Decentralization, Democracy, and Development

By Steven Rood

Introduction

The administration of President Fidel Ramos has proclaimed on numerous occasions its dedication to a list of "Ds": deregulation, decentralization, democracy, and development. This chapter looks at the last three.

The traditional view of local politics and government in the Philippines is not flattering: elected officials are personalistic faction leaders (or worse, bosses or warlords) interested in parlaying their personal wealth and power rather than promoting good governance. Thus, it could be argued that decentralization by shifting power away from a reforming center to powerful irresponsible local politicians, will harm democracy and development. On the other hand, it could also be argued that decentralization in the political sphere is the equivalent of deregulation and privatization in the economic sphere. By lifting the burden placed on local communities by the central government in Manila, decentralization allows local energy to be channeled into development rather than devoted to maneuvering through a thicket of government rules and regulations.

This chapter examines the striking decentralization in the Philippines since 1992 and assesses whether it is helping democracy and development. It begins with a brief review of traditional politics and governance on the local level, as a prelude to a description of legal and socioeconomic changes at the local level. These changes are then assessed in light of the desire to deepen democracy and further socioeconomic development in the Philippines.

Traditional Local Politics and Governance

Politics

Local politics in the Philippines has been variously described as rooted in patron-client relations, bossism, or warlordism. Personal relations dominate all these descriptions, and indeed, many mayors and governors have been elected on the basis of family name and networks rather than the strength of their parties or platforms. Political leaders at the local as well as national level traditionally have been drawn from families possessing the considerable wealth necessary to engage in politics. Often political office has been seen as a vehicle for protecting or enhancing familial economic interests in plantation agriculture, logging or other extractive operations, or transportation and shipping. At a minimum, political office has been a mechanism for recouping the expenses involved in attaining that office. During the late 1980s, I asked a campaign manager in the Visayas what was the most expensive part of the campaign. I was trying to gauge the distribution of campaign funds among advertising expenses, transportation expenses, and personnel expenses. But he responded, "When
the voters tell us their problems." The voters wanted their problems solved immediately, so the campaign vehicle would carry a supply of water pumps, TV antennas, medicines, and the like.

Writing just before the passage of the new Local Government Code (the Code) in 1991, David Timberman described electoral politics on the local level in the following way:

Local elections, then, have traditionally tended to be contests between the members of the wealthiest and most influential families, or their proxies. Local campaigns have emphasized local issues and personal relationships. They secured votes by using a combination of family ties, utang na loob [debts of gratitude], loyalty, and promises of jobs, payments, or other material benefits. If necessary, they would also use threats and intimidation.1

The character of local politics had consequences for Philippine politics as a whole. National political parties were built from competing alliances of local leaders. Local leaders (and even national figures) would switch parties depending on what party had captured the presidency and who was nominated for which post. Benigno (Ninoy) Aquino was a Nacionalista governor of Tarlac but switched to the Liberal Party when Diosdado Macapagal was elected president of the Philippines. When Ferdinand Marcos won the next presidential election as a Nacionalista, Governor Aquino refused to switch back but understood when the majority of Tarlacís municipal mayors did.

As Mary Racelis Hollnsteiner points out in her classic, The Dynamics of Power in a Philippine Municipality, even at the local level alliance systems among elites were unstable.2 Control over votes, access to resources from the national level, and personal rivalries led to shifting alliances which mirrored the shifts in national parties. Some leaders had a monopoly of power in their locality, but more common were persistent rivalries at the local level which led to the use of various mechanisms to retain local office.

In some instances the use of violence has dominated localities, shading into what has been called a "sophisticated form of brigandage."3 Particular locations and warlords have been infamous in this fashion, including the Duranos of Cebu and Ali Dimaporo of Lanao. The use of violence in politics at both local and national levels seemed to be increasing in the late 1960s, which led to the coinage of the phrase "guns, goons, and gold" to describe the three key ingredients for electoral success.

Warlordism and violence provided Ferdinand Marcos with justification for the imposition of martial law in 1972 and the subsequent disenfranchisement of elected local officials. Between 1972 and 1986 local politics became either a matter of access to largesse from Malacanang Palace (where Marcos had established a monopoly over government resources) or a struggle to survive in those few places where
oppositionists had won in the 1980 local elections. However, as the machinery of Marcosís political machine, the Kilusan Bagong Lipunan (KBL), or New Society Movement, began to crumble in the post-1983 era, localism once again grew strong. In the 1984 elections to the National Assembly for example, Pangasinan governor Aguedo Agbayani, a KBL stalwart, essentially ignored the national KBL machinery when he had his son, Victor, run successfully against the official KBL candidate for a seat in the assembly.

In 1986, the new Aquino administration replaced Marcos-era local officials with appointed officers-in-charge, many from prominent political families that had led or joined the ranks of the anti-Marcos opposition. Some of these officers-in-charge won in the subsequent 1988 local elections, but a large number of the replaced Marcos-era officials were returned to office, proving the durability of their access to power and the limits on the national governmentís ability to determine the outcome of local politics.

**Governance**

Whether local politicians were characterized as warlords, based on the use of violence, or as patrons, based on the material benefits and favors distributed by elected officials, the portrait did not depict good governance. In fact, rather than promoting comprehensive or sustainable development, local officials often provided scattered, particularistic benefits. These included small public works projects such as paving sections of roads or constructing basketball courts, barangay halls, and footbridges; providing government jobs, preferential access to government funds, or special exemptions from (or nonenforcement of) government regulations; and favoritism in the resolution of disputes over land, resources, or commercial transactions.

Even social services tended to be discretely distributed. Medicines were labeled with officialsí names before being handed out. Patients brought their doctorís or pharmacy receipts to politicians for reimbursement. And, most famously, family expenses for christenings, education, weddings, and funerals were solicited. KBL, it was said, stood for *Kasal, Binyag, Libing*--wedding, baptism, funeral.

The focus on specific benefits eclipsed planning for more general economic development. Development projects were frequently selected on particularistic or personal grounds, leading to faulty implementation. This type of planning, combined with widespread corruption, resulted in many incomplete projects or in shoddy construction and maintenance.

However, the lack of effective development planning was not entirely the result of a politics based on material exchange. Even those politicians interested in more broad-based and effective socio-economic development and the planning technocrats who supported them (or tried to change the minds of more traditional politicians)
were largely helpless in the face of a centralized system of planning, budgeting, and expenditure. National officials and government agencies decided on major development projects with little or no attention to local government views. Agency priorities were decided in their Manila offices (or dictated by members of Congress), and implementation was undertaken by locally based national government field personnel, who were not accountable to local governments. Local governments were extremely limited in their ability to raise revenues locally, and national government funds were unpredictable and often dispensed based on personalistic and political considerations.

Post-1972 efforts to rationalize the system by having regional development councils bring together local governments and national government agencies, with technically qualified secretariats formed by the National Economic and Development Authority (NEDA), failed. The root reason for this failure was that direction for agency activities continued to come from Manila, even after the change of government from Marcos to Aquino in 1986. Again, I quote Timbermanís summary of local governance shortly before the passage of the 1991 Local Government Code:

The signs of excessive government centralization are widespread. Teachers, policemen, and firemen are employees of the national government. All but the very smallest public works projects are planned and funded by national departments. The provincial or regional heads of these departments are responsible to officials in Metro Manila rather than to the governors of the provinces in which they operate. Provincial and local governments have very limited opportunities to raise revenues by taxation.

In this atmosphere, local development plans amounted to wish lists compiled at the local level for presentation to national government officials in the executive or legislative branches. Hence, while problems in decentralized development were related to traditional politics, even writers focusing on "bossism" admit that eliminating the phenomenon would not be sufficient to ensure development. "The constant struggle for government largesse, moreover, compromises the uses of planning to promote economic growth, because even the best economic plans cannot be implemented."

The Impact of the 1991 Local Government Code

The passage of the 1991 Local Government Code is one of the most remarkable changes that has taken place in the Philippines since the restoration of democracy in 1986. It issued in a revolution in governance, devolving substantial power, responsibility, and resources from the national government to the local governments.

To appreciate the significance of the Code, it is first necessary to understand the magnitude and complexity of the system of local government it altered. The Philippines is the fourteenth most populous nation in the world, with about 70 million people. This makes it one of the ten largest democracies in the world. The Philippines
is a unitary state under its constitution, but in terms of geography, history, culture, and language it is anything but. The archipelago consists of more than 7,100 islands (of which about 1,000 are inhabited) stretching over 1,100 miles. These islands vary greatly in size, resource base, language, and culture. Provincial and regional affinities have been historically as strong or stronger than national identity. Today this somewhat fractured nation is divided into 77 provinces, 1 autonomous region, some 1,500 municipalities, and 68 cities--some of which are under provincial jurisdiction ("component cities") and others politically and administratively independent.

Philippine public administration specialists clamored for years for decentralization, and successive governments paid it lip service. Yet in some ways the passage of the Code is puzzling, since the members of Congress responsible for its passage are often rivals of local government officials, and national government agency personnel have to this day vocal reservations about devolving powers and responsibilities to local politicians. A team of writers from the National Economic and Development Authority appropriately termed the Code a "Saturday morning surprise."8

Why were these powers taken from the national government and given to local communities? One general explanation has to do with the tide of democracy that followed the change of government in 1986. The 1987 Constitution called for autonomy for local governments, but so had the Marcos-era 1973 constitution. What impelled the actual implementation of the constitutional mandate was a reaction to the fourteen-year authoritarian interlude. Anti-Marcos sentiment fueled a determination to dismantle the mechanisms of central control instituted by the deposed president. It was argued that bringing real authority and responsibility closer to constituents was inherently more democratic.

This argument coincided with the interests of local politicians eager to increase their freedom to act. A nationally prominent governor, Luis Villafuerte from Camarines Sur, was a prime mover in forming the League of Leagues, an alliance of the League of Governors and the League of Mayors, which actively lobbied for the passage of the Code. In both houses of the legislature leaders had particular reasons for pushing for more power for local governments. Senator Aquilino Pimentel sponsored the bill out of his experience as the mayor of Cagayan de Oro City in Mindanao. House Speaker Ramon Mitra appeared to believe that by shepherding the Code through the House of Representatives he would gain the support of local politicians in his bid to succeed President Aquino in 1992.

In the end, though, the explanation rests on the considerable leadership exercised by national politicians, led by President Aquino. She consistently put the resources of her administration (both political and bureaucratic) behind the effort to institute meaningful decentralization as a bulwark against the reimposition of authoritarianism. As a result, the bill was signed into law by President Aquino on October 10, 1991, and
went into effect on January 1, 1992. Though the Code legally took effect on January 1, in practical terms implementation was on hold until after the May 1992 elections for all local government offices, Congress, and the presidency. Implementation of the Code has coincided with the tenure in office of President Ramos.

**Highlights of the Code**

The Local Government Code transferred significant financial resources, responsibilities, and personnel from the national government to local governments. The Code also contained a number of features designed to increase the level of citizen input into local government decision making. For local government to work well, local communities would need to become more involved in the process of governing.

The amount of money in the national government’s Internal Revenue Allotment to local governments went from some P10 billion (about $375 million) in 1991, the last year before the implementation of the Code, to over P70 billion (about $2.7 billion) in 1997. Even taking into account the 66 percent rise in consumer prices over this period, this represents more than a fourfold increase in real terms. Thus, from 4 percent of the national budget allocated as transfers to local governments in 1991, the figure climbed to more than 14 percent by 1997.

In addition, the Code granted to local governments more power to generate their own financial resources. Local governments have more freedom in the use of property taxes and in the levying of business taxes. They are able to obtain credit by taking out loans or floating municipal bonds (although the latter remains rare). Build-operate-transfer schemes enable local governments to access private sources of funds for projects the community needs.

Clearly, local governments have much more money to spend. The money goes partly to fund the new responsibilities devolved from the national government. Basic health care, from barangay health centers to provincial hospitals, was transferred to local governments. Delivery of social services was similarly devolved. Agricultural extension work was transferred to municipalities and cities. And some environmental-management responsibilities were passed down (although this is still subject to control by the national government’s Department of Environment and Natural Resources).

The shift of responsibilities entailed transferring some 70,000 national government employees from the Department of Health, Department of Social Work and Development, Department of Agriculture, and Department of Environment and Natural Resources. These employees had to be integrated into local organizational structures, which required that they learn how to perform their functions under elected leaders and alongside local and provincial level officials.
Local governments retained their existing structure, which consisted of a governor or mayor, a vice governor or vice mayor, a provincial or local council (sanggunian) with eight directly elected members, and indirectly elected representatives of the youth sector and barangay captains. The Local Government Code did modify the separation of powers somewhat by having the vice mayor or vice governor chair the councils.

The Code also instituted a number of local special bodies to encourage citizen participation. Local Development Councils were created and given responsibility for formulating local development plans for ratification by the local elected councils. The Code requires that at least one-fourth of the council members, all of whom are appointed, be representatives of nongovernmental organizations (NGOs). There are also Local Health Boards, Local School Boards, Pre-Qualification, Bids, and Awards Committees--each with its respective nongovernmental representation. NGOs apply to the local sanggunians for accreditation, and then the accredited organizations choose among themselves their representation to various local special bodies.

**Implementation of Decentralization Under the Code**

The Local Government Code was implemented abruptly, taking effect less than three months after it was signed. Many observers were skeptical about the ability of both sides--the national government agencies and the local governments--to handle the complex process of devolving functions. Also unclear were the attitude and behavior of the nongovernmental community, which had been nurtured in opposition to government during the Marcos years. To this day, more than five years after the formal implementation of the Code, debate continues about the success with which the Code has been implemented and its impact on local governance.

What follows is a brief review of the Codeís implementation, based on an extraordinary series of empirical studies called Rapid Field Appraisals, which have been conducted periodically since the implementation of the Code in 1992. The technique was designed to provide timely information for decision makers during the actual devolution process and to monitor nationwide progress toward decentralized democracy. Each appraisal takes about six weeks to complete. Locally based consultants prepare regional reports based on roughly ten days of fieldwork. A two-day seminar is then held in Manila to collate and analyze their observations, followed by a public presentation to decision makers and influential individuals in the decentralization process. Finally, a synopsis is written to integrate the findings for the Philippines as a whole, and this synopsis is widely disseminated.

When, after the 1992 elections, attention turned to matters of local governance, the dominant attitude among local officials was "wait and see." Confronted with implementation of the Code, local government officials and other members of local communities were uncertain about what to expect. Local government officials did not
believe, for instance, that the national government would give the Internal Revenue Allotment set by the Code. They would not have been surprised if the national government reneged on that promise, since fine words about decentralization had often in the past been followed by contrary actions.

January 1993 marked the true beginning of the devolution process. The first Internal Revenue Allotment was distributed and national government personnel from the Departments of Health, Agriculture, Social Work and Development, and Environment and Natural Resources began to be devolved. A variety of operational problems and constraints arose, including uncertainties about actual budgets due to late notification of the size of the Internal Revenue allocations (which generally counted for 70 percent of local budgets), questions regarding which personnel would be transferred to which local government, and the like.

By mid-1993, concern with the problems of devolution was strikingly reduced. The process of devolving personnel and functions from the national government to local government had more or less taken place. At this point local government attention turned to structural, organizational, and procedural changes necessary for effective decentralization. Local organizational structures needed to be changed to accommodate new personnel and functions and to fulfill mandates of the Code, including those pertaining to the design and passage of budgets.

By 1994, with most of the Code’s organizational and procedural problems worked out, local communities and local governments were becoming increasingly enthusiastic about the opportunities created by the Code. There were no more questions about devolving national personnel to the local level or about the Internal Revenue Allotment. It is hard to overemphasize the importance of the fact that the Internal Revenue Allotment had become predictable and automatically released. This made rational planning at the local level possible in a way that had never been the case before. Thus, local governments were asserting local priorities in the delivery of basic services, finding new ways to deliver these services, and forging partnerships with the private sector.

A continuing acceleration of innovation and action at the local level took place in 1995, while national government action on Code matters seemed to have stalled. In order to verify complaints about lethargy at the national level, the Fifth Rapid Field Appraisal included a consultant investigating national government agencies. Both that consultant and regional consultants looked for national decentralization plans being implemented but found none. A particular exception was the Department of Health. Local Health Boards were noted in June 1994 to have problems. By June 1995 they were working very well and this was largely due to corrective action by the Department of Health.

Local governments appeared to be taking their autonomy seriously with respect
to local governance and service delivery. Financially, the bulk of resources continued to come from the Internal Revenue Allotment, but local governments were attempting innovative local revenue-raising measures and were availing of credit from government financial institutions. Increased resources were being devoted to delivery of basic services, but demoralization of devolved workers continued to be a problem in some areas. In 1995 Congress passed a bill returning health services to the national government, but this bill was vetoed by President Ramos. A good deal of the political impetus for this bill came from health workers discontented with their lot as employees of local governments. The dissatisfaction of health workers (which is shared to a lesser degree by agricultural workers) does not stem from a feeling that local governments cannot deliver the requisite service. Rather, discontent is with their professional prospects, especially when comparing themselves with colleagues retained by the national government agency.

The Rapid Field Appraisal completed in May 1996 affords a snapshot of where the decentralization process has gone. There are a number of model local governments, such as those that consistently win awards for innovation and service. For example, Naga City in the Bicol region has a system of emergency services for the citizenry, a city-employee productivity-improvement program, and an empowerment bill which includes the nongovernmental community in all aspects of governmental decision making. Puerto Princesa City in Palawan is incredibly clean and green, has an active environmental watch program, and a system of satellite hospitals serving remote barangays. The province of Bulacan has initiated a cultural development program and an integrated social services delivery program.

By 1996 even poorer local governments could be cited for undertaking innovative and effective development programs. Pagadian City in Mindanao has systematically completed a farm-to-market road network, allowing access for the first time to rural barangays. The municipality of Tuguegarao in Cagayan Province built a twenty-bed hospital by combining municipal funds with private donations. The municipality of Daraga, in Albay, has embarked on a systematic program of agricultural development by importing breed stock for cattle and fowl and establishing tree nurseries to develop forests and fruits.

The second finding is a conspicuous deepening of decentralized operations and programs. Local governments are trying to take charge of local operations, and local NGOs are taking more initiatives. The province of Nueva Vizcaya has established a separate procurement office to facilitate delivery of medicines and other supplies. In Zamboanga del Norte the nongovernment and government sectors have joined to establish the Kaugmaran (Development) Foundation to help the provincial government promote sustainable development with citizen participation. Representatives of the Catholic Church and other NGOs helped the municipality of Tulunan in the province of Cotabato become a peace zone in an area of intense conflict.
The third finding is a shift in management emphasis for local governance. Instead of traditional handouts in response to specific needs and requests, local governance has become more project- and program-oriented. Occasionally NGOs are taking the lead, and at other times the local government itself is. San Miguel, Bohol supports an infirmary and its ability to deal with diseases by a system of fees for service. New Lucena, Iloilo tapped a number of sources, government and private, to establish a Comprehensive Cooperative Development Program, which led to the creation of a Federation of (23) Cooperatives. In Malita, Davao del Sur a cooperative spearheaded the formation of multisectoral Municipal Advisory Teams on Environment which obtained funding from several adjoining municipalities to launch an integrated program of environmental rehabilitation.

Finally, there is growing advocacy for better performance, at two levels. Local governments are evolving into a lobbying force to influence the national government. Pressure is being exerted on national government agencies to take local governments into account. And the League of Provinces, League of Cities, and League of Municipalities are not going to allow the Code to be significantly weakened during the ongoing discussion of amendments (pursuant to the provisions mandating congressional review of the Code after five years). These Leagues have hammered out a common position on many aspects of the Code (such as the sharing formula for the Internal Revenue Allotment or proposed amendments to the Code).

At the local level, governments are finding that the general citizenry is no longer accepting poor performance. In participatory planning sessions at the barangay, municipal, and provincial level citizens are included in the discussion of progress indicators and accomplishments. In Capiz, municipalities have opened up their operations to systematic evaluation by local citizens. Greater transparency means that citizens are more aware of local government performance, and can compare their locality to neighboring communities. There has long been speculation about whether issue-oriented voting might emerge. Now that local governments have more powers, local citizens seem poised to hold local officials accountable for performance.

Other Key Developments at the Local Level

We can see from the above that considerable changes have transpired under the 1991 Local Government Code. But the implementation of the changes mandated by the Code has not taken place in a vacuum. Broad social and economic changes have been occurring on the local level, so that by the late 1990s a favorable climate exists for decentralized democracy in the Philippines.

Economic and Social Change

As early as the 1970s scholars noted that economic change had eroded traditional
local patron-client relationships. This process had begun in the economically most advanced provinces such as Central Luzon and in certain cities. The loosened grip of the traditional patron made it possible for President Marcos to bypass local intermediaries in his successful reelection bid in 1969, and the weakened power of local bosses contributed to the ease with which he imposed martial law in 1972.

Long-run socioeconomic change has continued in the twenty-five years since that time. Agrarian reform, slow though it may be, has eroded the power of the landlord class. Urbanization has increased economic differentiation, increasing the share of the vote that is up for grabs in any particular election, rather than being under the control of political leaders. Much greater media penetration has allowed direct appeals to the citizenry and enabled new faces to challenge old political families.

A sometimes overlooked phenomenon is the rapid growth of the middle class. Even before the economic growth of the Ramos years, there had been a 55 percent increase in per capita real income between 1961 and 1991. This figure is much lower than neighboring countries in Southeast Asia, but looking at averages vastly understates the increase in the pool of the highest income group. This increase is by no means confined to the Metro Manila area, as is often asserted. In Northern Luzon, which includes many of the poorest provinces of the Philippines, the number of families in the highest-income category (P10,000 per year in 1961, the equivalent of P233,000 in 1991) was conservatively estimated to have gone up by a factor of seven in these thirty years.

A larger middle class increases the demand for new politics, such as that offered by Senators Miriam Defensor-Santiago and Raul Roco on the national scene, and such local politicians as Governor Roberto Pagdanganan of Bulacan or Mayor Jesse Robredo of Naga City. The middle class is also a source of new politicians, as more persons can afford to become candidates. This increased supply is reflected in the large number of candidates for each elected post. It is not unusual to have four or five serious candidates for important positions.

The overseas diaspora of Filipinos has an important impact on the local economy and society. Remittances from abroad, which now total about $6 billion a year, both free families from their dependency on local economic and political elites and provide the resources for political activities by new entrants into politics. Given the role of social networks in labor recruitment, it is not unusual to see localities with very significant inflows of resources. For example, woven into the sad story of the decline of a traditional pottery craft in the island of Maripipi in the Visayas is the fact that 30 percent of the islandís families have regular remittances from Overseas Contract Workers.10

Other social factors, such as education and the spread of global awareness, also wreak subtle changes. Criticisms of the longevity of so-called elite families and
political dynasties miss an interesting generational shift that seems to be ongoing among the political elite. There is no doubt that many of today's politicians indeed belong to long-standing political families. Yet the sons and daughters are often quite different from the fathers. Lanao del Norte governor Abdullah Dimaporo is an American-educated sophisticate quite at home with technocratic modes of governance. He has his father Ali's mastery of Maranao culture and politics, but he balances that with an orientation toward development that goes well beyond the short-term thinking of the elder Dimaporo. Whereas some scholars think of this phenomenon as a cyclical one, accompanying the rise and decline of political families, I believe it is part of a long-term trend toward more development-oriented government officials.11

The fame of Ali Dimaporo as a warlord draws attention to the contrast between traditional and more modern politics and governance, but there are many similar, less famous examples. Governor Rene Relampagos and Vice-Governor Edgar Chatto of Bohol are in their thirties, the younger generation of political families, but they embrace organizational development for the provincial machinery, public-private sector partnerships in investment planning, and public opinion polling to sound out their constituents on such hot-button issues as water diversion for the city of Cebu. Or there are examples like the terribly traditional municipal mayor in the interior of Capiz Province whose approach to getting a water system was to have a local beauty queen kiss a visiting senator. The mayor's son, however, is a provincial board member conversant in issues of sustainable development, environmental impact, and long-range planning.

Civil Society

One of the most striking aspects of Philippine politics is the proliferation of organizations in the nongovernmental sector. Organizations of farmers, cooperatives, professional associations, civic clubs, religious groups—all are readily observable both at local and national levels attempting to influence national policy. During the latter years of the Marcos era, civil society organizations often provided absent government services and served as refuges for opponents of the government who could not find places in the Marcos-controlled system. After the opening of "democratic space" in 1986 there was a veritable explosion of nongovernmental organizations performing many different functions. Today some 48 percent of Filipinos belong to at least one organization (the comparable figure for the United States is 71 percent and for Spain just 19 percent).12 Just before the passage of the Local Government Code, an observer wrote: "To a greater extent than anywhere else in the region, so-called nongovernmental organizations have taken over from the government the work of improving the lot of the poor majority, through political, cultural and economic programs. The irony of their success is that even the government seems happy to see NGOs assume part of its functions."13

This explosion has been reinforced by two entities: the Catholic Church and the
media. It is well-known that the church formed a counterpoint to government during the Marcos years and was instrumental in the February 1986 ouster of President Marcos. There was a close relationship between the Catholic Church and President Aquino, but the relationship has been cooler with President Ramos, who is a Protestant. Still, religious organizations of many types form networks which contribute significantly to a vibrant civil society. The lively Philippine press is almost as well-known. Although it is often criticized as being inaccurate and irresponsible, collectively it provides an invaluable channel for conveying information, independent analysis, and a diversity of views to the citizenry.

Given this background, it is not surprising that active participation by the nongovernmental community was written into the Local Government Code. Aside from venues for participation such as the Local Special Bodies, local governments were empowered and encouraged to tap NGOs in the delivery of services and the performance of other functions. Given the link between the strength of civil society and the functioning of democracy, the fact that the Philippines has a civil society that is quite strong by developing-country standards offers reasons for optimism for both democracy and development.

Implications for Democracy and Development

Clearly the 1991 Local Government Code has significantly decentralized government operations in the Philippines. The traditional view of local politics and governance would lead to suspicions that giving more power to local officials might be counterproductive. Traditional politicians might be disinclined to use their powers to encourage democratic decision making and participatory development and would merely perpetuate their hold on local power. Traditional political families like the Ecleos of Dinagat Island, Surigao del Norte have certainly not disappeared, and the next generation of these families continues to win elections. In 1995 twin brothers, Allan Ecleo I and Allan Ecleo II, became the mayors of adjoining municipalities while still in their twenties. On the other hand, social and economic changes seem to have loosened the hold of traditional local elites. The progress of civil society lends an optimistic perspective on Philippine politics. What are the implications of such factors for democracy and development?

Democracy

In trying to characterize some 1,600 local government units, any set of data is almost inevitably partial and there are bound to be exceptions to any conclusions drawn from it. However, the cumulative effect of several different sources of empirical data strongly suggests that devolution is contributing to democracy in the Philippines, as seen in three indicators of democracy on the local level: public opinion, electoral outcomes, and popular participation in the process of governance between elections.
Public Opinion and Elections

Survey data on how citizens view their local governments shows respondents in nationwide surveys more satisfied with provincial, city, and municipal governments than they are with the national government. Significantly, citizens feel more able to influence these lower levels of government. For instance, in 1996 Bohol citizens rated the condition of roads as the most serious problem needing local government attention, an opinion that will come as no surprise to anybody who has visited that province, and they felt that the new administration of Relampagos and Chatto was responding to their concerns on this score.

In the last two local elections (1992 and 1995), winners typically won with less than half of the vote. This is because votes are split among so many candidates, which is part of the trend noted above toward more candidates for each office (a trend caused in turn by a larger pool of middle-class citizens). The result is that in 1995 less than one-third of the governors reached their constitutionally prescribed maximum of three terms, and fully two-fifths were elected to their first term. (Members of Congress, also elected by districts but less accountable locally, had exactly the opposite profile in 1995. Only one-fourth were elected for their first term, whereas two-fifths were on their third and last term. The latter figure is one of the main reasons for the discussion in Congress about changing the 1987 Constitution to remove term limits.)

With respect to disadvantaged sectors, such as women and indigenous peoples, the picture is somewhat mixed. At lower levels of government women are better represented, but rarely do they form more than one-fourth of elected officials. Indigenous peoples are well represented in areas where they form a majority of residents, such as the Cordillera region in Northern Luzon. But in areas swamped by in-migrants, such as many places in Mindanao, the representation of indigenous peoples is low. The Local Government Code provided for sectoral representation (e.g., farmers, laborers, women, and youth) in the sanggunians, but this representation has been postponed by an Act of Congress (the postponement was supported by the regularly elected local officials).

The two autonomous regions for cultural minorities mentioned in the 1987 Constitution--in Muslim Mindanao and in the Cordillera--form special cases. They are intended to be political units, not the purely administrative regions that exist in the rest of the Philippines. In the Cordillera, the autonomous region has not yet been instituted--the first version was voted down in a 1990 plebiscite. In the meantime, local governments in the Cordillera operate just like those throughout the Philippines. Since in-migration into the central Cordillera has been limited (with a few exceptions), indigenous peoples dominate local governments in their traditional areas.

The Autonomous Region for Muslim Mindanao (ARMM) was instituted in 1989,
covering four provinces. An ARMM Local Government Code has been passed, which ensures that the powers of the region are not devolved to local governments. Thus, characterizations about provinces and municipalities developed for the rest of the Philippines tend not to apply in ARMM.

In 1996 the Ramos administration signed a peace agreement with the main Muslim rebel movement, the Moro National Liberation Front (MNLF), and supported MNLF Chairman Nur Misuari for the elected post of governor of the ARMM. This was the first step in a renewed effort to make the ARMM work to the advantage of Muslims in Mindanao and to make joining the autonomous region attractive to other areas in Mindanao and surrounding areas. A Southern Philippines Council for Peace and Development (SPCPD) was set up, government funds increased, foreign donors encouraged to concentrate on the area, and the like. The plan is to hold another plebiscite to determine which other areas will join the ARMM once benefits have been demonstrated.

**Popular Participation in Governance**

What about the extent of participatory democracy between elections? It might be that citizens are shut out of the day-to-day working of local government. Has this been the case?

The Code envisioned that citizen participation between elections would be channeled through NGOs. The nongovernmental community participated actively in the implementation of the Code. Beginning in 1992 a National Coordinating Council on Local Governance was formed by national NGO networks. Its aim was to inform the nongovernmental community about the Code and to participate in the accreditation process. After five years, what can we say about nongovernment participation in local governance?

Scholars have tried to answer this question by reviewing a growing number of case studies of nongovernment participation in local governance. One review concluded that "a dynamic change in GO-NGO [government organization\-nongovernmental organization] interaction is brewing as indicated in the medium to high degree of people's involvement in the decision-making process."17 Similarly, research commissioned by the Caucus of Development NGOs (CODE-NGO) in 1996 concluded that "increasingly, NGOs/POs [nongovernmental organizations/people's organizations] or their projects have become regular fixtures in the halls of local administration and public affairs" and that power sharing has become "intermediate, in some cases intermediate to high."18

The involvement of the nongovernmental sector increases the participation of women in governance. A count of contact persons listed by NGOs accredited to local governments reveals that some 30 to 35 percent are women, a level far above that for
elected officials. Further, the status of women in NGOs improves even more at the leadership level--over 45 percent of the delegates to the First NGO Congress in 1991 were female.

These studies are reinforced by the conclusions of the Rapid Field Appraisals, which have always been concerned in part with citizen participation in decentralized governance. The nationwide appraisals found that in the early stages of implementation there had been minimal interference in the accreditation of NGOs and in the selection of representatives to local special bodies. As time went on, local governments fulfilled the letter of the Code with respect to local special bodies, but doubts arose as to whether this was leading to genuine democracy. Local Development Councils, for cities and provinces in particular, tend to be large and unwieldy. They are difficult to convene and hard to manage for meaningful results.

Reflecting this problem, a 1996 study of municipalities and cities within seven provinces addressed three indicators of citizen participation in local governance: active NGO representation in local special bodies; citizen participation in the preparation of investment plans; and citizen participation in the preparation of environmental plans. Based on these three indicators, the study found that 57 percent of the local government units covered had evidence of effective citizen participation. Room for improvement remains, but it certainly seems that the climate is favorable for participation.

In sum, these assessments indicate that the Local Government Code has increased democracy at the local level. Even when the specific mandates of the Code fall short, the Code itself is influential in producing a mind-set that encourages participation. When individual citizens and NGOs think about interacting with government, they are more likely than before to think of local government because of the channels laid out in the Code. From the viewpoint of local government officials, the Codeís explicit inclusion of nongovernmental entities in the process of governance increases the legitimacy of political action by those entities.

Socioeconomic Development

The socioeconomic development process in the Philippines has speeded up during the Ramos administration. But has decentralization helped or hampered the process of development?

Decentralization, it can be argued, is a logical concomitant of the Ramos governmentís deregulation thrust. Just as efficiency can be served by reducing the role of government in the national economy, regional and grassroots development can be encouraged by reducing the role of the national government in local government affairs. If decentralized governance is effective, local talent can be encouraged to stay in the provinces. Just as expanded economic opportunities at home draw Filipinos
back from abroad, localities can attract and keep skilled local residents if development springs up outside of Metro Manila. Private investment and government initiatives combined with a higher quality of life outside of Metro Manila can alter a hitherto overcentralized development pattern.

In response to the Code, the promotion of economic activity is a growing concern of local governments. Major cities such as Davao and Cebu have investment-promotion centers which attract enterprises away from the primary city of Manila. The provincial government of Bohol also is engaged in systematic investment promotion. The concentration is on eco-tourism with a secondary emphasis on agro-industrialization, as prioritized in a bottom up planning process by communities throughout the island. Municipalities in Palawan have canvassed which of their development needs can be met by private investments and have provided potential investors with the information needed for project development.

A small but growing number of local governments are also beginning to avail themselves of other forms of nontraditional financing. Bonds have been floated to finance a housing project in Victorias, Negros Occidental. Nueva Ecija took out a loan to acquire construction equipment and demonstrated that the province could construct roads considerably more cheaply than the Department of Public Works and Highways. Bohol is building a new provincial center, which will be paid for by commercial establishments occupying the first floor.

Another concern is the provision of social services to balance and encourage economic growth. Because of the Code, local governments have more money to spend--from the Internal Revenue Allotment, local taxes, or credit sources. The Rapid Field Appraisals have found that local governments now spend more on social and economic services than did national government agencies before the passage of the Local Government Code. However, we know little about the effect of this increased expenditure. The most systematic data we have is with respect to spending on health. At the macro level, it appears that indicators of health care have not deteriorated. Respondents to surveys have repeatedly said that health services have improved since 1992, although they are often not aware that the responsibility has been devolved from the Department of Health to local governments.

What we do know is that local governments are taking their responsibilities seriously. In Camarines Sur, Governor Villafuerte has launched a number of agricultural initiatives, with the assistance of consultants hired out of provincial funds. In Cotabato, Governor Rosario Diaz (herself a physician) has undertaken a province-to-barangay evaluation and revamp of health-care delivery. She has involved the citizenry in every step and is finding outside money to match provincial funds in improving health care. Local communities are now taking action to preserve the environment. As noted in Rapid Field Appraisals, locally based natural resource councils have become quite common in response to local concerns about the
environment and natural resource use.

More generally, some local planning efforts are now technically sophisticated. In Palawan municipal level investment planning workshops are followed up both by feasibility studies of individual projects and concerted efforts to influence the provincial plan. In 1996 the Palawan NGO Network was tapped to facilitate these workshops, and with the province jointly planned the Provincial Development Council meeting, which devised the provincial development plan. In Nueva Vizcaya the challenge of bottom-up planning is being addressed by sequential barangay planning workshops followed by municipal workshops which then culminate in the provincial meeting.

Unfortunately, as noted in some Rapid Field Appraisals, some agencies of the national government still do not seem to fully embrace participatory, bottom-up development. Planning by the National Economic and Development Authority is still largely top-down, based on decisions taken at the national and regional levels. National agencies like the Department of Agriculture still formulate their own priorities instead of responding to those from below.

Still, while we do not yet have truly systematic data, the socio-economic benefits from decentralization based on anecdotal evidence appear quite strong. Observers of the Philippines who travel outside of the Metro Manila area are likely to find enormous developmental energy being released in the countryside.

**Conclusion**

The foregoing points tend to demonstrate that decentralization under the 1991 Local Government Code has advanced both democracy and development in the Philippines. The premise behind the optimistic view of decentralization is that accountability upward, to national government agencies, stilled local initiative and was often ineffective. Thus, it is better to institute local autonomy with accountability downward, to the local community.

This is not wishful thinking about local politics and governments, since many problems and challenges remain. Successful local government requires that the process of selecting local officials can be trusted by the citizenry. The process must be protected by the impartiality and effectiveness of the national government’s Commission on Elections. It also requires a vital civil society--including an energetic media--to participate in the decision-making process and enforce accountability. While we can be confident that the overall trend is toward democratic and effective local government, traditional politicians continue to govern parts of the country through the use of patronage and coercion.

Moreover, in some areas of the country even well-intentioned local officials cut
from a new cloth will not be able to deliver development. Some areas are just too poor to have surplus resources to invest. And in some areas local governments are mired in bureaucratic inertia, combining local government employees who never before had any responsibilities with new employees devolved from national government agencies who do not know how to work in a local environment. Unfortunately, such unevenness is part and parcel of decentralized governance. Once the illusion of uniform results enforced by the national government throughout the archipelago is discarded, we must expect that different places will have different outcomes. The best examples of local government must be highlighted, and the process of spreading such innovations must be encouraged and supported.

Finally, even the best local governments run into problems needing higher coordination. A good example is the conversion of land from agricultural to other uses. Conversion might seem good for any locality, since the economic value of nonagricultural land is higher. However, if every locality undertakes conversion, too much agricultural land will be lost and food production will suffer. Furthermore, land conversion tends to affect different parts of each community differently. Landowners might obtain the highest economic return for their land, but landless agricultural workers might lose access to livelihood opportunities. Land-use planning requires localities to integrate their plans. Another concern is that dispersed minorities such as indigenous peoples might not find a voice in localities that are dominated by major ethnic groups. They will need an advocate based outside the locality to help them preserve their culture and way of life.

In sum, the national government continues to play an important role in local affairs, especially as devolution generates greater differentiation. It must maintain its commitment to macroeconomic policies that promote sustainable and equitable economic growth. It also must build a judicial system that enforces the law fairly and promptly and must ensure that elections are honest and fair. It should trust and support--or at least not impede--the efforts of local communities to achieve their own visions of democratic development. And it should provide local officials with training, models of successful programs, and a degree of coordination. Only with these kinds of support will the full potential of the Local Government Code be realized and the prospects for Philippine democracy and development be enhanced.

Notes


3. John Sidel, *Coercion, Capital, and the Post-Colonial State: Bossism in the Postwar*
4. The barangay is the smallest political unit of Philippine government and exists within all municipalities and cities. Often translated as "village," it typically has from 70 to 300 families.

5. For further discussion of these points, see the ARD/GOLD Occasional Papers, "Issues on Local Government Finance," Nos. 96-03 ("Local Investment Planning") and 96-04 ("Budgeting") (Makati: Governance and Local Democracy Project, 1996).


9. Rapid Field Appraisals have been funded by the United States Agency for International Development. The first four (1992ñ94) were carried out by Associates in Rural Development, Inc. (ARD, Inc.) under the Local Development Assistance Program; the fifth (1995) by the Evelio B. Javier Foundation; and the sixth (1996) by ARD, Inc. under the Governance and Local Democracy Project. Synopses of the first four appraisals appear in Technical Cooperation for the Management of Change: The Case of the Local Development Assistance Program (LDAP) and Its Strategic Contributions to Meaningful Decentralization in the Philippines, ed. Teresa S. Abesamis (Pasay: National Economic and Development Authority, 1995). Others are available from ARD, Inc. in Makati.


12. For a survey of activities in which NGOs engage, see Organizing for Democracy: NGOs, Civil Society, and the Philippine State, ed. G. Sidney Silliman and Lela G.


15. Lacaba, pp. 30ñ63.

16. A more academic version of this assessment is found in Steven Rood, "Democratic Decentralization in the Philippines" (Paper presented at the Annual Meeting of the Association of Asian Studies, Chicago, March 13ñ16, 1997).


Note:
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