funding the functions and services to the LGUs, particularly where IRA is concerned. It maybe worth considering to introduce necessary amendments to the new Code by way of

legislation.

## POPULATION CONTROL PROGRAM

The national government, through its various line agencies like the Department of Agriculture and the Department of Health, has maintained that one of the principal elements of rural development is adopting a population control program to reduce the strain of land and other fixed resources. An effective population control program is necessary to reduce the growing presence of a rapidly expanding population on the fixed supply of land and other natural resources. It will also result in a larger share of the benefits of economic and social development for each and every Filipino.

In trying to relate the population control program to devolution, it may be considered that population control (or management as some would prefer to term) has been integrated in the health services. For one thing, the Department of Health itself is vigilant in promoting population control. The country's population is 65,244,278, and DOH Sec. Juan Flavies noted that the present Philippine population growth rate of 2.48% is the highest among the six countries of the ASEAN (Association of South East Asian Nations) (Philippine Daily Inquirer, 20 July 1993).

The DOH's present National Family Planning Program

"within the broader contexts of Women's Health and Safe Motherhood, will be the flagship of the Department, in strong partnership with non-government organizations, local governments and other national government agencies and the private sector....All efforts will be exerted to support local

government family planning programs. Government will stop being a "regulator" and will assume a new role as "facilitator". (123 in '93, DOH: 8 January 1993)  
Toward this end, the DOH's linkage with the LGUs, following the decentralization process, includes a great deal of education and literature on population control.

The 1991 Local Government Code provides for the appointment of the Population Officer which shall be optional in the local government unit. This is provided that the provinces and cities which have existing population offices shall continue to maintain such offices for a period of five (5) years from the date of effectivity of the Code, after which said offices shall become optional.

The major duty and function of the population officer is to take charge of the office on populations development. It is significant to note that the Code refrained from using the term population control. The 1987 Constitution merely provides that the State shall defend the right of spouses to found a family in accordance with their religious convictions and demands of responsible parenthood. (Jose N. Nalledo, The Local Government Code of 1991, Annotated, 1992 First Edition, p. 627)

### C. COMPREHENSIVE AGRARIAN REFORM PROGRAM

Agrarian Reform is one program of government with the loftiest of intentions - that of liberating the tenant from bondage by making them enjoy the full benefits of their labor. Corollary to this, hastening the pace of the Comprehensive Agrarian Reform (CARP) to achieve equitable

distribution of land and to give more incentives to agricultural producers is one of the principal elements that comprise a rural development strategy appropriate for the Philippines.

The CARP was launched by the Aquino Administration more than five years ago with the enactment on 15 June 1988 of R.A. 6657, otherwise known as the "Comprehensive Agrarian Reform Law". The law intended to benefit 50% of the labor force involved in agriculture, the 10% million farmers, three-fourths of whom are landless farm workers and leaseholders. Under CARL, land acquisition and distribution is the land program component of the CARP. It lays out the foundation of agrarian reform primarily designed to give land to the landless in order to gradually solve the recurring agrarian reform problems in the country. Understandably, therefore, the Department of Agrarian Reform (DAR) as the lead implementing agency of CARP, has in the past concentrated mainly on the distribution of land to the landless farmers. While this is the core of any agrarian reform program, experience has shown that this is not sufficient to raise the quality of life of the farmer beneficiaries.

In view of the foregoing, the Ramos Administration has adopted the task of pursuing a faster, fairer and more meaningful implementation of CARP through the strategy of developing viable Agrarian Reform Communities (ARCs). DAR Secretary Ernesto Garilao envisions that the ARCs will become the growth points in the countryside. They will involve primarily empowered farmers and their households.

Instead of just number of hectares and number of beneficiaries, the DAR, employing the ARC strategy, shall now include much more significant indicators as increase in incomes; improvement in the quality of life of the farmers; institutional strength of farmers organizations; levels of participation of NGOs/POs and other sectors in the program; sustainability of programs and projects; and sustainability of the development of agrarian reform communities. (Sec. Ernesto D. Garilao, 1992)

The formation of ARCs as points of development efforts among the government and NGOs is an approach taken by the present administration in the implementation of the remaining half of the ten-year CARP program under the CARL, which is envisioned to be completed in 1998. Through the ARCs, the farmers would be provided with more livelihood and income-generating activities. The ARCs will be the training centers for farmers in a cluster of some eight or 10 barangays.

The DAR Secretary also noted that precisely because resources are limited that there is a need to "tighten coordination and synchronization in government; thus the concept of Agrarian Reform Communities (ARCs). For 1993, the DAR targets the creation of 257 ARCs or barangay clusters as pilot farm projects that will show agrarian reform can indeed succeed. To ensure CARP's success, the ARCs will be given the necessary support services - farm-to market roads, post harvest facilities, irrigation, credit and even linkages with agro-industrial centers. At least one ARC will be established in each Congressional district which the DAR

envisions to reach 1,000 ARCs in the year 2000.

This early, farmers who are impatient with the slow implementation of CARP say that the ARCs efforts would account to only "small victories" for tillers of the land. Success in 257 communities would mean nothing if land is converted at an alarming rate to, say, subdivisions and export processing zones. Which is why Secretary Garilao himself realizes the need for government to be much more definite about its land use policy. "It should be clear about what land it wants to protect, what cases it is willing to compromise on." (Chay Hofilena, June 13, 1993; p p. 8) To reinforce this point made by the DAR Secretary, the Philippine Peasant Institute reported that the claims of the Ramos administration of its CARP accomplishments in its first 365 days, eg. acquiring, distributing and titling 382,000 hectares to the tillers - are being nullified by the huge number of land confiscation cases. In Bulacan alone, there are 3,000 such cases. (Manila Times, August 2, 1993: p. A-5)

#### CARP AND DECENTRALIZATION

As has been indicated earlier, agrarian reform is not among the programs/functions that have been devolved to the LGUs under the 1991 Local Government Code. This could be due to the fact that the CARP as provided under R.A. 6657, is to be implemented in ten (10) years from 1988. If DAR was to be politically decentralized as in the case of DA, DSWD, DOH, and DENR, then the implementation of CARP may have again be slowed down or forestalled because of a number of factors,

such as the personal interests of local executives, many of whom are landowners themselves.

The DAR, therefore, as a line agency was not very much affected with the decentralization efforts of government pursuant to the 1991 Code. In so far as CARP is concerned, policies and decisions for program implementation are bestowed on the Presidential Agrarian Reform Council, headed by the Chief Executive himself. There is also an annual budget allotted to the program, the "Agrarian Reform Fund," which is provided under the General Appropriations Act.

The DAR is mandated by RA 6657 to take charge of the acquisition of private agricultural lands and their distribution to qualified farmers who utilize their farm holdings to increase agricultural productivity. Delivery of support services to CARP beneficiaries is also provided by the agrarian reform law which the DAR and other CARP implementing agencies have been doing since 1988. Support services are being extended to the farmers by the DAR and other different coordinating agencies, namely: Department of Agriculture, Department of Environment and Natural Resources, Land Bank of the Philippines, Department of Public Works and Highways, Department of Trade and Industry, Department of Labor and Employment, and the National Irrigation and Administration. Every year, these offices are allotted funds from the Agrarian Reform Fund to finance their respective programs for extension services to CARP beneficiaries.

Although DAR is not politically decentralized, local government officials have the power to reclassify lands under the 1991 Code. However, the power of LGUs to reclassify lands does not give them the license to convert the said lands. The LGUs will still need clearance from the DAR's Land Utilization and Conversion Office before they can convert agricultural lands that were reclassified. Specifically Section 20 of the Local Government Code allows LGUs through an ordinance passed by the Sanggunian after conducting public hearing, to authorize the reclassification of agricultural lands and provide for the manner of their utilization without prejudice to CARP in general and to Section 65 of CARL in particular. Section 65 of CARL allows the conversion of awarded CARP covered lands "after five years when the land ceases to be economically feasible for agriculture or the locality (where the lands are located) have become highly urbanized."

To enable the LGUs to carry out the above task of land reclassification more effectively and expeditiously, DAR provides them with technical assistance and research data on land reclassification. If the land is not agriculturally productive, DAR will approve the LGU's proposal to reclassify the land, but actual conversion to another classification, say from agricultural to residential, is still the domain of DAR. The Department noted that the matter of land conversion has brought a lot of pressures and problems to DAR's policy-makers as there is too much political meddling

involved among LGU's and interest groups (businessmen, subdivision developers). They would want to be heaven and earth, so to speak, to expedite conversion of agricultural lands, even if it is to the prejudice of CARP and its beneficiaries. In fact because of the lure of money or cash involved by these entrepreneurs there are indications that a good number of CARP beneficiaries have sold back their farms to the original landowner.

#### D. INFRASTRUCTURE PROGRAM

The country's development, particularly that of the rural areas, would depend mainly on the availability of basic infrastructure facilities and services with which to spur social and economic stability.

Former Secretary of Department of Public Works and Highways Jose de Jesus noted that playing a key role in the country's infrastructure program and development is the Department of Public Works and Highways (DPWH), as "the State's engineering and construction arm" responsible for the planning, design, construction and maintenance of infrastructure facilities, especially national highways, major flood control and drainage, water supply (artesian wells/springs), municipal ports, school buildings, urban community infrastructure and other related projects. (Jose P. de Jesus, 1992)

Moreover, as mandated by Executive Order No. 124, the DPWH is also tasked to continually develop its technology for the purpose of ensuring the safety of all infrastructure

facilities and securing for all public works and highways the highest efficiency and the most appropriate quality in construction. Such infrastructure facilities make up the main artery of development responsive to the demand of modernizing society. These instruments of growth enhance industrial and agricultural productivity, improve income distribution, widen employment opportunity, and step up regional development for national upheaval aimed at reducing the country's dependence on other nations.

It was during Secretary de Jesus' stint at the DPWH that the "fast-track" scheme for implementing infrastructure development was widely utilized, enabling the Department to register remarkable accomplishments, and provide for smooth transition from the Aquino to the Ramos administration. The "Fast-Track" method of project implementation saw the completion of projects within the shortest time without sacrificing structural quality. (Jose P. de Jesus, *ibid.*)

#### **DECENTRALIZATION AND DPWH**

It is significant to mention at this point that DPWH is not among the departments or national government agencies whose major functions and personnel were mandated under the 1991 Local Government Code to be devolved to the LGUs. Nevertheless, in support of the government's decentralization program, the Department has fully decentralized its operations and effected the transfer of responsibility of its major equipment and facilities to its Regional Offices. Thus,

it maybe considered that the infrastructure program is not devolved per se to the LGUs unlike in the areas of health and agriculture. What is, therefore, most noteworthy about DPWH in determining its role and contribution to rural development and devolution is its full administrative/structural decentralization. With that, the Department can better discharge its functions and infrastructure projects down to the grassroots levels.

Fursuant to the New Local Government Code, starting in 1992 the DPWH only continued to program up to completion on-going foreign assisted water supply and municipal ports since the locally funded projects have been devolved to the local government units. Specifically, under the Code, the basic facilities the province must provide include:

1. Provincial buildings, jails, freedom parks, public assembly areas;
2. Infrastructure facilities such as provincial roads and bridges, inter-municipal waterworks, drainage and sewerage, flood control, irrigation systems, reclamation projects;
3. Low-cost housing and mass dwellings;
4. Mini hydro-electric projects. (R.A. 7160, Bh. I, Ch.I Sec. 23)

#### E. WOMEN IN DEVELOPMENT

Women constitute half of the country's population, hence they should be effectively mobilized. In the light of the growing female representation in major sectors, (women in bureaucracy, academe, electoral politics, and NGO) it behooves policy makers and program planners and implementors

to understand the crucial link between women and development.

It has been considered that women's status and participation are basic issues in dealing with the problems of poverty and underdevelopment. Therefore, women's equality and participation in development should be a national priority.

National policy provides a favorable atmosphere for women's development. For the first time, the 1987 Philippine Constitution explicitly stipulates the fundamental equality between women and men and cites the women's role in nation building (Art. II, Sec. 14), recognizes women's maternal and economic role (Art. XIII, Sec. 14) and women's special health needs (Art. XIII, Sec. II), declares natural-born those children born of Filipino mothers before the January 17, 1993 constitution and who elect Philippine citizenship at the age of majority, and allows Filipino women married to aliens to retain citizenship if they choose to do it (Art. IV), thereby correcting the inequitous provisions in earlier laws. Closely following the ratification of the Constitution in 1987 the signing on July 17, 1987 of Executive Order No. 227 entitled "The New Family Code of the Philippines", which eliminates many of the discriminatory provisions in the Spanish Colonial Law-based Civil Code of the Philippines. A related development was the creation in the Senate of a Committee on Women and Family Relations which is in charge of legislation concerning women. A very significant law which recognizes the major role and importance

of women in national development is Republic Act No. 7192 signed on February 12, 1992, and entitled "Women in Development and National Building Act."

In 1975, the government created the National Commission on the Role of Filipino Women (NCRFW) as a response to the International Women's Year. Its mandate is to work towards the full integration of women for social economics, political and cultural development at national, regional and international levels on a basis of equality with men. With the recognition of the government in 1986, the NCRFW was assigned a new set of mandates who immediately undertook a review of its mandate to functions.

The NCRFW Executive Director appointed in August 1986, Remedios Rikken, recognized that with the limited budget and size of manpower of the Commission, the task on hand was no doubt gargantuan. Can the Commission do it? With a positive outlook and rich experience and insights on women concerns, Director Rikken accepted the job with the suggestion that "organizing women and helping them undertake programs and projects are a responsibility that must be shared by the rest of government. The NCRFW would provide the necessary technical expertise to help other government agencies accomplish this task, but overall, it must be an effective partnership if we are to formulate the appropriate strategies that can whittle down women's oppression". (Term Report, 1986-1992: National Commission on the Role of Filipino Women, Office of the President)

In its efforts to help the national government formulate policies and for Congress to enact laws that will recognize the vital role of women in the country socio-economic development, the NCRFW undertook a thorough assessment of past developments, problems and challenges concerning Filipino women. This includes, among others, the following:

1. Women are perceived to have minimal social and economic contributions, even as they perform a broad range of activities in the home and even as they earn living outside the house. In both instances, women are perceived as being merely supportive and, therefore, secondary or even marginal.
2. Because women's contributions have remained largely invisible to the public eye as well as merely secondary in nature, women's active participation in public life has not been as extensive as that of men. At the same time, it is this very subordination that also accounts for the lack of support systems and social benefits to women, the limited access and control that women have over resources and other comparatively minor roles that women play in the national drama of development.
3. Women continue to suffer some disadvantages as women and as poor women because of the prevalence of sex-role stereotyping and other biases against them which have been attributed to the kind of socialization process that women and men are subjected to from childhood and which shape their attitudes and perceptions in their adulthood.
4. There remains a low level of consciousness of women's issues in almost all sectors - public, government, bureaucracy, private - which is aggravated by the lack of sex-disaggregated data in many government agencies.
5. In employment, only 36 percent of the population 15 years and over who are in the labor force are women, leaving out some 7.3 million women who are outside the labor force and who are economically non-productive. As workers, women tend to occupy the lower positions.
6. Rural women, who comprise 59 percent of all women in the country deserve particular attention. While they

perform productive agricultural activities, they remain as invisible farmers. They tend to be displaced by mechanization and have very limited access to credit, agricultural services, training and technology. (Philippine Development Plan for Women, 1989-1992: The Development Framework --published by the National Commission on the Role of Filipino Women)

Given that bleak perspective and scenario concerning women, the NCRFW was propelled into convening women from various sectors and consulting them on their needs and capacities. The result was the Philippine Development Plan for Women (PDPW), a historic document that pushed women into the mainstream of government planning.

The PDPW as a companion volume of the Medium Term Philippine Development Plan (MTPDP), 1987-1992 of the Aquino administration, is an initial effort aimed at integrating the concerns of women in the planning process. As such, the PDPW is situated within the overall development thrusts as articulated in the 1987-1992 MTPDP. It is a document that concretizes the government's political will to advance the situation of women. It is a translation of the constitutional policy on women to the macro statement in MTPDP which provides that "Women, who constitute half of the population, shall be effectively mobilized".

The 17 chapters of the PDPW parallel those of the 1987-1992 MTPD, except for five chapters on Special Concerns of Women which are: migration, prostitution, violence against women media, and arts and culture: Like the MTPDP, each PDPW contains an overview on the issues and problems of a particular sector, and goes on to list its development

goals and objectives, policies and strategies, its targets and major development programs.

It goes without saying that the implementation of the PDPW rests with government itself. The role of the NCRFW is to monitor and evaluate the Plan's implementation by all concerned agencies. In the process, updating the Plan became inevitable, thus situating the PDPW within national priorities and proving that gender considerations can be mainstreamed as part of the government's development's thrusts.

With the new MTPDP, 1993-1998 under the Ramos administration, and the PDPW having expired, the NCRFW has initiated the drafting likewise of a companion Plan for Women for the present government's MTPDP. The successor PDPW, however is intended to be a 25-year perspective plan, i.e. up to year 2020, to include all the gender concerns that government should address in the long run. The NCRFW is concerned with making the next Plan for Women more program-oriented so it will be easier to implement. This means reviewing major programs and determining how priority gender issues might be addressed through appropriate reformulation or redesign.

Towards this end, the Commission also took into consideration the expected impact on line agencies of the implementation of the 1991 Local Government Code.

## DECENTRALIZATION AND WOMEN'S ACCESS TO RURAL DELIVERY SYSTEM AND SUPPORT SERVICES

With decentralization and devolution mandated by the 1991 Local Government Code only on its second year of implementation, no less than the Executive Director of the NCRFW noted that "it is too early in the game to determine the impact of the decentralization on women's access to rural delivery system and support services, more so if we are after gauging the relationship between decentralization and women's access to rural delivery system and support services. It's too difficult a task for now, but there is no doubt that decentralization offers bright prospects for women in the rural areas, particularly with regard to their linking up with LGUs in delivery of programs and services".

Executive Director Remedios Rikken pointed out that majority of our womenfolk, particularly those in the rural areas, are not yet aware or have no knowledge of the decentralization program, nor the 1991 Code. Yet the Code provides for inclusion of women representatives in local bodies, such as Local Development Council, a clear indication of the Code's framers of the important role of women in development programs.

Moreover, the NCRFW Executive Director lamented the fact that in general women who are elected as say councilors, are not given challenging role by the Sangguniang Panglungsod or Pambayan. In a male-dominated council or LGU, the women local executives are usually tasked with beautification projects or crowning at beauty contests or charitable

projects. This is indicative of stereo-typing the role of women and relegating them to less meaningful or less fulfilling responsibilities and jobs. What these women local executives are longing for is an active participation or involvement in the planning and decision-making process for the development of their localities. They believe that they have a lot to contribute not only in terms of ideas and workable recommendations but even up to the level of actual project implementation. Undoubtedly, the constraints or impediments to the maximization of women officials' potentials are caused by their own male peers or male higher level officials.

As such, the NCRFW has been assiduously coordinating with a number of women's groups nationwide, encouraging these groups both from the private sector and government to be more pro-active and aggressive, (in the right direction that is) and be assertive of their advocacies and positions relative to women concerns. It is noteworthy that great strides have surfaced on such efforts. Nevertheless to attempt this early at determining the effectiveness of decentralization to women's access to rural delivery system and support services is really a tough job.

Notwithstanding the above, the womenfolk in the countryside, conscious or otherwise of the existence of the decentralization program and the 1991 Local Government Code, are gradually but surely streamlining/integrating with the government's planning and development process. They are

into various projects and activities which are part of the functions and services devolved to the LGUs -from health, agriculture, to social welfare. Moreover, the entrepreneurial ability of women has also been honed and maximized as they continue to engage in small scale industries even within the confines of their households. Yet the traditional male chauvinist executives would refuse to recognize this. (Please note that in the following section of this report, which is on the survey, the Project Team conducted among 30 local executives, only 16 of them admitted that the women in their areas played a significant role, particularly in the health service delivery. The 14 others who responded in the negative said in general, that the women have very limited role and that they are not capable to manage.)

## CHAPTER V

### SURVEY OF LOCAL GOVERNMENT EXECUTIVES REGARDING DECENTRALIZATION

The Local Government Center of the College of Public Administration, University of the Philippines, in cooperation with the Local Government Academy of the Department of Interior and Local Government, conducted the Thirty-fifth course of the Local Administration and Development Program (35th LADP) from July 5 to August 13, 1993.

The Project Team took the opportunity of interviewing the LADP participants on the extent of decentralization in their respective areas. A questionnaire was formulated (copy attached as Exhibit A). The questionnaire was distributed to the participants on August 10 and were collected/ retrieved on August 12, 1993. A total of 30 participants accomplished the questionnaires. Except for Region IX and the Autonomous Region of Muslim Mindanao (ARMM), all the regions in the country were represented in the 35th Course of LADP.

A big majority of the participants, or 28 of them, are Municipal Mayors belonging to the 5th and 6th class municipality based on income, as stipulated under Executive Order No. 249 which provides, among others, for a New Income Classification of Provinces and Municipalities. The remaining two participants are members of the provincial board.

## MAJOR FINDINGS

The survey revealed that a majority of 19 or 63% of the local chief executives started implementing decentralization in their respective areas only in 1993.

It was also found out that agricultural and health services/programs have been devolved, but the devolution of population control got a low response of 13 or 43%.

Quite significantly, the respondents considered themselves to be most prepared or capable to handle the social services or program devolved to them, 24 or 80%; followed by agriculture, 19 to 63%; and health, 18 or 60%. It may be assumed therefore that social services obtained the highest response because its delivery would not entail as much cost/expenses in terms of manpower and equipment, compared to health and agriculture.

The survey attempted to determine the capability of the 30 local chief executives in discharging the devolved functions, particularly as regards technical, financial and managerial/administrative capability.

A positive response was elicited on the area of technical capability (57%) and managerial capacity (87%). However, almost all of the respondents or 90% revealed that their LGUs are financially inadequate to handle the devolved functions mandated under the 1991 Code. It is therefore, apparent that two years after the Code's implementation, the problem or issue of limited or inadequate financial resources to enable a smooth and effective implementation of decentralization still persists.

Corollary to financial adequacy/inadequacy of the LGU, the

respondents were asked about the adequacy of their IRA as provided under the Code. A similar trend of response was indicated. Twenty-eight or 93% noted that their IRA is inadequate, but all of these local executives underscored that sufficient funding is what they need to implement decentralization.

The 1991 Code encourages the participation of non-governmental organizations (NGOs) in the devolution process, particularly as it relates to local governance. Hence the respondents were asked to identify some NGOs in their locality. All of them responded, but their multiple answers indicated both private volunteer organizations as well as public organizations. It appears that these executives did not set apart an NGO which is a private organization, from that which is government or public, which could be due to the fact that some local officials are also members of an NGO.

The local executives were asked to describe the role of women in their localities in the decentralization of rural development programs and their access to rural delivery systems and services. It is noteworthy that their womenfolk's role was dominant in health service delivery (43%), followed by both these vague responses as: limited role (27%) and expanded role through women's organizations (27%). But one official remarked that the women in his municipality does not have a role in the decentralization process. (It is significant to note that even in the field verifications conducted in Negros Oriental and Dumaguete City, the local chief executives interviewed pointed to their womenfolk as most effective in handling delivery of health services).

Following are the specific results of the survey based on all questions posed in their sequential process:

**Survey Results:**

**1. Start of Decentralization -**

For the question on when the official's municipality started implementing the decentralized functions and services identified in the 1991 Code, only 11 participants claimed to have commenced implementation in 1992, the starting date ranging from August to November 1992. The rest of the local executives started implementing the decentralized functions only in 1993.

**2. Devolved Programs and Services -**

All of 30 participants or 100% responded that agriculture and health services have been devolved to them and are already being implemented, with 29 or 97% citing that social services programs/functions have already been devolved. The devolution of infrastructure and population control program elicited a low response, i.e. 14 or 47% and 13 or 43%, respectively.

**DEVOLVED SERVICES / PROGRAMS**

<u>Services/Programs</u>	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Agriculture	30	100
B. Health	30	100
C. Population Control Program	13	43.33
D. Infrastructure	14	46.67
E. Social Services	29	96.67
F. Others:		
1. Environment	2	6.66
2. Police	1	3.33

**3. Devolved Functions and Services where Local Government is Most Prepared/Capable to Handle -**

The local executives were found to be most prepared and

capable to handle the social services program devolved to them, 24% or 80%. This is followed by agriculture, 19 or 63%; health, 18 or 60%; infrastructure, 16 or 53%; and population control, 10 or 33%.

PREPAREDNESS OF LGU TO HANDLE DEVOLVED FUNCTIONS AND SERVICES

<u>Devolved Functions and Services</u>	<u>No. of Responses</u>	<u>Percentage (%)</u>
A. Infrastructure	16	53.33
B. Health	18	60
C. Agriculture	19	63.33
D. Population Control Program	10	33.33
E. Social Services	24	80

4. Problems in the Implementation and Delivery of Devolved Programs and Services -

In this open-ended question, the responses elicited resulted in the categorization of the following problem areas and the number of responses:

PROBLEMS IN IMPLEMENTATION

<u>Problem</u>	<u>No. of Responses</u>
a) Funding	15
b) Personnel	10
c) Refusal of other line agencies to devolve their functions	6
d) Non-acceptability of the population control program	2
e) Ambiguity of the New Local Government Code	1
f) Decentralization resulting to political divisiveness	1
g) No problem in implementation	2

5. Absorption by LGUs of Devolved Personnel -

Consistent with the programs and functions to be devolved to the LGUs including the personnel or staff concerned, it is interesting to note that all the 30 or

100% local executives replied that the Department of Agriculture's extension workers have been devolved to and absorbed by them. The same response (30 or 100%) was elicited for the DSWD's personnel; while 29 revealed the devolution to their municipalities of the Department of Health personnel.

#### LGU's ABSORPTION OF DEVOLVED PERSONNEL

<u>Department</u>	<u>Responses</u>			
	<u>Yes</u>	<u>Percentage (%)</u>	<u>No</u>	<u>Percentage (%)</u>
A. Agriculture (DA)	30	100	-	-
B. Public Works & Highways (DPWH)	5	16.67	25	83.33
C. Health (DOH)	29	96.67	1	3.33
D. Social Welfare & Development (DSWD)	30	100	-	-

#### 6. Constraints and Problems Concerning Devolution of Personnel -

Under this open-ended question, seven (7) executives claimed that they have not encountered any problem in this area. Those who identified the problems and constraints led the Project Team to classify the following issues:

#### DEVOLVED PERSONNEL PROBLEMS

<u>Problems</u>	<u>No. of Responses</u>	<u>Percentage (%)</u>
A. None	7	17.5
B. Funding	5	12.5
C. Inadequate Technical Knowledge of Dev. Personnel	11	27.5
D. Strained Relationship bet. Dev. Personnel & Local Gov't Officials	3	7.5

(LGOs)

E. Lack of Personnel (DPWH)	3	7.5
F. Delayed Turnover of Assets & Liabilities	4	10
G. Duplication of Personnel Functions	2	5
H. Disparity of Income bet. Devolved Personnel and LGUs Personnel	5	12.5

7. Presence of Industries in the Municipality -

Only 14 of the 30 local executives or 47% revealed that certain industries existed in their localities. In the matter of revenue/income generation for their municipality, 7 respondents noted that the impact of such industries is minimal, in contrast with 9 who said the impact is optimal. As regards impact on employment, 13 responded that the local industries provided greatest employment opportunities in their area.

I. PRESENCE OF INDUSTRIES

	<u>No. of Responses</u>	<u>Percentage (%)</u>
A. With Industries	14	46.67
B. With No Industries	16	53.33

II. IMPACT OF INDUSTRIES

	<u>No. of Responses</u>	<u>Percentage (%)</u>
A. Minimal	7	43.74
B. Optimal	9	56.26

### III. EMPLOYMENT OPPORTUNITIES

	<u>No. of Responses</u>	<u>Percentage (%)</u>
A. Less Employment	3	18.75
B. Greater Employment	13	81.25

#### 8. Role of the Department of Trade and Industry in the Municipality -

When asked to describe the role of the DTI in their locality, 14 participants revealed that the Department is inactive in their area, while the others responded that the DTI assists the LGUs in livelihood and project identification (9), provides the LGU with technology and skills development (6), and loan grants (6); is involved in price monitoring assistance (3); and issues registration of business certificates (2).

#### ROLE OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI)

	<u>No. of Responses</u>	<u>Percentage (%)</u>
A. Technology and Skills Development	6	15
B. Inactive	14	35
C. Loan Grants	6	15
D. Livelihood Project Identification	9	22.5
E. Registration of Business Permits	2	5
F. Price Monitoring Assistance	3	7.5

#### 9. Non-governmental Organizations (NGOs) in the Municipalities -

When asked to name some NGOs in that locality, all of 30 participants responded. It is significant to note, however, that their multiple responses pointed to both private volunteer organizations as well as public

organizations. Hence it may be assumed that the local executives did not distinguish between an NGO, a private organization, from that which is government or public.

According to the local executives the role of these organizations in their area is in terms of serving as channels of information dissemination and facilitating grants or loans for the LGU.

10. Capability of the LGUs in the Discharge of Devolved Functions (Based on Technical, Financial and Managerial/Administrative Capability) -

For each category, the participants were asked to describe their municipality's capability in terms of adequacy or inadequacy. As regards technical capability, 17 executives claimed that their municipality is technically adequate; 26 disclosed that their managerial/administrative capability is adequate. However, when it comes to finance or budget, 27 or 90% of the participants noted that their municipality is financially inadequate to undertake the devolved functions called for under the new Code.

I. FINANCIAL CAPABILITY

	<u>No. of Responses</u>	<u>Percentage (%)</u>
A. Adequate	3	10
B. Inadequate	27	90

II. TECHNICAL CAPABILITY

	<u>No. of Responses</u>	<u>Percentage (%)</u>
A. Adequate	17	56.67
B. Inadequate	13	43.33

### III. MANAGERIAL CAPABILITY

	<u>No. of Responses</u>	<u>Percentage (%)</u>
A. Adequate	26	86.67
B. Inadequate	4	13.33

#### 11. Role of Women in the Decentralization of Rural Development Programs -

It is quite noteworthy that one respondent said that the women in his municipality do not have a role in the decentralization process, while eight viewed women as having a limited role. Thirteen (13) of participants though considered women in their municipalities as active in the delivery of health services, and eight more found the women having an expanded role through

#### ROLE OF WOMEN

	<u>No. of Responses</u>	<u>Percentage (%)</u>
A. None	1	3.33
B. Active in the Delivery of Health Services	13	43.33
C. Limited Role	8	26.67
D. Expanded Role Through Women's Organizations	8	26.67

#### 12. Women's Access to Rural Delivery Systems and Services -

With the implementation of devolution/decentralization in the local executive's area, it was asked whether there has been a marked increase in the womenfolk's access to rural delivery system and services. The reason for either a positive or negative reply was probed further.

Majority of the participants, 17 or 57% answered in the affirmative. The reasons for the "Yes" reply were attributed to: initiative of the local chief executive (4); women being partners in development (5); women's participation in local political affairs (5); and creation of women's organizations (3).

The 13 executives who did not recognize any increase in women's access to rural delivery systems and services after devolution cited these reasons: their womenfolk are inactive (6); factor of poverty (4); and management failure (3).

### I. WOMEN'S ACCESS TO SERVICES

#### Increased Access to Services:

<u>Response</u>	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Yes	17	56.67
B. No	13	43.33

### II. REASONS FOR "YES"

	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Local Chief Executive's (LCE) Initiative	4	23.53
B. Women are Partners in Development	5	29.41
C. Creation of Women's Organization	3	27.65
D. Political Participation	5	29.41

### III. REASONS FOR "NO"

	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Inactive	6	46.15
B. Poverty	4	30.77
C. Management Failure	3	23.08

13. Relationship of the Local Chief Executives with the DILG -

A big majority of the participants, 25 or 83% described their present relationship with the DILG as "healthy". Three (3) disclosed that their relationship is "not close", while the remaining two (2) considered their relationship with the DILG as "unbeneficial".

RELATIONSHIP WITH DILG

	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Healthy	25	83.33
B. Less Close	3	10
C. Unbeneficial	2	6.67

14. DILG's Assistance to LGUs -

As regards the specific services or assistance which the DILG provides to the participants' areas, as majority of 19 or 63% pointed out that it is in terms of technical and administrative assistance, while nine (9) viewed the DILG's services with respect to consultations on the new Local Government Code. Noteworthy is the observation by two (2) respondents that DILG does not extend to them any assistance or services.

Queried as to whether the local executives were so far satisfied with the DILG's services/assistance, majority of them, 25 or 83% answered "yes". This is due to the DILG's visibility and constant communication with the LGUs, and adequacy of the services rendered by the Department. The five (5) executives not satisfied cited funding problems and DILG's inadequate assistance as the reasons for dissatisfaction.

I. DILG's ASSISTANCE

<u>Type of Assistance</u>	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Consultation with regard to the New LGC	9	30
B. Administrative and Technical Assistance	19	63.33
C. Nothing	2	6.67

II. LOCAL GOVERNMENT OFFICIALS' SATISFACTION WITH DILG

<u>Satisfied: Response</u>	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Yes	25	83.33
B. No	5	16.67

III. REASONS FOR "YES"

<u>Reasons</u>	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Visibility and Communication	15	60
B. Adequacy of Services	10	40

IV. REASONS FOR "NO"

<u>Reasons</u>	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Funding Problems	3	60
B. Inadequate Assistance	2	40

15. Adequacy of Funding/Internal Revenue Allotment (IRA) -

It is noteworthy that only one (1) participant considered as adequate his municipality's IRA beginning 1993. Almost all, 28 or 93%, stressed that their respective municipality's internal revenue allotment is inadequate. One (1) executive was uncertain about his locality's IRA.

ADEQUACY OF FUNDING / IRA

<u>Adequacy of Funding</u>	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Adequate	1	3.33
B. Inadequate	28	93.34
C. Uncertain	1	3.33

16. LGU's Needs to Implement Decentralization -

All of the 30 participants or 100% underscored that funding is what they urgently need to effectively implement decentralization. The need for personnel was elicited by three executives, while one noted the immediate need for infrastructure and speedy implementation of decentralization.

ASSISTANCE URGENTLY NEEDED BY THE LGUs

	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Funding	30	85.72
B. Personnel	3	8.58
C. Infrastructure	1	2.85
D. Speedy Implementation of Decentralization	1	2.85

17. Amendments to the 1991 Local Government Code -

A great majority of the executives, 27 or 90%, pointed out the need for introducing certain amendments to the new Local Government Code.

NEED FOR AMENDMENTS TO THE NEW LOCAL GOVERNMENT CODE

<u>Response</u>	<u>No. of Responses</u>	<u>Percentage(%)</u>
A. Yes	27	90
B. No	3	10

## FIELD VERIFICATION OF DECENTRALIZATION ACTIVITIES

IMPLEMENTING DECENTRALIZATION: THE CASE OF THE NEGROS ORIENTAL  
AND DUMAGUETE CITY

## Introduction

The preceding chapters depict the extent of decentralization which has been implemented since the passage of the Local Government Code. In order to further verify information obtained from national government agencies and local government officials, one province and its capital city was visited by the research team. This was the province of Negros Oriental and the capital city of Dumaguete. Interviews were conducted with the governor of Negros Oriental, the Mayor of Dumaguete City, and leading provincial and city officials. An interview was also conducted with community development officer of Bacolod, the capital city of the other Negros--Negros Occidental.

## A. THE NEGROS ORIENTAL EXPERIENCE IN DECENTRALIZATION

Negros Oriental is considered one of the worse-off provinces in the country by the National Economic Development Authority, in terms of levels of poverty, income and population. It is part of Region VII which includes the provinces of Cebu, Bohol and Siquijor.

The visitor, armed with such information might expect stark images of grinding poverty and misery upon arrival in Negros Oriental. Visually, Negros Oriental does not conform to the NEDA description of a worse-off province. A string of coastal towns

planted with coconuts, corn and tobacco against a backdrop of hills, valleys and mountains create an attractive ambience which does not exude poverty.

Negros Oriental is one of two provinces of Negros Island in Central Visayas, the other being Negros Occidental. The two provinces are separated by a mountain range which until the fifties kept them relatively isolated from each other. Cebuano speaking Negros Oriental has greater cultural affinity with Cebu which is directly across it. On the other hand, Ilonggo speaking Negros Occidental is closer to Iloilo in language as well as economic relations.

Negros Oriental makes an interesting case in that it reflects the constraints and limitations of decentralization as implemented in a province classified as poor by economic standards. Nevertheless, the usual physical characteristics associated with rampant poverty are not present. Neither do the people reflect typical negative attitudes identified with poverty like apathy and hopelessness. Negros Oriental gives clues on the factors which make decentralization work inspite of constraints and problems.

#### THE POLITICO-ECONOMIC SCENE

At first glance, it would seem that the balance of political power in Negros Oriental can only spell disaster for decentralization. The governor, Emilio Macias II, won his first term as an independent in a stunning victory over his opponent who was the incumbent governor. He handily won his second term in 1992 under the Nationalist People's Coalition (NPC) banner inspite of the

fact two of the three victorious congressmen in the province belong to the LDP. The mayor of the city, Dumaguete, is also an LDP man. Although he is a "minority" man in an LDP-dominated province, Macias says that gets along with his mayors since he always solicits their cooperation in provincial projects.

The close personal relationship between the governor and his political "opponents" is most visible in his partnership with the city mayor of Dumaguete who is wholeheartedly supporting the plans for the development of the province.

Economically, Negros Oriental does not exhibit the extremes of income and wealth distribution associated with Negros Occidental. While many people do not consider themselves as very rich, they don't see themselves as desperately poor, either. There are no vast landholdings and haciendas. The latter are concentrated in two places, Bais and Sta. Catalina. These are not on the same scale as those in Negros Occidental.

The people of Negros Oriental are known for their relatively high level of educational attainment. This is because opportunities for first class education abound, particularly in Dumaguete City which is the seat of Silliman University, considered as one of the best institutions of higher learning in the country.

Governor Macias was surprised when informed about the rating of Negros Oriental as a worse-off province. He commented that it could be due to the waves of refugees who have fled to the province because of military operations against perceived dissidents from Negros Occidental. Social unrest has been pervasive in the province since the latter fifties. During Martial Law,

operations against rebels drove thousands of civilians to Negros Oriental. They crossed the mountain ranges on foot. Military operation during the Aquino administration resulted in fresh waves of refugees who descended from the hills and settled in coastal towns. Macias says that their state of poverty could have exacerbated statistics on income distribution in the province.

#### AGRICULTURE AND INDUSTRY

The situation in Negros Oriental confirms information at the national level insofar as agriculture and industry are concerned. The Department of Agriculture is fully decentralized. Staff and facilities have already been transferred to the province. What is not clear is whether the national programs have been decentralized as well.

As such, there are hardly any industries in Negros Oriental. Only one transnational corporation, Nobel Philippines, has set up its plant in the province. Governor Macias finds it ironic that while there are brownouts in Luzon, industries are concentrated there. Because of the presence of the PNOC Geothermal plant, power is not a problem in the province. Nevertheless, industries have not been drawn to the province. It appears that the agro-industrial development strategy (AID) of the Department of Trade and Industry has not filtered down to the provinces.

#### POVERTY ALLEVIATION

Provincial officials have taken the initiative in implementing programs on poverty alleviation without waiting for the assistance from the national government. With the help of Silliman University, 20 income generating projects have been success-

fully initiated in 10 poor municipalities. These projects range from pottery development, to fisheries and agriculture. Close to P12 million in fund assistance for start-up projects was generated from local and international development agencies.

A local foundation, Matio Foundation is providing technical experts for resource management, planning and agriculture. Rotary Club has also been active in mobilizing financial and technical support for community projects like water well and school building.

#### HEALTH AND POPULATION CONTROL

The responsibility for the provincial hospitals, as well as primary hospitals has already been devolved to the provinces. This includes administration and financing of these hospitals. This situation holds true in Negros Oriental.

According to Governor Macias, with decentralization, municipalities are responsible for the preventive aspects of health while the province is responsible for the curative aspects. Thus, the municipalities take charge of health enhancement programs while the province takes care of the sick. As a professional doctor, he maintains that such separation is wrong. The deficiencies in preventive care result in more patients for the primary hospitals. Planning is also made more difficult because he cannot anticipate lapses in preventive care which result in more sick people.

In true diagnostic fashion, Governor Macias has prepared a "medical chart" of the entire province. Akin to a map, the chart indicates municipalities which don't have hospitals, as well as

other pertinent health information. The "medical chart" enables the Governor to plan his programs and respond to health-related needs in the province.

As indicated in the survey of local government executives, financing is a major problem which has emerged as a consequence of decentralization. Negros Oriental cannot afford to set up and manage primary hospitals. Nevertheless, it has done so with the help of private organizations and communities. It has been accumulating a deficit with regards to the provincial hospital as well.

Financial problems notwithstanding, Negros Oriental has managed to fulfill the responsibilities devolved to it. What Governor Macias did was to seek the help of Silliman University and other private individuals in building and financing primary hospitals. Communities were mobilized into building low-cost structures made of coconut lumber. Costs were kept at a minimum since labor is free and raw materials donated. To further cut down costs, relatives of patients are encouraged to bring beddings and food. Governor Macias claims that his barrio doctors are better paid than their counterparts in the lowland municipalities. While they are only required to visit the barrios thrice a week, they usually make visits every day.

At the time of the interview, three community primary hospitals had already been established using the concept of mobilizing support from private institutions, communities and the provincial government.

In order to generate more funds for the deficit-ridden provincial hospital, the governor created the Provincial Hospital

Board. It includes the Chief of Hospital, members of the Sangguniang Panlalawigan, barangay captains, religious groups and persons and private doctors. The objectives of the Board are:

1. To manage and raise funds to further decentralize health delivery in the province;
2. To involve the community;
3. To determine the kind of facilities that are needed for the hospitals.

The Commission on Audit is questioning the Governor's seemingly unorthodox method of generating funds for the provincial hospital. Macias retorts is that when life is at stake, government should be prepared to go into deficit. Since he is a doctor, Governor Macias focuses a good deal of his time and efforts in the health problems of the province.

The province manages the population control program which is now called population management. A Population Management Office has been established by the province. The campaigns of this office seem to be effective, as indicated by the population growth rate for the province of only 1.2% annually. This is possibly due in large part to the presence of many schools in the province.

#### COMPREHENSIVE AGRARIAN REFORM PROGRAM

Governor Macias confirmed that the agrarian reform program has not been devolved, it being a national program. Agrarian reform is not a very serious problem in the province. Most landowners belong to the middle class. Land owners are not adequately compensated because of the lack of sufficient fi-

nances. At the same time farmer beneficiaries end up selling land transferred to them under CARP because of lack of credit facilities as well as financing for farm implements and equipment.

#### PUBLIC WORKS AND HIGHWAYS

Governor Macias is waging a vigorous campaign for Highway 2000 which means building roads on the mountain range which connect the two provinces. He plans to build roads in the valley to relocate the landless and to reduce the proliferation of NPAs. DAR Secretary Ernesto Garilao promised to share half of the cost of building roads. DAR gave ₱100,000 for feasibility studies.

The Presidential Management Staff with PAGCOR also promised two high school classrooms. Governor Macias has built temporary classrooms or the FVR (feasible, versatile and reasonable) rooms for only ₱70,000 against ₱20,000 for two standard classrooms. His construction materials are made of woods. The KABISIG of former President Aquino donated ₱10,000 for cement. Labor came from the community.

Another project is the sports center. The governor believes that human resource development can be achieved through sports, among others. According to Governor Macias, the provincial government has proven "that a small thing is producing big (producing something with less).

#### WOMEN

Governor Macias says that women in Negros Oriental are politically active. In the Sangguniang Panlalawigan's 10 elective members, four (4) are women. Out of 25 town mayors, three (3)

are women.

Women are likewise visible in the socio-civic scene. They are active in civic organizations as well as in non-government organizations and people's organizations. The involvement of women in development activities is probably enhanced by educational institutions in the province which gave women more opportunities to gain higher education.

#### SUMMARY

Negros Oriental reflects the extent to which decentralization has been implemented by national agencies. Thus, agriculture has been completely devolved while trade and industry are lagging. Health has been devolved as well, particularly the management of provincial hospitals, as well as primary hospitals. Public works appears to be the other area which occupies the attention and energy of the Governor the most. Agrarian reform still has a long way to go. Women are actively involved in development activities.

What are the features of Negros Oriental which enabled it to transcend the problems which have emerged as a result of decentralization?

First is the high level of educational attainment in the province. Communities have been mobilized more effectively because of the high level of awareness of development problems and issues in the province. Second is the presence of many educational institutions which are effective media for the propagation of new ideas. Third is the close interpersonal relationships

among the political leaders of the province, inspite of the fact that they belong to opposing parties. Fourth is the active involvement of civic groups, non-government organizations and people's organizations in development work. Both the Protestant and Catholic churches are equally active in civic and community concerns. Negros Oriental has a long tradition of self-reliance and community development work long before this evolved into a national policy. For example, the Extension Program of Silliman University was established during the early fifties.

Negros Oriental appears to be characterized by a great deal of initiative in handling problems as a consequence of decentralization. Governor Macias claims that decentralization is not working in Negros Oriental for several reasons. First, he is a "minority" governor relative to his mayors and Congressmen. He is not part of the ruling coalition. Access to national funds and support is therefore difficult. Second, while health services have been devolved to the provinces, financing is inadequate and has driven the province to massive deficits. Third, while other agencies like the Department of Agriculture have fully devolved their functions, it is not clear whether national programs are integrated with provincial programs.

On the other hand, it can also be stated that decentralization is truly working in Negros Oriental. As a small province, it has not really been the object of national government benevolence, even before decentralization and the Local Government Code. A tradition of non-dependence on government therefore evolved with the active participation of local leaders, institu-

tions and communities. Thus problems relative to decentralization whether financial, administrative, or political are being resolved without waiting for the intervention of national government. After all, that is what decentralization is all about.

#### B. THE DUMAGUETE CITY EXPERIENCE IN DECENTRALIZATION

The immediate impact of Dumaguete City on most visitors is that it looks more like a university town than a city. That is exactly what it is. There are six institutions of higher learning which offer university-level courses in this small city of a little more than 80,000 people. The most distinguished of these educational institutions is Silliman University which was founded in 1902 by American missionaries. The tree-lined university campus occupies a large portion of the city center. It attracts students from all over the country, particularly the Visayas and Mindanao, Asia and Australia, as well as the United States and Europe.

Silliman, along with the other educational institutions like St. Paul's College and Foundation University is the source of the most important resource of Negros Oriental and Dumaguete City: its human resources. Interestingly, this fact is not noted in socio-economic profiles of the province and the city. It is a major advantage since trained people do not need to be imported from other places.

Small though it is, it is also a city of parks. In addition to the traditional city park, Dumaguete has two other beautiful parks. The love for parks and the preservation of the environment reflects the priorities of the people of Dumaguete.

In addition to being a university town, Dumaguete is also

the hub of civic organizations like the Rotary Club, foundations, people's organizations, non-governmental organizations and

On the political scene, the people of Dumaguete are generally independent and well-informed about national issues and problems. They tend to cross party lines during election and vote on the basis of programs for the city. The present mayor, Agustin Perdices, is serving his second term. He belongs to the LDP. He is popular and is perceived to be totally committed to the welfare of the city. Like Governor Macias, he is a professional and has had training in Germany in local government management.

Classified as a second class city, the budget of Dumaguete City totals P95 million. This is fairly substantial compared to the budget of the entire province of Negros Oriental which amounts to P142 million. The city is serviced by 14 banks, five radio stations, one TV station and five telephone systems.

There are no industries in this small city. Education is its main "industry" and trained professionals its main product. There are plans to put up a fruit processing plant on a joint venture basis. At present, manufacturing enterprises are limited to the production of gifts and houseware.

According to Mayor Agustin Perdices, decentralization is a long-awaited move and is beneficial to the city.

Following are the insights and perceptions expressed by Mayor Perdices on the various programs and services devolved to Dumaguete City pursuant to the 1991 Code:

## HEALTH

The city does not have a problem on health matters since the provincial hospitals is run by the provincial government. Mayor Perdices confirmed the complaint of Governor Macias that the province is burdened with the hospital's funding requirements.

Mayor Perdices agrees that the city should help shoulder the financial costs of the provincial hospital which also services city residents. He says that it is far more expensive in terms of physical requirements and personnel to build a separate hospital for the city.

The city has also absorbed two devolved personnel from the DOH central office which meant extra cost to the city's budget. The mayor says the costs are minimal in relation to value of the services of these personnel.

As pointed out in the study on Negros Oriental, the cooperation between the city mayor and the governor on financing problems is an example of how local governments can solve their problems without running to the national government. Technically, the city is not under the province. Nevertheless, the mayor agreed to help bail out the province's deficit.

## AGRICULTURE

The decentralization of agriculture in Dumaguete has been a smooth process. Most, if not all, of the services and functions of the Department of Agriculture is now transferred/devolved to the city government, including its operational budget and funding for seven DA personnel.

Like other cities in the countryside, Dumaguete has large areas which are devoted to agricultural pursuits. The city is divided into 8 barangays. It is also surrounded by twenty-two barrios, most of whom produce agricultural products.

#### PUBLIC WORKS AND HIGHWAYS

The effectivity of the Memorandum of Agreement (MOA) for the devolution of DPWH to Dumaguete City is 01 July 1993. The national office only devolved its personnel; it did not transfer its equipment. Ideally, the national government should turn over all assets to the local government units (LGUs). The devolved personnel, without necessary equipment, tend to be burdens for the city.

It is worthy to mention that the functions of the devolved personnel of the DPWH and their counterpart at the local level are the same, thus resulting in possible overlapping and idle personnel, especially since necessary equipment were not correspondingly devolved.

Another area of concern is the issue of supervision over city projects funded from the Countrywide Development Fund of the incumbent Congressman. At present, these are supervised by the District Engineer who reports to the Department of Public Works, and Highways. The mayor points out that the city has its own City Engineer whose primary function is to supervise city projects. He says that decentralization is rendered meaningless under this arrangement where a national official manages city projects.

The implementation of foreign assisted and on-going infrastructure projects are also retained by the National Government, through the DPWH. Only locally-funded projects have been devolved to the local government, according to Mayor Ferdices.

### **Voluntary Organizations, POs AND NGOs**

Voluntary Organizations, POs (People's Organizations) and NGOs (Non-Governmental Organizations) are active in Dumaguete, especially on matters pertaining to the needs for education, housing, environmental concerns, and social welfare.

The city has developed an approach which mobilizes national government agencies, the city, citizens groups, and beneficiaries for development.

This approach is evident in socialized housing projects. The Presidential Management Staff (PMS) supports the socialized housing program of the city by allocating funds for the project. The city provides land while the beneficiaries' share is in terms of labor. The NGOs' role is to provide water facilities and livelihood projects in the city's housing projects. Voluntary organizations like the Rotary Club are among the most active in supporting the city's projects.

The most active foreign NGO in the city is The Habitat. Its main office is in the United States. The Habitat has provided 200 low-cost homes for the local people. The recipient/beneficiary needs to contribute ₱80 a month and after 30 years he/she can own house and lot. The applicant also needs to render 400 manhours of labor. Generally, friends and rela-

tives of applicants pitch in and help build the homes. The Habitat provides construction materials.

Other international groups support the campaign of The Habitat. For example, the Baptist Church in Tokyo solicited contributions from Japanese students with the slogan, "skip one coke a day to build a house for Habitat". Students were urged to contribute the price of one bottle of coke a day for the homeless in Dumaguete. Mayor Perdices observed that the local volunteers tend to work harder if foreign-based NGOs come in as partners. It seems that international solidarity with people from other country is a source of inspiration.

#### WOMEN

Women in Dumaguete City are actively participating in politics. In fact during the last elections held in 1992, all parties had women candidates. However, the role of women tends to be stereotyped. According to Mayor Perdices, women in Dumaguete contribute mostly in the delivery of health services and other social services.

At present a number of women are occupying supervisory positions in the city administration, particularly in planning and financial administration. The latter is also a function traditionally associated with women. According to Mayor Perdices, more and more women are advocating their rights.

#### SOCIAL WELFARE AND DEVELOPMENT

Mayor Perdices noted that the Department of Social Welfare and Development has already devolved to Dumaguete its allocation of social work staff. They are very well-appreciated by all

sectors in the city. This is due to their commitment and satisfactory performances.

#### OTHER CONCERNS

On the area of Environment and Natural Resources, while the DENR has not yet devolved its personnel to Dumaguete, the function of environmental protection has already been transferred to the city government.

Mayor Ferdices took pride in saying that peace and order thrive in the city, hence he does not see any need for a private army. In fact, he declared that he does not believe in having one.

#### BUDGET

A total budget of ₱95 million was allocated for the city for the year 1993. This includes the cost of implementing devolved services and absorbing the personnel transferred to the city. Two-thirds of the budget came from the IRA (Internal Revenue Allotment) and the rest from the income generated internally.

The city's budget for 1993 actually decreased due to the implementation of the Local Government Code. This is because under the Code the barangays are now given a bigger share of the IRA. The city was able to offset this reduction by increasing its revenue from city taxes and other income.

#### EFFECT OF DECENTRALIZATION

While decentralization is beneficial as a matter of principle, Mayor Ferdices claims that implementation of the Local

Government Code has created problems. These problems can be generally classified into administrative and financial.

A number of administrative issues have already been raised. One of these is the devolution of personnel of the Department of Public Highways which has resulted in duplication of functions on the one hand, and lack of equipment on the other. The question of who should supervise the implementation of city projects funded by the national government has also been raised.

While personnel of agencies like the Departments of Agriculture, Social Welfare and Development have been devolved, it is not clear whether city plans are linked with national plans formulated at the national level. Now that these functions have been devolved, what are the administrative arrangements for integrating city plans and projects with national priorities and thrusts?

It appears that the most serious problem arising from the implementation of decentralization is related to financing. On the one hand, the income of the city since 1993 has been reduced in absolute terms relative to preceding years. This is due to the increase in the share of the barangays of IRA. Also, Mayor Perdices claims that some businesses are exempt from certain taxes.

The plan to reclassify cities and municipalities according to a different formula will adversely affect Dumaguete City, points out Mayor Perdices. Right now, it is a second class city. Because of its small land area, it might be reclassified to a 4th class city and its IRA share correspondingly reduced.

Mayor Ferdices states that the city is already gearing up for this possible reclassification. It plans to increase rates of real property taxes. However, he is proposing that implementation of the new classification should not be made retroactive to 1993 and should be effective in 1994. He said that the IRA allocation for 1993 is already programmed and partly spent.

While the city's income has been reduced, it has assumed more responsibilities attendant to the city's growth as well functions which have been devolved. The mayor pointed out that the influx of migrants from poverty-stricken areas and refugees from "the other Negros" has increased the burdens of the province and the city. He said that the city is cooperating very closely with the province which needs help in coping with the refugee problem.

#### LESSONS FROM THE EXPERIENCE OF NEGROS ORIENTAL AND DUMAGUETE CITY

The two local government units confirmed the extent of decentralization as claimed by national government agencies. Some useful lessons have emerged: First, the effectiveness of decentralization can be hampered if a local government executive does not belong to the majority party. Decentralization implies more responsibilities, and therefore requires more funds. Political connections are crucial in accessing additional sources of funding in addition to diminished IRA. Second, the process of decentralization and reclassification of local government units may result in lower levels of revenue shares from the national government. This is shown in the case of Dumaguete. Third, while total devolution is claimed for certain departments and

their functions, administrative kinks need to be ironed out. Matters like turnover of equipment, supervision over local projects and harmonization of local thrusts with national priorities need to be worked out.

At the same time, the experiences of Negros Oriental and Dumaguete City clearly show that certain factors can facilitate decentralization. These are: first, a tradition of self-help and community involvement is definitely a plus factor. Second, the presence of educational institutions which are actively involved in development initiatives and also provide a continuous pool of highly trained personnel is another plus factor. Third, the active involvement of citizens groups will assure public participation in development. Fourth, the high quality of leadership which is able to mobilize national government agencies, communities, and even international NGOs for development goals will truly make a significant difference.

In the final analysis, it is the local people and their leaders who will determine whether decentralization will succeed or not.

## VII

### ISSUES AND PROBLEMS IN THE IMPLEMENTATION OF DECENTRALIZATION

The passage of the 1991 Local Government Code brings forth a number of problems and concerns as well as challenges in its implementation. There are many newly devolved functions that require numerous adjustments on the part of local governments.

The effective implementation of the Code is dependent on pre-determined conditionalities such as an effective structure, a working bureaucracy and a mutually reinforcing inter-governmental relations, not to mention many others such as strong fiscal powers. (Gaudioso C. Sosmena, Jr. 1992, p.53) In particular, the First Rapid Field Appraisal of Decentralization conducted by the Local Development Assistance Program conducted in July 1992 (with the report published on August 10, 1992), identified three pivotal areas which are having a decisively adverse effect on the process of devolution. There are:

1. The absence of or contradictions between guidelines from national government agencies involved in the devolution process. Most notable of the contradictions are the policy statements issued by the Civil Service Commission and the Department of Interior and Local Government early on the devolution process pertaining to personnel devolved to the LGUs and corresponding expenditures. CSC Memorandum Circular No. 19 directs LGUs not to exceed the 45% and 55% ceilings for personnel costs as provided for in the Code. At the same time, DILG Memorandum Order No. 92-42 requires absorption by LGUs of all mandatory devolved personnel. Almost all LGUs find these two directives contradictory.
2. LGUs fear the increased IRA will not be sufficient for devolved personnel and functions - In the case of the 1992 IRA, the LGUs expected and planned on a higher level IRA than they received based on the new Code. The DOF/BLGF and DILG each provided a different

estimate and DBM releases are still different. The LGUs are confused as to which figure to use specially in their budgetary and planning exercise. Even the level of IRA for 1993 was not clear to most LGUs (in spite of the signing of the 1993 General Appropriations Act); hence their reluctance to sign the Memorandum of Agreements for devolved functions and personnel which they fear their budgets will not support.

3. People's underlying apprehensions are not being addressed - The fears and apprehension of those affected by the Code at the local level are not being addressed, or at least being addressed in a piecemeal or reactive manner. One of the causes of the apprehensions is the lack of clarity on how personnel issues will be resolved. Both national and local government personnel are afraid of loss of benefits and interrupted or destroyed careers.

The LDAP, six months after the initial appraisal and one year after the Code became legally effective, conducted its second appraisal in January 1993 with its formal report released in February 1993. The appraisal indicated a positive trend toward a more rapid and effective implementation of the Code. The momentum has shifted from central policy making bodies to local governments.

Among the LGUs, the turnaround is in terms of greater enthusiasm for local autonomy, advocacy for full transfer of power and activism being taken to work out problems at the local level. The appraisal noted that this perspective is not as dramatic among the devolved agencies. However, many devolved personnel are finding devolution more beneficial and workable than earlier assumed.

Notwithstanding the positive trends revealed in the second appraisal, the LDAP still identified major constraints which are centered in the following areas:

1. Devolved agencies at both central and local levels continue to be very slow to respond to the operational demands of decentralization. In some cases they appear to be impeding the process by prolonging administrative actions, poorly managing the devolution of personnel/assets and confusing both budgetary and organizational requirements.
2. Key central agencies are also slow to respond to requests for information, and coordination of information from central to local level continues to be unevenly managed.
3. Adequate financial resources and their timely dispersal continue to be a pivotal issue and an area of some confusion especially among provinces and municipalities. (The speedy resolution of the IRA and the cost of devolution appeared to be the single most important need among LGUs at the time of second appraisal).

Further to the above, Dr. Alex B. Brillantes, Jr. pointed out in a paper "The Local Government Code: Some Implementation Concerns", that the major issues and concerns regarding the implementation of the 1991 Code can be broadly clustered into either administrative and/or political considerations.

#### A. Administrative Concern

One major concern is the so-called "administrative capacities" or absorptive capabilities of the LGUs to assume the various functions and responsibilities that will be devolved to them under the Code.

As has been earlier cited, one of the initial sources of confusion in the Code's implementation pertained to contradictory policies and statements that emerged from various national government agencies involved in the devolution process. With conflicting pronouncements from CSC, DBM, DILG on matters concerning essentially the transfer of personnel,

it became imperative to reconcile such contradictions.

As far as financial capacities are concerned, it is entirely possible that the amounts devolved to the LGUs may not commensurate the value of functions and services devolved to them because the devolution process involves the transfer of equipment, records, personnel and projects of the national departments affected.

There is also the concern that the delivery of basic services at the local level will be disrupted largely as a result of the transition. There is anticipated fragmentation of the delivery of basic services which used to be the primary responsibility of the national government.

The above concerns all point to be very relevant issues: That while there are now greater opportunities for local governments and cities to develop themselves as a result of decentralization under the 1991 Code, there is actually a mismatch between what has been devolved in terms of functions and what the available resources are to carry on these devolved responsibilities. (Gaudencio c. Sosmena, Jr. 1993)

Sosmena further indicated that this mismatch between functions and resources is making it difficult at the transition period for LGUs to look at the more urgent problems rather than maybe assuming that the personnel whom they have employed from the central government could maintain the level of services of those that have been delivered by departments like the DOH, DA, partly DPWH, partly DECS and DSWD. This

has raised the question: To what extent can local government perform these functions unless we have to go into the review of their competence and capabilities to assume them. A corollary question is: To what extent the LGUs can develop or assume new responsibilities that the Code has provided.

Sosmena's conclusions on mismatch between devolved functions and resources was confirmed and validated further in the survey of the 30 local chief executives and the Team's interviews of the Governor of negros Oriental and the mayor of Dumaguete City. All together they were one in saying that their (LGUs) resources are very limited vis-a-vis the wide range of functions and responsibilities devolved to them.

In response to this problem of capability and competence, to enable the LGUs to respond to the imperatives of the Code, President Fidel V. Ramos issued Proclamation No. 284 on 25 October 1993, declaring the adoption and implementation of a three-year Integrated Capability Building Program (ICBP) for local government units. The DILG through the Local Government Academy has been directed to undertake the operationalization of the ICPB which is a multi-disciplinary approach to enhancing local government competencies in governance, people's participation and service delivery.

Largely because of the above concerns, there seemed to be a general hesitancy among local governments, especially among the poorer ones to accept the responsibility for the delivery of a whole range of services that has suddenly become theirs under the Code. As a result of the mismatch, some LGUs passed local legislative ordinances to the effect

that they will not accept the devolved personnel. The League of Provinces even advocated for the passage of a bill that would amend the LGC separating the cost of devolution from the internal revenue allotments of LGUs. In the transition stage, to allay the fears of LGUs on bearing the costs of devolution, proposals for a "stabilization or augmentation fund" were presented to the DBM. The proposal, incorporated under House Bill No. 6346 was not approved by Congress because according to the DBM it was not administratively viable.

#### B. POLITICAL CONCERNS

The issue of decentralization and local autonomy is really anchored on power, and how it should be dispersed from the center and how it will be shared among the various levels of government.

The 1991 Code provides for a framework on inter-governmental relations which refers to the vertical relationships between the central government and the local governments, and is an important gauge of the delegation and decentralization of governmental powers. (Urban Development Sector Review Main Report, July 1992).

Further to the inter-governmental relations, the Code encourages the active participation of non-governmental organizations and people's organizations in local governance. There is a danger that the term NGOs might be construed and abused in its broadest and most liberal context resulting in

the sprouting of all kinds of NGO--from fly-by-night NGOs (come-and-go's) and politicians-organized NGOs (or dummies of politicians, whether these in power or the defeated politicians). Perhaps at this point in the Code's implementation, the underlying reasons for many LGU's failure to organize yet local health boards and local development councils are more political rather than administrative in nature. The representation of NGOs in almost all LGU bodies is provided in the Code, thus it is understandable that the local chief executive thoroughly selects the NGO representative, lest that NGO turn out to be an oppositionist.

Also surfacing is the political issue of turf and the delineation of sharing of power among the various levels of government (e.g. national-local, and even national-national), and between the formal and established structure of government and the NGOs. Government functionaries in general are not used to working with those not within the formal structures of bureaucracy such as the NGOs. The same is true for NGOs themselves who are not with the nuances and culture of local government bureaucracy. In the process of partnership between these two sectors, the problems related to mutual suspicion or distrust naturally emerge, which certainly should be overcome to make decentralization succeed.

Finally under political concerns, Brillantes underscored the persistent concern of warlordism, i.e. that devolution will simply lead to warlordism, "bossism" and refeudalization of local politics. While this is certainly a

possibility, the process of local autonomy does not entail the devolution of powers but of accountability as well. This is a process that is given emphasis in the Code with the provision for recall and initiative at the local level.

In view of the above issues and concerns, some local chief executives suggested that the LGUs be given from five to 10 years to be able to adjust to the additional expenditures of inheriting personnel devolved from the national government. Even lawmakers themselves as has been mentioned earlier shared the same perception, to the point of introducing bills to suspend or exempt the implementation of devolution of some programs, such as health, provided under the Code. Moreover, the same perception was manifested by a number of national government agencies.

Quite expectedly, the DILG which has been designated as the lead agency in the implementation of the 1991 Code, did not agree with such moves of delaying the Code's implementation or exempting devolution of certain programs/services already provided in the Code. As DILG Secretary Rafael Alunan emphasized, "if we are to exempt or delay devolution of health to five years, there is no stopping the other sectors, say agriculture, to advocate for the same."

The problems and constraints identified in the implementation of decentralization/devolution during the past two years are not insurmountable. Support in various ways to LGUs from various sectors of society -- the national government and NGOs -- is a must to enable the LGUs assume the responsibilities that have now been devolved to them.

As DBM Undersecretary Emilia Boncodin expressed, "The problems concerning devolution and decentralization are actually too few and far between. I still believe that the problems are not insurmountable. If the LGUs, with the support of the national line agencies are serious about it, then there is no reason why decentralization cannot work. Admittedly, the law, RA 7160, has its flaws and weaknesses. But the Oversight Committee is there to see to it that the Code should be implemented and if necessary introduce amendments to attain provisions that seem at this point unworkable, such as the provision on sharing of IRA for LGUs. By and large, there are bright prospects for the 1991 Code to give real and meaningful devolution and autonomy to local chief executives. In the process, the success of decentralization much depends on the political will and leadership of the local government executives."

## CHAPTER VIII

### CONSISTENCY AND COMPLEMENTARITY OF DECENTRALIZATION WITH THE OTHER RURAL DEVELOPMENT PROGRAMS

Following the provisions of the 1991 Local Government Code, it may be stated that in general there exists no total consistency and complementarity of decentralization with the other rural development programs covered in this research study.

#### A. Agro-Industrial Development

Under the agro-industrial development program, the agricultural component has been decentralized with the devolution to the local government units of the majority of functions and services of the Department of Agriculture, including personnel and a number of assets. Most notable of DAs devolved function is concerning extension work which many believe would facilitate rural development because of improved service delivery which is now the major responsibility of the LGUs.

On the other hand where industrial development program, another RD program, is concerned there seems to be no consistency between this area and decentralization. This is because by and large, the functions of trade and industrial development remains a primary concern of the national government, through the Department of Trade and Industry and the Regional Offices. Moreover, unlike the case of the Department of Agriculture, the 1991 Code did not mandate the DTI to devolve its functions to the LGUs. In this context,

agro-industrial development (which is both a program and strategy to help accelerate growth of and progress in the countryside) is not provided with mechanisms and organizational guidelines that project consistency and complementarity of decentralization. To reiterate, because of the existing set-up of the lead implementing agencies where DA has gone into both decentralization and devolution while DTI has only achieved administrative decentralization, the delivery of services and facilities attendant to this rural development program may not be so effective and expeditious as expected. The LGU's, as a result of the devolved functions of the Agriculture Department may have a lopsided delivery, i.e. they could be more effective and confident in the agricultural component, but not in the industrial area, as this falls under the DTI.

B. Health and Population Control Program

With regard to health, it is clearly the most decentralized/devolved program vis-a-vis the other programs covered in the study. The Department of Health has the biggest member of personnel devolved to LGUs. While it is noteworthy that there is a high level of consistency and complementarity between health programs and decentralization, there is no guarantee that the delivery of devolved health services and care will necessarily be as smooth and effective and thus hasten rural development. Constraints on effective service delivery need not really be attributed to defects on or incapacities of local officials or devolved personnel per se.

As in the case of health program, impediments to effective service delivery tend to be attributed to finances/fiscal matters, administrative systems and complementation of local government unit/national government agency roles in a decentralized system of service delivery.

Specifically on the matter of finances, among the devolved functions and services that were mandated to be devolved by the 1991 Local Government Code, health would entail the biggest cost/requirements. The transfer of hospitals/health centers to the LGUs definitely would imply a huge budgetary outlay for maintenance and compensation of health workers. The experience of Negros Oriental clearly illustrates this situation. The province accumulated huge deficits when the provincial hospital was devolved to it.

As records would indicate, after one year of the Code's implementation a majority of the local executives expressed apprehension over accepting the devolved health functions, services, personnel and facilities because primarily of lack of budget/finances. In fact a member of LGUs have expressed that even if the full 40% IRA is provided in 1994, pursuant to the New Code, still the LGUs feel they will have to seek new and creative ways to increase revenues to pay for services, such as health care, for which they are now responsible.

The second constraint on efficient service delivery has to do with adjusting administrative systems to accommodate new functions and responsibilities. Prior to devolution,

most LGU activity centered on internal operations such as treasury, budgeting, accounting and general services. With the coming in of new tasks, certainly challenging at that, the LGU existing systems and routines were unsuitable, hence the need to develop new ones. In the process, LGUs need the hands-on technical assistance of oversight agencies such as DBM, COA and DOF.

A third constraint to effective service delivery is the continuing absence of clearly defined complementation of roles between National Government Agencies (NGAs) and LGUs particularly with respect to reorienting NGA regional-agencies toward prioritizing LGU technical assistance. Usually, the regional staff tend to view their role as continuing to deliver or monitor their own national programs, rather than providing technical assistance in response to locally defined needs.

As mentioned earlier, population control is a corollary program of the DOH. However, unlike health per se, population control (or management, as defined in the 1991 Code) is not consistent essentially with decentralization. The Code provides that in its first five years of implementation, a Population Officer should be appointed/designated by the Local Chief Executive. However, after five years this becomes optional on the part of the LGE whether or not to appoint such offices. While there is no denying the fact that population control program and decentralization should be complementary/supplementary with its other to help spur

rural development, such provision of the Code weakens this stance.

C. Comprehensive Agrarian Reform Program

In the case of the Comprehensive Agrarian Reform Program (CARP) as another parallel program for rural development, it was pointed out in Chapter IV that such is a ten-year national program (1988-1998) involving a number of government departments/agencies, which are directly under the Agrarian Reform Council headed by the President of the Philippines. The DAR serves as the lead implementing agency, with support services being extended to farmers by these other coordinating agencies; Department of Agriculture, Department of Public Works and Highways, Department of Environment and Natural Resources, Land Bank of the Philippines, Department of Trade and Industry and the National Irrigation Administration. Because of the nature of the program, the processes and structures involved in implementation, determining the consistency and complementarity of decentralization with CARP may not really be an issue.

However, after five years of implementation, the national government deemed it necessary to adopt a "hands-on" approach to CARP implementation which parallels decentralization. This is via the creation of Agrarian Reform Communities (ARCs) which calls for the empowerment of farmer beneficiaries and their households. Each ARC serves as a growth point and training center for rural development and the government/CARP implementors and NGOs are responsible for

providing the farmers with livelihood and income-generating activities. Under such strategy, it is apparent that CARP, for effective implementation, recognizes the need to complement with decentralization in the process. So the barangays will essentially be involved. The question or emerging issue is: to what extent will the LGUs be involved in the implementation of or delivery of support services for CARP?

#### POVERTY ALLEVIATION

It is probably too early to determine the impact of decentralization on poverty alleviation. Considering the fact that decentralization has not been fully implemented, possible effects on poverty can only be limited.

While agriculture is already fully devolved in terms of personnel and extension services, industrial development is coordinated at the national level. The local government executives who were interviewed in the survey observed that there are very few industries in their respective areas. They also reported that the presence of the Department of Trade and Industry is not felt very much by their local government units. These observations are confirmed in the case of Negros Oriental which has only one industrial factory inspite of the fact that power is abundant. The geothermal plant in Negros Oriental is underutilized.

The development of industries in rural areas would significantly contribute to poverty alleviation through employment, increase in incomes, and so on. However, this is considered a national government responsibility and is not

integrated in the decentralization process.

Still another factor which can speed up poverty alleviation would be agrarian reform. Again, this is considered a national program and is not part of decentralization.

Expanded health services surely contribute to poverty alleviation. While these are already decentralized, funding problems have severely curtailed health service delivery. The relationship between population control and poverty alleviation are still the subject of spirited debate in this Catholic country.

To conclude, is decentralization consistent and complementary with poverty alleviation? The answer is probably yes. However, programs which have a direct impact on poverty like industrialization, and agrarian reform are not decentralized.

#### EFFECTIVENESS OF DECENTRALIZATION

Decentralization is expected to narrow inequities between rural and urban population. Again, it is too early to tell whether this has been achieved. Decentralization has resulted in the increase of the level of barangay revenues. It has also made agricultural extension services more accessible.

The planned reclassification of IRA according to land area might result in larger revenue shares for the rural areas. However urban areas might generate even more revenues under decentralization. This is because they will have a larger base for increasing taxes since more economic activities take place in urban centers.

The case of Dumaguete City and Negros Oriental illustrates that rural and urban inequity might be exacerbated if appropriate measures are not undertaken. The province is composed largely of rural communities while Dumaguete city is urbanized. When the burden of running the provincial hospital was devolved to the province, the financial woes of the latter worsened. City residents benefited from a hospital paid for by the province. Fortunately, the city has agreed to shoulder part of the financial burdens of the province.

Finally, it is not clear either if access of women to rural delivery systems and support services has improved with decentralization. While NCRFW is actively encouraging an expanded role for women in national development, local development programs still tend to be gender blind. Programs specifically targetted for women have to be developed and integrated in provincial and municipal plans.

On the other hand, women are generally identified with the delivery of health and other social services. In the rural areas, problems of beautification and charity are generally identified with women. While they are effective in these concerns, the role of women need not be limited. Stereotypes about the role of women still need to be corrected.

#### SUMMARY

While the ideal is for decentralization to be consistent and complementary with other rural development programs, the situation at present is still unsatisfactory. This is because programs which contribute to rural development are

not fully decentralized.

The effectiveness of decentralization cannot be determined fairly at this time. A good number of local government units report that actual decentralization started only in 1993. While the intent is to narrow inequities between rural and urban populations, there are instances when the opposite might develop. It is not clear whether government services are accessible to more women under decentralization. Many local government plans and projects remain gender blind. More programs specifically targeted for women need to be developed.

## CHAPTER 1X

### CONCLUSIONS AND RECOMMENDATIONS

It is too early to draw conclusions about the effectiveness of decentralization of rural development programs. Full scale decentralization was scheduled in 1992, one year after the passage of the Local Government Code. Information drawn from local government executives indicate that actual implementation did not begin until 1993 for many local government units.

The information generated in this study indicates the extent of decentralization which has been undertaken so far. The data supplied by national government agencies was confirmed by local government executives. Of the national agencies implementing rural development programs, the Department of Health and Agriculture have fully devolved. Social services has likewise been devolved. Environmental protection and infrastructure are not yet completely devolved. Agrarian reform and trade and industry programs are still implemented at the national level.

In the process of devolution, problems and constraints have inevitably cropped up. Again, actual interviews of local government executives and field verification confirmed problems identified at the national level. These are broadly classified into administrative, financial and political.

This early, there are indications that administrative arrangements need to be clarified and ironed out. It also appears that there are winners and losers in the sharing of responsibilities and financial burdens. Finally, the process of decentrali-

zation inevitably involves political power. Obviously, local government executives who do not belong to the ruling party have less access to resources and assistance even under full decentralization.

Verification at field level has shown that voluntary organizations, non-government organizations and people's organizations play a major role in the process of decentralization. This was the experience of the province of Negros Oriental and Dumaguete City. These organizations provided financial, technical and administrative support to rural development projects. To a great extent, these organizations compensated for the withdrawal of national agencies.

Equally important is people participation. Again, the experience of Negros Oriental and Dumaguete City show that the people themselves have to participate in the process of development. They were not only beneficiaries of rural development projects: they participated directly in decision-making and contributed through voluntary work and other services.

The quality of local leadership has likewise emerged as an important criterion for successful decentralization. Managerial competence, commitment, and the ability to inspire and mobilize organizations and people of different persuasions to work for common goals--these are some of the qualities which are enhance the decentralization process.

## RECOMMENDATIONS

### 1. For policymakers

It is necessary to create a policy climate friendly to

decentralization and local (particularly financial) autonomy. The executive leadership and the legislature have committed themselves to supporting decentralization and rural development. Such commitment is explicitly articulated in the Local Government Code and the Medium Term Development Plan.

At the same time there are national policies which tend to centralize political as well as fiscal power. An obvious example is the Countrywide Development Fund derisively described by media as the "pork barrel fund." This is a national fund which finances countrywide development projects identified by Congressmen and Senators. The Vice-President and the President also have their own CDFs. The politicians identify the specific projects they want to be undertaken in the countryside. The tendency is to fund projects which are politically visible, ranging from waiting sheds to basketball courts to country roads.

The decisive participation of national politicians in countrywide development projects might distort local priorities and needs. This practice of courting development projects through national officials strengthens dependency of local governments even as it tightens political control over them. Obviously, the primary criterion for beneficiaries is political obeisance.

The CDF for 1995 is budgeted at ₱3.0 billion for 1995. This is only part of a total of ₱46.0 billion in "Special Purpose Funds" which are unprogrammed and therefore subject to the discretion of national officials. Interestingly, unprogrammed funds for 1974 are targetted at ₱27.9 billion, indicating a substantial increase for 1995.

Another example is the President's Social Fund which is funded by PAGCOR to the tune of an average of P30 million a month. Local government executives have to trek to Malacanang and negotiate for grants. Again, while seemingly small, this practice exacerbates dependence on national largesse for rural development projects.

2. for national government agencies
  - a. accelerate devolution of agencies rendering services crucial to development.
  - b. strengthen and expand technical assistance to local government units. Integrate national plans and priorities with local projects.
  - c. in cooperation with affected local government units, work out solutions to financial dislocations occasioned by decentralization, particularly of health services and reclassification of IRA.
  - d. speed up capability-building for local government executives. Particular attention should be given to fiscal administration and resource generation. Another area would be how to access local and international development organizations for assistance.
3. local government units
  - a. expand tax base of local government units. Identify sources of financing aside from those emanating from the national government
  - b. tap the assistance of voluntary organizations, PO's and NGO's for rural development plans and projects especially those which are income-generating
  - c. develop projects which are specifically targeted for women

The process of full decentralization has already been started. To be sure, there are constraints. But there are also solutions. The challenge is for local government officials, private organizations and communities to work together for a

better quality of life for all. An even bigger challenge is for national government to let go and loosen its stranglehold on local units.

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