



FINAL NARRATIVE REPORT

“National Conference: Participative Policy Assessment of Local Governance in the Philippines (May-November 2012)”

Center for People Empowerment in Governance (CenPEG)

For: The Taiwan Foundation for Democracy (TFD)

February 5, 2013



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1. Introduction

To implement the project, data research was conducted beginning April 2012 with corresponding data consolidation and preliminary analysis completed by November 2012.

For the data gathering, field researchers (Fellows and project-hired) conducted interviews and focus group discussions (FGDs) in selected communities (barangays or villages) of the Cordillera region (Mountain Province, Kalinga and Apayao); Bicol region (Camarines Sur and Albay provinces), Visayas region (particularly in Tagbilaran, Bohol); Mindanao (Cagayan de Oro and Davao); Southern Tagalog (particularly Cavite, Laguna, and Quezon provinces); Zambales in Central Luzon; and Metro Manila. The research database is being consolidated further and systematized in preparation for an expanded study on the local governments to complete the participative assessment objectives of the project on the 20-year impact performance of the local government act.

The field data gathering centered on the local government units (LGUs), implementation of the 20-year old Local Government Code insofar as the participation of civil society groups and communities is concerned, as well as on local political dynasties (present in 94% of the country's 80 provinces) and their impact on democratic governance. Those who were involved in the participative research included organized community residents (farmers, women, indigenous peoples or IPs), leaders of people's organizations, LGU leaders, and some academic scholars knowledgeable of the local government code.

2. Executive Summary of Preliminary Data and Findings

In the Cordillera mountain region based on the village interviews and FGDs, community participation in terms of monitoring and engaging in LGU activities is active among organized villagers. Aside from LGU monitoring, some community associations of farmers, women, and IPs propose community programs such as livelihood projects, farming training, and developing organic agricultural seeds.

There are indications of the devolution of local services involving programs that had existed even before the local government act was enacted. These include health centers, midwife service, community nurses, and barangay health workers. Community leaders



interviewed said however that the services are inadequate and whatever limited health or school facilities and supplies are available involve the use of *palakasan* (political patronage) and corruption. In truth, traditional corruption has been active under the LGU system so that even the ethnic political culture - where for centuries village elders would serve the community voluntarily - has been eroded by LGU corruption.

With the LGU system dysfunctional in many areas, what thrives in terms of community harmony is the indigenous social-political system: The continuing practice of *dap-ay* (political centers where village elders keep the consultative - consensus building in the community), mutual help (*bayanihan*), and other cultural practices.

As in some regions including in Muslim Mindanao (southern Philippines) and now in Bicol region, the indigenous people's campaign for regional autonomy and self-determination which has been waged for more than 50 years continues. The movement for self-determination in the Cordillera provinces invokes the right to self-governance, an end to development aggression where the mountain region's mining and bio-diversity resources have been destroyed due to mining, logging or deforestation, and other destructive projects. Indigenous community organizations such as the Cordillera People's Alliance, aim to protect their rights to ancestral domain - land, ecosystem, and culture.

The movement for self-determination in the mountain region also seeks the end to the system of political dynasties that has held the reign of political power and government from congressional district to provincial and town levels for centuries. The whole mountain region has been dominated by local dynasties, including the Dominguez clan (Mountain Province or Bontoc, since the 1900s) as well as the Lakwasan clan; Bulut clan (Apayao, which also maintains a private army); Wacnang clan and Pilando family (Kalinga, since the 1980s); the Valera and Luna clans both of whom maintain private armies (Abra); and the Domogan family of Baguio city. The system of political clans is perpetuated not only by the traditional political patronage, warlordism and private armies but also by the ownership of large landholdings and some businesses.

In the Bicol region, such as Camarines Sur province, there have been some good practices in LGU governance. The major city of Naga (Camarines Sur), for instance, has shown some good examples of transparency and accountability mainly by pioneering a public website posting the city's public biddings, budget appropriations and expenditures, project contracts, ordinances, innovative tax collection, employment opportunities, and accomplishment reports. Community organizations and NGOs also participate in the LGU through the Local Development Council, health, and other special councils and boards.

Whether LGU governance in the city has transformed in a positive way the demographic profile characterized by social division and incidence of crime and illegal gambling shows otherwise, however. Project FGDs, backed by surveys, indicate a high percentage of 60% of families rating themselves as poor with a higher 82% of low-income groups. Half of the city's



population are informal settlers (slum and without homes of their own). Illegal gambling such as *jueteng* (illegal numbers game or local version of lotto) still thrives.

The “model” of LGU governance in Naga is the exception rather than the rule in most towns and provinces of the Bicol region. Twenty years of LGU system in the region has not led to the raising of quality of life: Despite its vast natural wealth and agriculture, Bicol remains the fourth poorest region in the country in terms of poverty incidence (63%) and second in the number of poor households.

Studies on governance and political systems show that where poverty is most widespread is also where the endemic system of oligarchic families exists. For generations, Camarines Sur politics and government have been dominated by the clans of Fuentebellas, Villafuertes, Alfelors, Andayas, and now Arroyos (whose patriarchs have been presidents of the republic – the Macapagals). These dominant political families, who are also big landholders in the provinces, fight over projects (e.g., the world-renowned CamSur water sports complex or CWC), use public funds for privately-owned programs (e.g., the LRV agro-industrial farm in Calabang town); and engage in highly partisan issues like the division of the province into two provinces to expand the dynasties’ political reach. Camarines Sur shows a typical example of political clans throughout the country that perpetuate themselves through the turnover of elective positions to family members, political patronage, accumulation of hidden wealth, appropriation of public funds for political purposes, and other bad practices.

Over the past 20 years until now, tourism has been promoted by the national government among the country’s various LGUs as a priority development program. It has opened up the communities’ tourist-potential areas and public lands, among others, to foreign and local investment, infrastructure development (such as hotels, road connectivity, airport facilities), and harnessing local traditional industries (handicrafts, for example). Despite the promotion of “eco-tourism”, however, many of the country’s ecosystem areas have been subjected to environmental degradation and misuse of lands due to abuse of tourism development, lack of comprehensive land use, and so on.

Bohol, probably one of the few remaining provinces where ecosystem consciousness is alive among the provincial folk, is where the tourism industry has been promoted and with some signs of boom being shown. Tourism development in the province, however, is centered in Tagbilaran town where the LGU considers it a priority program. As a result, however, the LGU’s strategic development program has prioritized investments in infrastructure development (45%) and development administration (44%). Surprisingly, it has earmarked only 4.1% for economic development.

Ironically, the socio-economic indicators which the tourism industry is supposed to address show a dismal picture: Poverty affects 60% of the population. Bohol is the country’s 16th poorest province.



Cavite province (Southern Tagalog region, south of the National Capital Region or Metro Manila) was rated in 2012 as one of the top-performing provinces including one of its towns, Bacoor, by the Department of Interior and Local Government (DILG). It hosts several coastal towns where livelihood is sourced from fishing aside from an industrial zone and farming areas. The rating received by the province as a top-performing area in terms of LGU management is subject to verification by this project study given the data drawn from interviews and FGDs with community leaders that attest to limited access to government and the long-standing practice in the province and its municipalities where elective positions remain in the hands of rich families and local dynasties. Farmers among those interviewed recall recent cases of land-grabbing by powerful politicians, and the displacement of urban poor families due to urban demolitions or evictions. Fisherfolk also face diminishing marine resources and fishing grounds due to water pollution, conversion of coastal areas into private commercial resorts, and the rapid deterioration of the environment. Some organizations, like labor groups and Party-list groups, have to resort to lobbying and strong negotiation with the powers that be to be able to benefit from housing and livelihood services that LGUs are supposed to provide for their constituents.

Cavite is one province in Southern Tagalog region where political competition and election feuds have been part of its contemporary history, dating back to the Philippine revolution against Spanish colonial rule in the 1890s. Over the past 50 years, political leadership has been contested by political clans including the Remullas (the patriarch as governor, children with Congress seats) who were also alleged to be maintaining private armies. Today, however, the Remullas' dominance has been challenged by the family of Ramon Revilla, Sr. and the Maliksisis. Revilla, a movie actor-turned senator, has been married twice, has 15 mistresses who bore him more than 70 children. From a stable of many children – some of whom are also movie actors – the Revilla patriarch has had a son in the Senate (who plans to run for president in 2016) and grandchildren occupying LGU positions.

Similar political and socio-economic conditions that characterize LGUs persist in other provinces where selected communities were subject of project data gathering.

The LGU system in some municipalities of Zambales province (Central Luzon region), northwest of Metro Manila, has some civil society groups and NGOs interacting. Of immediate concern to the NGOs are some development projects found to be hostile to the environment and vulnerable to corruption attending transactions that involve LGU executives and local environment officials themselves. Community residents have opposed unabated mining operations such as the extraction of ore (said to be one of the world's largest mineral deposits) as well as copper iron, zinc, and other minerals. Aside from Masinloc, more coal-powered energy plants are in the pipeline raising more environmental concerns from the villagers.

There is a window for NGO participation in local governance in some municipalities of Zambales. In the end, however, the LGUs make the final decisions including the projects with claimed social, economic, and ecological benefits remaining to be seen. Last December



2012, the province's top LGU executives drew up "integrated development programs" for Zambales' 13 municipalities with the master development plan of the provincial LGU. Like most LGUs in the country, Zambales' integrated program prioritizes tourism and infrastructure although it also allocates resources for health and social welfare.

Davao is the only province in Mindanao – the Philippines' second biggest island – that made it to the top performing LGUs. Its main urban center, Davao City, is the seat of provincial capital. Claimed to be one of the largest cities in the world in terms of land size Davao City, just like the rest of Mindanao, offers a great potential for growth and development.

Unlike in past administrations, the city's current LGU is seen as friendly to community organizations and NGOs and its mayor has figured in minimizing the demolition of informal settlers. Still, however, one of its powerful chief executives (Rodrigo Duterte) has been suspected of unleashing death squads for crime prevention and these elements have gained notoriety for summarily executing young drug dealers.

Aside from the Dutertes, the center of political leadership in Davao City has been contested by other political clans including the Lopezes and Garcias.

Elsewhere, Cagayan de Oro is similarly a big city that hosts plush villages and commercial centers. Lately however Cagayan de Oro has hogged the international headlines for the powerful typhoons and flashfloods that wreaked havoc and left countless fatalities and thousands of disaster refugees. There are active community organizations and NGOs advocating reform and development yet their access to LGU governance has been limited by the persistence of political dynasties. One such enduring dynasty is the Emanos who have been courted by presidents during elections. Cagayan de Oro is a vote-rich city. One particular case which community interviewees revealed indicating the incumbent Mayor Vicente Emano's non-accommodation to public sentiments is in permitting a foreign shipbuilding company to establish a shipyard that resulted in the eviction of coastal fishing families and in the process also causing water pollution.

Both the political dynamics and LGUs in Davao, Cagayan de Oro, and the rest of Mindanao are dominated by political clans. Mindanao, after all, is the dynasty capital of the Philippines with all of its provinces – noted for vast agricultural lands, plantations, tourism enclaves, and potential natural gas reserves - under the hegemony of political clans many of whom maintain private armies and are engaged in warlord politics and corruption. Thus, the deeply-entrenched dynasties offer limited window for democratic governance and, inevitably, to consultative processes that allow people's organizations and NGOs to become active players in policy making, as attested to by community leaders interviewed for this study. The whole of Davao region shows a poverty index of at least 50% while Cagayan de Oro along with neighboring provinces in the Caraga region have 62% poverty incidence. (The Autonomous Region of Muslim Mindanao has the highest poverty index at 70%. The region's political power rivalry pits the Amapatuans against the Mangudadatus, among other



clans. It is in one the region's provinces – Maguindanao – where the massacre of 58 civilians happened in November 2009 involving the Ampatuan clan.) Mindanao's poor socio-economic conditions and – in general – failure of LGU governance continue to fuel insurgency and secessionist movements.

3. Analysis of the Preliminary Findings

This analysis synthesizes the data and findings accumulated from the project's participative field research using the methodologies of interviews and FGDs, followed by project management workshops involving key researchers and CenPEG Fellows. This analysis is also informed by papers on Philippine local governance written mostly by academic scholars, a few research groups, as well as government agencies.

The initial project study has so far found that whatever evaluations have been written on the impact of the Local Government Act over the past 20 years have been limited thus validating that no comprehensive assessment has been done by either government or academic experts. (The overall objective of the CenPEG study was precisely to fill in the void in the impact assessment of LGU governance in the Philippines.) Whatever evaluations have been done are based on financial concerns of the LGUs (e.g., internal revenue allocations for the LGUs), development models as well as models of transparency, accountability, and performance audit that have not been validated in terms of overall results. Negligible are efforts to dissect the socio-economic and political conditions, demographic profiles, and power relationships which LGU practitioners have by and large failed to consider in strategic development program designing. Nor have the studies touched on measuring local government in terms of its impact on quality of life particularly of the marginalized populations. Likewise, a review is needed on the performance standards set by the Department of Interior and Local Government (DILG) to award and recognize LGUs as showing high performance ratings when on the contrary, by using the rigorous standards of human- and rights-based development and democratic governance indicators many of such LGUs, whether provincial or municipal, may not qualify at all.

Informative is the study by Joseph J. Capuno ("The quality of local governance and development under decentralization in the Philippines," 2005, University of the Philippines School of Economics) which finds that most provinces "have registered sluggish growth since 1987." This can be explained, the paper says, by "the uneven and generally low quality of governance at the local level... (with) governance features of the Local Government Code neither followed strictly nor sufficient to spur local development."

A survey in 2012 conducted by the Social Weather Stations (SWS) also reveals that many of the city and municipal government are perceived by Filipinos (68%) to be corrupt. The top three local offices where corruption is considered widespread are the Budget Office (48 percent), Mayor's Office (32 percent), and the Engineer's Office (30 percent). Indeed, in 2011 charges against LGU officials topped the list of corruption cases filed before the Ombudsman, or the national anti-graft prosecutor's office.



To summarize, this analysis reproduces portions of the issue analyses of CenPEG on the LGU system (“20 Years After: Revisiting the Local Government Code,” Jan. 12, 2012):

2012 marks the 20th year of the Local Government Code which took effect on January 1, 1992. The code provided for decentralization - giving autonomy to local governments - and the devolution of basic services. Decentralization was expected to reduce local governments’ dependence on the national government where powers and resources are highly centralized, and make local governance accountable as well as accessible to the people under an LGU- civil society partnership.

Today, however, observations on the impact of the law remain divided. One side criticizes the national government’s farcical transfer of real powers to the local government units (LGUs) while another cites the code’s failure to bring about real development in the local communities. On a positive note, all are one in calling for a revisit of the local government code with the aim of introducing reforms.

In its 20 years of implementation, the local government system was built on LGUs comprising 80 provinces, 122 cities, 1,512 municipalities, and 42,000 barangays – the basic political and governance units. The internal revenue allotment (IRA) earmarked as much as 40 percent of national revenues to the LGUs with the rest kept by the national government. Devolved to local governments were basic services including health, social services, environment, agriculture, education, public works, tourism, and housing projects. Moreover, people’s organizations and NGOs were given seats in local consultative bodies such as the development council, as well as health and school boards.

Rising above the typical LGU system is the autonomous region one of which was formed in 1989 – the Autonomous Region in Muslim Mindanao (ARMM). Another autonomous region – the Cordillera autonomous region – reverted to being a regular administrative region in 1998.

The local government code was implemented six years after the EDSA I uprising that ousted the Marcos dictatorship. The uprising gave birth to the “people empowerment” tenet that is to be given flesh by making local governance inclusive and participative with the people acting as effective partners in building self-reliant communities. The transformation of local communities was to be spurred by several medium-term development plans rolled out by five administrations in 20 years of the code’s implementation. These sounded like bright ideas but, as it turns out, lack substance.



Today, the local rural and urban communities that were to metamorphose into fully-developed, self-sustaining communities remain marginalized by abject poverty and unemployment. Claims of economic growth by the national government baffle its own economists upon realizing that GDP growth is not trickling down to the grassroots populations. Equally critical is the state of education and health. No wonder the social inequities, weak government performance, and the shortage of social services that both the national and local governments promised to deliver continue to fuel social unrest especially in the rural countryside. The statistics of nearly 4,000 Filipinos going abroad every day as migrant workers is a living proof of economic opportunities unreachable in the LGU communities.

Disturbing, likewise, is the fact that no significant impact assessment on the local government code has been done to this day whether by the Department of Interior and Local Government (DILG) which supervises the LGUs, Congress which enacted the law, or by governance schools. Most piecemeal evaluations that have been made are superficial: They blame the lack of funds and weaknesses of the decentralization and devolution processes for the unimpressive results of the local autonomy paradigm. Expectedly, the consensus is to amend the local government code by increasing the IRA allotments and giving more fiscal autonomy to the LGUs.

The whole trouble in this difficult experiment begins with development models which see growth in the local communities as being attainable through the enactment of laws, the decentralization of powers to local executives, and making the accountability system in the LGUs functional. In turn, this legal and political infrastructure is expected to provide the machinery to implement economic programs prescribed by globalization templates. However, most development programs in the communities land in the hands of LGU politicians, profit-making businessmen, and investors leaving the poor populations with nothing even after being cited as “target beneficiaries” for funding purposes. Such prescriptions turn local communities into commercial and raw material exporters even as the domestic economies are pried open for the dumping of cheap foreign imports – far from the self-reliance as inscribed in the local government code.

Despite local autonomy, economic strategies are imposed by the national government which considers the local communities as objects of development aggression – from extractive mining production, power generation, supply of cheap OFW labor for export, to commercial crops and tourism. The result is the collapse of local production like agriculture, food insecurity and malnutrition, disasters, depletion of natural resources such as water, marine, forest, and mineral wealth, and a huge population of unemployed.



In the first place, a major requirement of local autonomy has been largely ignored – the empowerment of communities and their effective participation in local governance. Most LGUs have not enacted implementing laws to comply with this code requirement thus ensuring power structures to remain in the hands of the traditional powers that be. Concomitantly, as studies and other reports show, majority in LGU communities know little about the local government code let alone their rights to participate in decision-making. The low public awareness on local government makes the LGU vulnerable to corruption while incompetence and poor performance is rewarded with continuity in office.

The local government code does not address – if it does not altogether abet – the institutional gridlocks to real empowerment in the communities. Political power – hence, the occupancy of LGU positions – remains entrenched in the hands of family dynasties with their roots dating back to several decades and whose network of power and influence extends to the barangays. In the regime of local autonomy, the number of family dynasties has even increased. In many communities, political rule is even more concentrated in a few families while the claimed public benefits of local autonomy are elusive.

By being the central authority and in control of the DILG, the President remains organically more powerful than all the LGUs combined. The presidency – which is as well a revolving door of the country’s ruling oligarchies – exerts control over the LGUs including the ARMM through political patronage exercised through the IRA, national appropriation, development projects, military and police powers, and the like. In the past administrations, all the LGUs were whipped into line through their national and provincial leagues. Instead of mobilizing them as centers of development LGU communities were prioritized as the electoral base of the president and other national candidates. The system of oligarchic politics is intertwined with the LGU architecture.

The call for revisiting the local government code may be valid if the aim is to draw lessons and determine what needs to be done. It will remain a futile exercise, however, if the “revisit” will turn out to be a mere patchwork requiring mainly the allotment of bigger funds and more fiscal autonomy to the LGUs. The result is to make the exclusivity of the LGU governance a permanent fixture and the communities forever in the margins of society. The LGU system thus becomes a mechanism for prolonging elite politics and the illusion of reformism when the times call for dismantling the institutions of family dynasties, political patronage, and the culture of corruption that such political structure breeds.



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There should be an end to the fruitless process of reforming laws and crafting development strategies where the dubious intention is in furtherance of elite governance sugar-coated by meaningless concepts of “transparency and accountability”, LGU-civil society or “public-private partnership.” The challenge is for social change-oriented movements, new politics-driven political parties, and cause-led NGOs to lend their voice in demystifying the elitist local governance system as they persevere in building empowered communities across the nation.



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