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General Introduction

About the Report

This report consolidates the result of the Overseas Fieldwork (Hereafter abbreviated as OFW), an exercise of integrated development analysis conducted by the group of 25 students of the Graduate School of International Development (GSID), Nagoya University, Nagoya, Japan. The study was designed as an integral part of GSID's formal curricular activities, and was undertaken in about one-month's period from September to October 1994 in the Philippines.

After the briefing sessions at two central government agencies in Manila that play pivotal roles in the development administration of the Philippines viz. National Economic Development Authority (NEDA) and the Department of Local Government (DLG), the Province of Cavite in the Calabarzon Region (part of Region IV of the Philippines) was taken up as study case.

The whole group was divided into four working groups (WG). The domains of analysis of these groups were as follows:

- WG-I: Economic development and business management questions;
- WG-II: Education, health and other human resources development questions;
- WG-III: Physical infrastructures and natural environment conservation questions; and
- WG-IV: Development administration, participation, NGOs and other institutional questions.

Towards the end of the group work, a selected representative from each of the four WGs got together for the task of consolidating all the study findings for the interdisciplinary integration. The whole venture was concluded by a

one-day seminar held at IIRR (International Institute for Rural Reconstruction), Silang, Cavite, wherein the study findings of each WG were presented by the respective team leader students and the Project Director on the interdisciplinary integration phase for the sake of reciprocating the kind cooperation extended by local agencies and communities in Cavite.

The report consists of five sections. Each of the first four sections contains the team report worked out by each of the four WGs mentioned earlier, with focus on the problem analysis and action proposals. The fifth and last section, prepared by Project Director, summarizes the discussion made for the interdisciplinary integration, keeping in view the development of the Philippines as a whole in perspective, rather than Cavite Province itself.

All the students who participated in the fieldwork took the Intensive Lecture Course of fifteen days (hereafter "ILC") held in July/August 1994 at GSID which focused on the problems and issues pertaining to local/regional development of the Calabarzon Region, with focus on Cavite, together with the national development of the Philippines as background. Such preparatory inputs were absolutely necessary to make the fieldwork of just one month effective and meaningful. One senior faculty member of University of the Philippines, Los Baños (UPLB) joined in conducting ILC with GSID faculty members concerned. Even with all such efforts, needless to say, one can never expect perfect study reports from inexperienced students. Despite well intended eagerness with which all of them worked so hard all through the fieldwork, this report may still contain inconsistencies, misunderstandings, inappropriate observations, unrealistic proposals and so on. Nonetheless, we have decided to publish this document believing that it, despite all the imperfections, may still be seminal for the exploration of innovative approaches for the enhancement of meaningful development in the Third World. It is in this spirit that we cordially request frank comments and suggestions of every reader for improving the curricular content and modalities of our graduate education in the coming years.

The name list of students and advisors who provided guidance to the respective WGs, the programme of ILC conducted in July/August 1994 at Nagoya, and the work itinerary of OFW 1994 are attached.

Acknowledgement

As organizer of the whole venture, I wish first to extend my sincere gratitude to those experts of both UPLB and Nagoya University as well as other institutions who provided most valuable inputs and guidance as advisors to our students. They are Professor Regelio V. Cuyno (Co-director, OFW Project), Professors Constanca Z. Rosacia, Nelson B. Querijero, Alvaro L. Soria, Romeo B. Obedoza, Jr., Wilfredo B. Carada, UPLB, Professors EZAKI Mitsuo, KIMURA Hirotsune, Associate Professor HIROSATO Yasushi, Dr. TANIMURA Mitsuhiro, Research Associate, GSID, Nagoya University. Messrs. Cuyno, Ezaki, Kimura, Hirosato and Tanimura kindly took part in the Project not only in OFW portion, but also ILC at GSID, Nagoya.

I must also acknowledge herewith the names of several experts of the Philippines and Japan who provided valuable inputs during ILC in July/August 1994, viz. Dr. Gaudioso C. Sosmeña Jr., Executive Director, Philippine Local Government Development Foundation, Mr. IWATA Shizuo, President, ALMEC Consultants Inc. (on infrastructures, land use and environment), Dr. KAWAHARA Hiromi, President, Aichi Health Institute Foundation (on health aspects), and Dr. Aloysius U. Baes, Division Head, Institute of Chemistry, UPLB (on NGOs aspects). I should not forget to thank a number of graduate students of UPLB who contributed immensely for the broadening of the scope of GSID students through the joint work and dialogue all through the period of the fieldwork.

My profound thanks are also due to Dr. Celito Habito, Secretary General of NEDA, Dr. Alex B. Brillantes, Jr., Executive Director of DLG for providing an opportunity for us to visit the slum settlements and vigorous community development activities undertaken in the famous "Smoky Mountain" area in Manila. My thanks also to Mr. KITAMURA Takanori, Councillor, and Mr. TAKAHASHI (Economic Affairs), Embassy of Japan, Makati, Metro Manila for their highly valuable briefing at the Embassy.

The intensive fieldwork of a month in Cavite was fruitfully conducted owing indeed to the kind support and hospitality extended by Honourable Governor Juanto Remulla, Mr. Conrado S. Navarro, Executive Vice President,

IIRR, Atty. Dante M. Quindoza, Industrial Zone Manager, Export Processing Zone Authority, Ms. Dolores Orlina, Superintendent, DECS Division of Cavite, Mr. Percival C. Dalugdug, Regional Director, Department of Agrarian Reform (Region IV), Mayor Erineo A. Maliksi, Imus, Fr. Cesar Reyes, and many other organizations, both public and private, that kindly received our team and provided useful information.

Let me acknowledge, not without my personal emotion as well as profound gratitude, the strong encouragement and support extended by Dr. KATO Nobuo, President of Nagoya University for the innovative approaches of GSID such as OFW in the field of graduate education in international development. He sent two of his senior secretarial members, viz. Messrs. INDEN Toshio, Personnel Section Chief, General Affairs Division and AMANO Kazunao, Property Section Chief, Accounts Division to Cavite for a few days for official reconnaissance together with Dean MORISHIMA Akio, present Dean, GSID, and Mr. KATO Takeo of GSID, who actually took part in some of interview fieldwork activities undertaken by our students. It is gratifying indeed to witness that OFW is now drawing university-wide attention. Let me also add with great pleasure that a 15-minute video tape, documenting the OFW activities in the field as well as Nagoya, was produced by GSID for the first time, in order to introduce the activity to the central government quarters and local business circles concerned. We appreciate the effort of Eizo-Shinsha, Nagoya, Japan for the impressive video production.

Professor Morishima joins me in the acknowledging the name of Professor Emeritus OGAWA Eiji, former Dean, GSID. It was through Dr. OGAWA's initiative and untiring fund raising effort that a considerable amount of voluntary contribution by Chubu Electric Power Company, Tokai Bank, Toyota Corporation, and other leading members of Nagoya business community was realized. Without their goodwill and spirit of international cooperation, GSID could never have carried out the OFW project, for the official budgetary allocation by Ministry of Education, Government of Japan was yet to be made for an unprecedented curricular activity like OFW spearheaded by GSID since its establishment in 1991.

Lastly, but never the least, let me extend my cordial thanks to other GSID faculty members for their support for embarking on the new experiment.

of OFW, and the patience and cooperation with which Mr. Kato and his colleagues of GSID Administrative Office managed all the administrative and accounting tasks required for OFW. These in fact involved various actions quite new to the usual administrative practice of a national university in Japan.

NAGAMINE Haruo, Editor
Professor and Project Director
OFW'94-PHI

List of OFW '94-PHI Participants

GSID, Nagoya University, Nagoya

GSID Faculty Members Participating OFW '94-PHI

Professor	Nagamine, Haruo	Project Director
Professor	Ezaki, Mitsuo	Adviser to WG 1
Associate Professor	Hirosato, Yasushi	Adviser to WG 2
Professor	Kimura, Hirosune	Adviser to WG 4
Research Associate	Tanimura, Mitsuhiro	Adviser to WG 3

GSID Students Participating OFW '94-PHI

	Student #	Name	Nationality	WG	Remarks
1	94105	Kemu, Suparman Z.	Indonesia	1a	
2	94107	Takagi, Hiroyoshi	Japan	1a	
3	94115	Hayashi, Yasushi	Japan	1a	
4	94116	Pummaithong, Salina	Thailand	1a	
5	94121	Mubagwa, Chihinda Muko	Zaire	1a	
6	94109	Taga, Toshie	Japan	1b	
7	94113	Nishimura, Tetsuro	Japan	1b	
8	94123	Yang, Heng Sheng	Taiwan	1b	
9	94217	Munandar, Haris	Indonesia	1b	
10	2	Castro-Lopez, Jose	Spain	1b	Economics
11	94118	Boyle, Roisin M.	Ireland	2a	
12	94119	Miwa, Chiaki	Japan	2a	
13	94213	Fukushima, Rieko	Japan	2a	
14	94214	Berkowitz, Melisanda C.	U.S.A.	2a	
15	94102	Asai, Motoe	Japan	2b	
16	94202	Ishida, Yoko	Japan	2b	
17	94211	Hara, Yasuko	Japan	2b	
18	94203	Okayama, Tomoko	Japan	3a	
19	94204	Kawai, Takenori	Japan	3a	
20	94510	Benedicto, Raoul R.	Philippines	3a	Law
21	94103	Ooi, Irene Ai Lee	Malaysia	3b	
22	94114	Nishiyama, Atsushi	Japan	3b	
23	94201	Asano, Noriyuki	Japan	4a	
24	94205	Kuwahara, Naoko	Japan	4a	
25	94106	Siahaan, Paingan	Indonesia	4b	

OFW'94-PHI

Itinerary (17 September - 17 October)

- Sat. 17 Sept. Arrival from Nagoya (Stay in Manila Area)
- Sun. 18 Sept. Study Visit to (Stay in Manila Area)
- 1) Tondo area, including "Smoky Mountain", and
 - 2) Malacaang Palace
- Mon. 19 Sept. Briefing Sessions at (Stay in Manila Area)
- 1) NEDA with focus on the nationwide development policy, strategies, development performance evaluation.
 - 2) DLG, development administration system in Philippines with focus on multi-level duty-sharing, financial resource allocation, role of RDC, role of local government.
- Tue. 20 Sept. Briefing Sessions at (Stay in Manila Area)
- 1) DTI (Department of Trade & Industry, with focus on Calabarzon development)
 - 2) Japanese Embassy on Japanese development cooperation, Calabarzon, etc.
- Wed. 21 Sept. Briefing Session (Guest Lecture) (Stay at IIRR,Cavite)
by several persons active in NGO/Grass-root activities;
Topic: *Role of NGO in Sustainable Development*
- Thou. 22 Sept. Courtesy Visits / Briefing at
- 1) Governor, Province Cavite (in the morning)
 - 2) Mayor, Municipality, Cavite City (in the morning)
 - 3) RDC, Region IV (with focus on the coordinative functions among departments), etc.
- Fri. 23 Sept. Visit to Industrial Estates / Briefing
Visit to Agriculture-related Projects
(e.g., post-harvest facilities / JICA)
- Sat. 24 Sept. Visit to Tagaytay (whole day)
- Sun. 25 Sept. Free

Mon. 26 Sept. Visit to

- 1) School (one in urban, one in rural)
- 2) PHC (one in urban, one in rural)
- 3) Environmental-conservation-related projects

Tue. 27 Sept. - Fri. 7 Oct. (about 10 days)

Fieldwork in 4 Working Groups

WG-I: (Economic Development/Business Development)

Ia- Offices in charge/factories/agro-based/handicraft, etc.

Ib- Agri. Cooperative, Irrigation Association, Mixed farming practice, Farm Credit etc.

WG-II: (HRD, i.e., Education & Health)

Ila- Offices in charge/school teachers in urban & rural areas

Ilb- Offices in charge/PHC facilities in urban & rural areas

WG-III: (Environment & Infrastructure)

Illa- Offices in charge/Evaluation of environmental conservation oriented projects, e.g., watershed conservation, effect of tapping underground water, relevant NGOs

IIIb- Offices in charge/evaluation of transport/energy sector projects, analysis on population mobility

WG-IV: (Institutional dimensions)

IVa- Local government administration & finance; Manpower vs. work responsibilities, evaluation of capability building efforts, etc.

IVb- NGO-Barangay activities, political process/summary court functions, etc.

Sat. 8 Oct. - Wed. 12 Oct.

Report Writing

Thou. 13 Oct. Rehearsal of Presentation

Fri. 14 Oct.: Presentation Seminar at IIRR

Sat. 15 Oct. Move to Manila

Sun. 16 Oct. Free Day in Manila

Mon. 17 Oct. Departure for Japan from Manila

Working Group 1

Socio-economic Upgrading of Cavite

Members

	Student #	Name	Nationality	WG	Remarks
1	94105	Kemu, Suparman Z.	Indonesia	1a	
2	94107	Takagi, Hiroyoshi	Japan	1a	
3	94115	Hayashi, Yasushi	Japan	1a	
4	94116	Pummaithong, Salina	Thailand	1a	
5	94121	Mubagwa, Chihinda Muko	Zaire	1a	
6	94109	Taga, Toshie	Japan	1b	
7	94113	Nishimura, Tetsuro	Japan	1b	
8	94123	Yang, Heng Sheng	Taiwan	1b	
9	94217	Munandar, Haris	Indonesia	1b	
10	2	Castro-Lopez, Jose	Spain	1b	Economics

Socio-economic Upgrading of Cavite

1. Agricultural Aspects

In Cavite, despite the rise of industrial investment, the agricultural sector, which accounts for 74.3% of total land use, still plays an important role in the social and economic life of the province. Furthermore, the province's location adjacent to Metro Manila gives it strong potential to develop this sector. The lowland area is mostly irrigated, and the upland area is endowed with a vast range of cultivated crops and increasing numbers of livestock. For these reasons this study was conducted to better understand the performance of the agricultural sector in the context of the fast industrialization taking place in Cavite.

1.1 Agricultural Productivity and Marketing

Agriculture is one of the main economic activities in the province of Cavite. Crop production is the major component, taking up 56,608 hectares (56.7%) of the total agricultural land. Food crops such as rice, vegetables and fruits are cultivated over 22,608 hectares (56%), while 31,405 hectares (40%) are used for industrial crops like coconut, coffee and cacao in an intercropping pattern. The remaining 2,595 hectares (4%) are devoted to industrial crops such as peanuts and sugarcane.

The most visible problem confronting the agricultural sector seems to be the low level of income, especially for small and landless farmers (Box 4), which is the result of low productivity and unstable prices of agricultural products (Boxes 7, 2). Most agricultural prices in Cavite are influenced by middlemen, domestic market prices, and international prices, which are low and unstable. Insufficient transportation and agricultural facilities contribute to low and unstable farm gate prices and large post harvest losses (Box 8).

Because of these, farmers can neither maintain the quality of their products nor process them to add value. The shortage of agriculture information services also keeps prices low, and oversupply sometimes occurs.

Further, land holding, which has been caused by high population growth and slow government control of land conversion, makes it difficult for farmers to increase production, thus leaving farmers' income stagnant (Box 6). From a market structure point of view, low and unstable prices, low productivity, small land holdings, and the occurrence of natural calamities are all causes of the low income level of farmers.

Furthermore, there is insufficient support from government institutions or agencies that have the capability to fully enhance the utilization of agricultural products as raw materials. The low demand in the agricultural sector, which is also due to insufficient marketing strategies, negatively affects farmers' income (Box 9).

Another factor underlying low farm incomes is the failure of agricultural cooperatives to implement effective marketing strategies and to increase the prices of agricultural products. Consequently, farmers lose their incentive to continue farming. The income disparities compared to other sectors of the economy, especially industry, induce farmers to sell their land and to move to other sectors where they hope to increase their income.

At the same time, the increasing pressure of urbanization in Cavite has resulted in a sharp decrease in available land for agricultural production. Prime agricultural land is rapidly being converted to industrial, commercial and residential uses. These conversions, which occur mostly in lowland areas, displace farmers and force them to migrate.

1.2 Institutional Strategies and Cooperatives

The cooperatives are institutions whose main aim is to help farmers increase their income and productivity and to equitably distribute the wealth generated. However, their management capabilities are often weak due to the limited skills and managerial abilities of the members (Box 12). The cooperative members and staff require continuous training in order to develop

crucial specialized managerial skills, such as bookkeeping, accounting and maintaining financial records.

The Cooperative Development Authority (CDA) should be responsible for providing adequate training, technical skill enhancement, and management expertise. However, CDA is a newly established agency and has only 51 staff members for 11 provinces. Therefore, they cannot reach all cooperatives in Cavite, and budget constraints limit the financial assistance they can provide.

CDA's limitations stand in stark contrast to cooperatives' need for assistance. Of a total number of 3,400 cooperatives, only or approximate 17% are considered to be "very successful", 15% "moderately successful," and 68% "dead". In Cavite also, most cooperatives are poorly managed. For instance, although bookkeeping is very important for tracking financial performance, only 14% of cooperatives in Cavite submit a report to CDA. Assessing financial assistance is also a problem for cooperatives: credit from sources such as Land Bank, Rural Bank and CDA is insufficient to meet the demand of many cooperatives in this region. These problems lead to inefficient cooperatives and cause difficulties in accessing additional funds from financial institutions such as commercial banks which generally charge extremely high interest rates (Box 7).

However, Cavite still has successful cooperatives which are leading agencies to guide weaker cooperatives. Coordination of information among cooperatives themselves and other relating agencies is very crucial in areas of education, training, finance and marketing and should be conducted with the cooperation of CDA. The agricultural development policy of the government, particularly in agricultural finance development, should be pursued with continuity.

1.3 Relations between Agriculture and Industry

In Cavite the linkage between agriculture and industry is an overlooked area with significant development potential. Cavite has several comparative advantages in agriculture, especially in upland products, such as coffee, banana, papaya, mango, etc. These agree-products are planted by means of multi-story farming which allows full use of the limited land area. In the

lowland area, rice can be harvested at least twice a year. In addition, proximity to Metro Manila can make Cavite Manila's food basket.

From our survey, there appear to be few local resource-based industries with the potential to stimulate production of agricultural goods and absorb surplus labor (Box 16). The linkage, whether forward or backward, between agriculture and industry is still weak (Box 20). There are only a few agro-industries like San Miguel, Monterey and KLT Fruits, Inc. which utilize the locally produced materials. KLT Fruits, Inc., for example, buys locally produced fruits, and processes and exports them as a paste. There is considerable asset neglected potential for more varieties of agro-industries which can add higher values to locally made products. Among other possibilities, high value-added agricultural products like mushrooms, special vegetables and ornamental flowers could be cultivated for exporter using modern technology.

The emerging problem that farmers face nowadays is the land price hike. The wave of industrialization over Cavite is pushing land prices higher, which discourages farmers from continuing farming. The profits from selling farmland are far greater than those from by cultivating it for life. Our interviews suggest the problem is compounded by the fact that sons and daughters of farmers prefer working at factories or offices than on the farm.

In order to sustain agriculture in Cavite, the linkage between agriculture and industry may be enhanced with government technical and financial assistance (Box 13).

2. Industrial Aspects

2.1 Impact of Foreign Direct Investment(FDI) on Cavite's Industrialization

Since the 1980s the Philippines government has switched from an import-substituting type of industrial policy to an export-promotion policy by introducing various incentives. Although the investment environment in the Philippines is rapidly improving, there are still various problems to be solved, such as local procurements, a critical shortage of middle managers, and fears of further appreciation of the peso which would erode the competitive

advantage of the Philippines as an export base. If these problems and expected bottlenecks in infrastructure are progressively solved, the economic growth of the Philippines will be firmly sustained in the coming years.

With the establishment of the Cavite Export Processing Zone (CEPZ), and the First Cavite Industrial Estate (FCIE), investments in the Cavite province increased dramatically. Since 1991, the number of FDI projects in Cavite has increased from 108 to 289 (a 60% increase), and the number of employees has also increased from 33,153 to 60,147 (an 80% increase). The government's investment promotion policy has aimed at rapid short-run employment creation and capital formation (Box 18,19). Since most factories are labor intensive, the policy has to some extent been successful in terms of job creation, although it has far from absorbed surplus labor.

However, most investments in Cavite are on labor-intensive industries such as garments, electronic assembling and so on. From the perspective of long-run policy, the pioneers of strategic industries are encouraged to come to Cavite in order to lift up the level of industry (Box 21).

By examining the impact of FDI, some problems should be solved; such as the stagnation of the industrial structure, the lack of interlinkage in manufactures, and the uncompetitive and protected market. In order to carry those forward, the formulation of the appropriate industrialization policies and their implementation by the Philippine Government are crucially needed (Box 18).

2.2 FDI Promotion Policy and Technology Transfer

Another problem is that the investment policy does not encourage investors to set up research and development (R&D) facilities or to have a program on technology transfer (TT.). Actually R&D could facilitate the needed upgrading of industrial structure by TT. Of the 15 companies surveyed only two had small R&D facilities, and these seemed to be inadequate in order for TT. to take place (Box 17). Since most industries in EPZs are labor-intensive, the technology introduced is simplified and standardized compared to the technology applied in the mother countries. Because of the absence of R&D facilities and TT. multinational companies located in Cavite do not have the know-how nor the capability required to produce such inputs (Box 16).

The linkage of the export-oriented foreign investments with the local economy is weak because they are usually managed according to the strategies of their parent companies whose main concern is to create international linkages among their subsidiaries for maximum profit. Considering the foregoing, we cannot expect the present export-oriented investments to have significant positive impact on Cavite's industrial upgrading (Box 21).

In any case, even the Export Processing Zones (EPZs) or Industrial Estates (IEs) have not yet been able to attract the desired type of companies. The FDI promotion policy brought enough infrastructure but only to industrial estates and export processing zones (Box 14). When examining the facilities outside the EPZs and IEs, infrastructural deficiencies are obvious, especially for telecommunication, inland transportation and shipping facilities. If these projects are fully implemented, Cavite's competitive advantages for foreign investors will be greatly improved (Box 15).

2.3 Industrialization and industrialization policies

For foreign investors, cheap labor cost and quality of labor force (almost all workers are either college or high school graduates) are the two most important factors for selecting Cavite as an investment location, together with the present industrial peace and high labor productivity. Under the industrial peace, there are no strikes, no labor unions, and the government stipulated minimum wage is 128 pesos per day. This wage is not a take home pay because it excludes meals and transportation. Besides low income, most laborers lack job security as they are employed on a daily basis. In small scale industries, most laborers are paid by piece rate, and their wages are less than 80 pesos per day.

A further problem is poor working environment in EPZs and IEs. Some laborers work under harmful conditions such as extreme heat from machines and bad ventilation. Safety equipment and other devices are not provided in their working areas. From our observation, among 20 factories, only four provide good working conditions, six provide a minimum required, and in the remainder workers contend with poor facilities and conditions.

In the short term, more FDI means more job opportunities and more income for the poor. However in the long term, if only the government benefits from employment, it means that the poor are sacrificed for the wealthy foreign investors. In other words, when the cost of labor increases, the investors tend to shift their factories to other places or to introduce more labor-saving production units. Thus, industry cannot absorb the labor force and the employment structure is seriously stunted.

Industrialization and industrial policy are an intrinsic part of a broader human resources development policy which must optimize the capability of people and their natural resources. Development is not only the accumulation of FDI inflows but also allocation of development. In other words, the policy of attracting foreign investors is not for retarding poverty alleviation, but for reducing poverty and improving people's living conditions.

In order to sustain industrial upgrading, an improvement is needed in Cavite's competitive advantages to be achieved by implementation of appropriate industrial policy.

2.4 Role of Small and Medium Scale Enterprises(SMEs)

In the Philippines, FDI promotion policy forces to export 70% of products. Under smart incentives, EPZs investors are allowed to import materials with a minimum tariff or free. All these conditions make FDI-isolated enclaves. Technology from FDI is expected to transfer, but only to a small minority of laborers or limited number of managers and engineers. As mentioned in section 2.2, a diffusion of technical innovations is limited by current FDI policy. The best way to promote industrial upgrading is to increase the number of receivers of TT. This is where SMEs can play an important role as receivers of technology because of their innovative entrepreneurship.

In general, SMEs are small market oriented enterprises with minimal capital and simple technology. However, the lack of technical and financial assistance in SMEs has hindered skill accumulation and capital formation (Box 30). Slow skill accumulation is directly caused by limited job opportunities in Cavite (Box 29). Both small capital formation and slow skill accumulation eventually lead to low quality of products since companies do not have the capital required to improve the skills of their workers. (Box 21). This low quality

of products leads to weak competitiveness of local industries since firms cannot match the high quality of the products required by multinationals, making the linkage between foreign companies and local companies even weaker (Box 20).

During our survey, we visited the factory of one company whose main plant is in the National Capital Region(NCR), and which has established small production units as their model line within the EPZ area of the Fict Cavite Industrial Estate(FCIE). This is an ancillary or subcontracting but export-oriented SME, because it supplies all products to a Japanese factory as indirect export. The company's strong suit is that they gain modern technology and skills under the assistance and quality control from the Japanese firm. Furthermore, they feed back this technology to their R&D unit in the main factory, and innovate their products and lines for the domestic market.

To promote industrial upgrading, it is highly desirable that investors in mixed IE/EPZs like FCIE will break the enclave and foster supporting industries and local linkages by technical diffusion.

3. Social Aspects

3.1 Income Distribution and Poverty

Poverty and unequal income distribution are still problems in the province of Cavite. Poverty incidence in Cavite was 40.6% in 1990, which was lower than the average 49.8% level of CALABARZON region. The Gini coefficient for Region IV, which was 0.4058 in 1985 and 0.4236 in 1991, shows that the income gap increased in this region. However, it is relatively good compared with the national figure of 0.4680 in 1991.

In Cavite, the average income was 39,759 pesos in 1985, 45,056 pesos in 1988 and 85,416 pesos in 1991. The growth rate was 13.3% in 1985-88 and 89.6% in 1988-91. When deflated by the implicit GDP deflator, it decreased to 8.7% in 1985-88 but increased 45.6% in 1988-91.

The income gap coefficient of the bottom 40% and the top 20% is 0.51 in Cavite, 0.36 in Region IV. In other words, in Cavite in 1991 average income

of the bottom 40% per family was 40,771 pesos and that of the top 20% was 160,428 pesos. In Region IV the bottom 40% earned 30,551 pesos but the top 20% earned 169,023 pesos which means that the income gap is smaller in a sub-urban area like Cavite. The national figures show lower income gaps: In 1991, the top 20% enjoyed 54% of earnings while the bottom 40% only 13%.

This shows that Cavite income distribution is better than other provinces and that its development policy industrialization is theoretically good. But still many aspects must be considered. For example, the poverty incidence of the agricultural sector is far higher than that of the non-agricultural sector, while poverty incidence of landless workers is far higher than that of land-holders (Box 5).

This poverty and mal distribution of income seem to be caused by the following three factors: 1) high population growth including in-migration; 2) limited job opportunities; 3) low income of small and landless farmers.

3.2 Population Growth and Migration

The population of Cavite province in 1993 was estimated to be 1,300,187. In the period from 1980 to 1990, the annual growth rate in Cavite was estimated to be 4.1% while the Region IV was 3.1% and whole country was 2.3%. From these data, it can be said that the population in Cavite has been increasing continuously at a high rate.

The social growth rate in Cavite is estimated to be 2.8% while the natural growth rate is 1.3%. As a result, Cavite is a net receiver of in-migrants. In-migrant figures are dominated by those from the NCR and estimated to be around 32,528 or 61% of total in-migrants between 1975 and 1980. One reason was that in 1975 the government banned the establishment of new factories within a 50 km radius from Metro Manila.

However, the resettlement from NCR was conducted by the government during 1960 to 1984 mainly to the government-provided resettlement areas in Silang, Dasmariñas, General Mariano Alvarez and so on. The annual growth rate was calculated to be 11.8% in 1970s and number of families was estimated to be 114,041 in 1989. This large number of resettlements is also important in considering high growth rate in Cavite.

Out-migration from Cavite estimated at 15,150 persons between 1975 and 1980. The main destination was NCR with an estimated 8,122 persons or 53.6% of total out-migrants. Cavite has a high rate of positive net migration with in-migrants far exceeding out-migration by 37,895.

Overseas Workers (OSWs) from Cavite province were estimated at 17,960 persons in 1990. This represents approximately 4.3% of all Filipino OSWs. However, the educational background shows that higher education graduates (college and academic degree holder) are 39% in Cavite compared to 45% for the country as a whole. The number of academic degree holders was 114,700 in total, with 3,946 from Cavite province.

This situation of out-migration in Cavite implies unfavorable market conditions for laborers. All these conditions cause the unequal distribution of income in the province.

3.3 Technical Education and The Labor Market

According to the population census of 1990, the number of out-of-school youths in Cavite province is 17,296 and the number of unemployed adults is 16,325. Out-of-school youths and unemployed adults are mainly from low income households including resettlement families (Box 23). The National Manpower and Youth Council (NMYC) provides informal vocational training courses. However, the training centers which conduct those courses have some problems such as low job placement, low salary of teachers, shortage of finance, lack of tools and out-of-date equipment.

On the other hand, middle and high income households are the source of abundant educated youths (Box 24). However, a mismatch in skills exists between the type of labor demanded by industry and the type of work training provided in formal vocational schools under Bureau of Technical and Vocational Education (BTU) and tertiary education schools under Department of Education, Culture and Sports (DECS) (Box 26).

The average employment rate of vocational school graduates is only around 50%. In other words, external efficiency is low, because of its trainability. According to some companies in Cavite Export Processing Zone

(CEPZ) and First Cavite Industrial Estate (FCIE), among their employees, numbers of graduates from vocational training are outnumbered by those from general education. On the other hand, college graduates cannot find suitable jobs, because of the limited job opportunities (Box 26, 27). Even if they can find jobs in industrial sectors, they are often not satisfied with working conditions (Box 33).

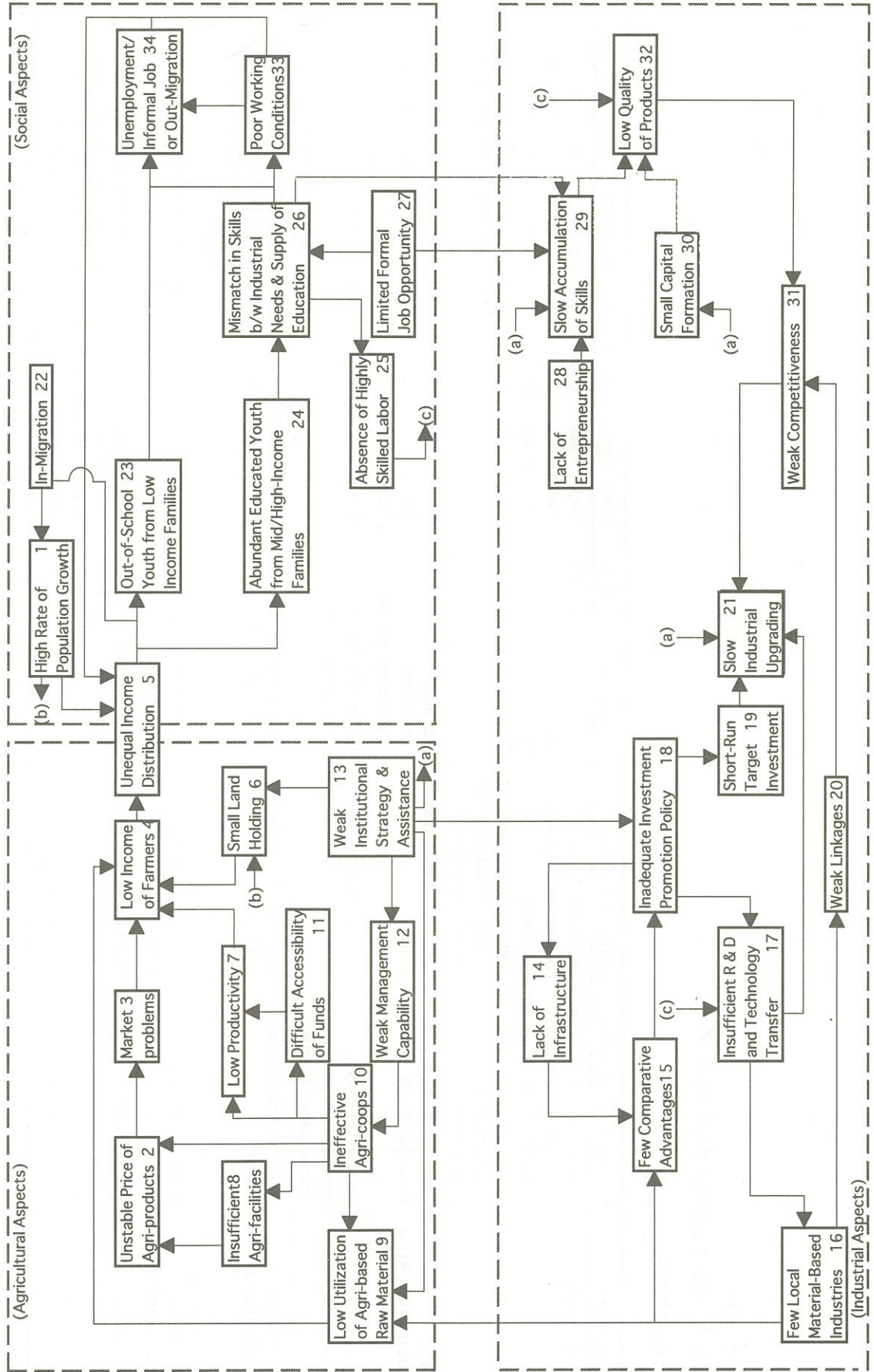
People who cannot find formal employment either go to informal sectors, or become under-employed in most cases. Others leave Cavite province for other provinces or foreign countries (Box 34). Although the unemployment rate is not so high in Cavite, wages are low in agricultural and industrial sectors.

In the case of higher education graduates of SY 1990-91 for Region IV, graduates from engineering or technology programs are only 2,006 in number. However graduates from commerce or business management programs are reached, 7,233. It is certain that the country will suffer from shortages of engineers in the near future when more advanced technology is transferred by foreign companies. Also some Small and Medium scale Enterprises (SMEs), will face shortages of skilled labor and will be unable to accumulate skills to produce high quality products in the long run. Several companies say, "We can not procure components and parts from local companies because their products do not fulfill our standards" (Box 25).

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Cavite Problem Structure Diagram: Agriculture and Industry



OFW '94-PHI

WG-I: Agriculture and Industry Proposals

Proposals	Agri-info. Monitoring	Energizing Coop	Linkage Enterprises	Dev't Agro-industry	Dual Training
Objectives	*To set up (at the provincial, municipal, barangay, and farmer levels), a systematic procedure of collecting, and, compiling all kinds of data in the agri-sector	*Increase & improve cooperatives' capability -leadership -financial management -training and education its members and staffs	*Increase SMEs' technical ability *Cost reduction *On time delivery	*High utilization of local materials *Promote agri-industry	*Trainees should take in-school and in-plant training simultaneously *Solve mismatch of skill between education and requirement *Adequate skills for adequate jobs
Target Population/Area	*Farmers, provincial and municipal offices, barangay	*Coop members and its staffs	*Tax incentives for foreign companies *Technology transfer	*Local entrepreneurs *Farmers *Foreign investors	*Graduates *Employed and underemployed
Executing Agencies	*Dept. of Agriculture provincial and municipal offices, panel of farmers	*Provincial and regional CDA	*EPZA, DTI, DOST, local government	*DTI, DOST, DECS.	*MYC *BTVE *Industrial establishments
Manpower Implications	*Municipal agri-technicians *Farmers	*Trainers from reputable agencies	*Managers of SMEs *OSW engineers	*Farmers, coops, foreign and domestic investors	*Industrial coordination to supervise in-plant training (at least a few staff for each of NMYC/BTVE Central & Regional offices)
Financial Implications	*Dept. of Agriculture *DTI,	*CDA, Coop bank, Land bank	*Funds from SME association	*DA, Coops, Land Bank	*Industrial establishments *Tax incentives
Remarks	*Farmers level: information about market, prices, output *Provincial level: information concerning planning dev't	*Need Coop members formal training, know all aspects of the coop's functions	*SMEs should supply qualified & intermediate materials.	*Agro-industry can have ripple effect, package industry, infra building and income generation	*Theoretical training for 2 days at training institutions, and practical training for 3 days at factories to be repeated for school year

Working Group 2

Human Development: Education & Health

Members

	Student #	Name	Nationality	WG	Remarks
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2	94119	Miwa, Chiaki	Japan	2a	
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4	94214	Berkowitz, Melisanda C.	U.S.A.	2a	
5	94102	Asai, Motoe	Japan	2b	
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Working Group 2

Human Development: Education and Health

The notion of human development can be defined as stretching people's capabilities to the optimal extent and expanding their scope of choices in life. It concerns the use of human capabilities such as health and knowledge for work, leisure, political or cultural activities. Accordingly, the Medium-Term Philippine Development Plan 1993 -1998 (MTPDP) seeks to achieve two intertwined goals of "people empowerment" and "international competitiveness" through human development. The MTPDP's vision for the education sector underscores the priority of basic education, which forms the scope of this paper. Devolved administration is a central theme in the focal areas of health care and, to a lesser degree, family planning. Broad policies in the two sectors to the year 2000 are "Education For All" (EFA) and "Health For All" (HFA), respectively. Compared to other regions in the country, Cavite¹ has shown relatively good performance in both sectors. However, rapid demographic change due to substantial in-migration brings new challenges to the area. The following discussion addresses the present and foreseen problems in both sectors.

1. Education

1.1 Overview

The education system in the Philippines consists of 6 years of elementary education, 4 years of secondary education and 2 to 4 years of tertiary education. Under the 1987 Philippine Constitution, public elementary education is free and compulsory while public secondary education is free but

¹Cavite Province is divided into two administrative divisions: (i) Cavite City Division; and (ii) Cavite Division which covers most of the province. In this paper, the term "Cavite" refers to Cavite Division unless otherwise noted.

not compulsory. At the elementary level, the net enrollment rate in SY1993/94 is 85.32%, which implies that about 1.4 million children of school age (7-12 years old) are out-of school.² In addition, the holding power of schools is weak as evidenced by low cohort-survival rate that has never reached 70%. Quality of education has been an equally serious problem. Filipino children's poor academic performance is made explicit by a number of national and international studies. At the secondary level, where the net enrollment rate was as low as 54% in SY1990/91, a major issue is equitable access. Meanwhile, Philippine higher education is characterized by high enrollment rate and heavy reliance on the private sector, which poses problems of quality regulation and relevance. Non-formal education falls short of its role as an alternative to formal education due to insufficient funding and human resources.

1.2 Administration and Finance

Effective and efficient managerial and institutional strength throughout the educational system is essential to attain sectoral goals, at the least social and economic costs. The Department of Education, Culture and Sport (DECS) is the executive agency responsible for the administration and supervision of the country's educational system. It is a huge over-centralized bureaucracy that has an overwhelming amount of responsibilities, including management in cultural affairs, and sports which may even work to the detriment of its educational services (Box 17).

The Congressional Commission on Education (EDCOM)³ found that lack of access and limited quality still characterize the system. In 1994, 30% of Barangays are still without public elementary schools; in 1993, 11% of Municipalities were without public secondary schools, and 34% of the elementary schools were incomplete.⁴ The performance of Filipino students in the International Assessment of Educational Achievement (IAEA) Science Test was the lowest among 17 countries. It is on such indicators that the rationale for education reform is based.

EDCOM concludes a need to reorganize DECS to rectify the deterioration of the education system. The Commission proposes the establishment of three distinctive institutions under DECS, which would be

² Department of Education, Culture and Sports (DECS) and UNICEF 1994.

³ EDCOM is lodged with reviewing the education system and proposing reforms.

⁴ Quoted by Dr. Dionisia A. Rola, Executive Director of EDCOM at the University of Philippines Los Baños, 28 September 1994.

autonomous policy making, planning, programming and administrative bodies to implement the various programmes of the entire education system. The Department of Basic Education (DBE) would focus primarily on basic-elementary and secondary education, the Commission on Higher Education (CHED) on tertiary education, and the Technical Education and Skills Development Authority (TESDA) on technical and vocational education. As a first step, the CHE was established by the CHED Order No. 1 on September 14, 1994 to replace the former Bureau of Higher Education. However, while reforms are needed, there have been too many policy changes in the past, which has only confused DECS staff and teachers. At the moment, nobody is sure whether all EDCOM's proposals will be adhered to or not. In any case, whatever decisions are made should be carried out and sustained over a reasonable period of time.

The financial constraints on the educational sector derive from the sheer size of the operation and from trends in public spending, which is the biggest source of funding. The worst financial situation of the education sector came in 1985 as public expenditure on education only amounted to 1.3 % of the GNP. This was the lowest among ASEAN countries and much lower than the Asian average of 3.3 %⁵ Although subsequently public expenditure on education saw an increase of 1.6% within a five year period, it still failed to promote the Philippines from its low ranking position.⁶

For FY1994, P37.8 billion is allocated to DECS, which amounts to 11.8% of the national budget. This is the second largest allotment after the debt service. Cavite Province received 16.8% of the Region IV education budget; 65.4% going towards elementary and 26.5% towards secondary. Even though over 80% of the education budget is allocated to personal services, teachers remain among the poorest paid government employees. The remaining sum, which is for the provision of equipment, facilities, materials, and so on, is not sufficient to meet needs, with resulting negative implications for the whole system.

There has been some decentralization in education sector administration and finance, but various constraints hamper this reform. The construction of schools has been devolved to Local School Boards (LSBs) under Section 100 (c) of the Local Government Code (LGC) 1991. However, LSBs have failed to take responsibility for the construction of schools due to

⁵ Tan and Mingat 1992, 139.

⁶ UNDP 1994, 158-159.

the lack of funds and the paucity of engineers and architects outside the Metro Manila area. LSBs maintain and repair school buildings, and the Parents Teachers Associations (PTAs) in Cavite are active in acquiring the necessary funds. Further, as a result of incomplete reforms and continued centralized control, the Division Office in Cavite did not receive its budget allotment for FY 1993 until January 1994, and has not yet received the portion for FY 1994 (Box 34).

1.3 Access

Performance Indicators

Equitable access to education has been defined as equal opportunity to participate in schooling. The performance of the educational system in the equitable, efficient and effective delivery of education to its clientele for a particular school year is revealed by the various educational indicators for that year, such as participation rate, cohort survival rate, transition rate, and dropout rate.

Access Problems in Cavite

Cavite performance indicators are relatively good in national and regional terms for both public and private sectors and at elementary and secondary levels. However, basic education is not yet universal in Cavite, especially at the secondary level (Box 22). The average participation rate for government secondary schools in Cavite Division was 86.43% in 1993. However, high drop out rates in some areas, such as Cavite City, where the rate is 16.7 %, are recorded despite the low average rate of 1.98 % in Cavite Division. The number of out of school youth (OSY) reached 17,296 in 1993.⁷

While reasons for leaving the school system are not completely understood, results of our rapid survey undertaken during the field work suggest the main cause is economic. Children of poor families are less apt to enroll in school and more apt to drop out than children of better-off families. Families pay for their children's education both directly and indirectly. Direct outlays include school fees, activity fees, examination fees, supplies, uniforms, transportation, and lunches. Indirect or opportunity costs include the household labor not done or income foregone by children attending school. Direct and indirect costs of education prevent children from continuing their

⁷ DECS Division of Cavite 1993a, 34, DECS Division of Cavite 1993b, 6 and DECS Division of Cavite City 1993, 10.

schooling although tuition and textbooks for both elementary and secondary school are free (Box 18).

The non-formal education (NFE) system includes an equivalency program. Since the mid-80s, DECS has developed non formal self-learning alternatives to formal schools, often at a lower unit cost than at formal schools. However, progress has been slow due to lack of funds (Box 19).⁸

Another access issue is incomplete schools, of which there are 53 in Cavite (Box 27).⁹ These schools are located in remote areas where enrollment of each grade is lower than DECS requirements to justify appointment of necessary teachers and funds for school buildings. Students from these incomplete schools are forced to transfer to central schools far from their homes to attend higher grades. The opening of multigrade classes is identified as a national strategy to complete these schools. At the same time, multigrade classes may have negative repercussions for quality of instruction. For effective multigrade teaching, carefully-planned instructional materials and teacher training are required.

1.4 Quality

Overview

Quality of education can be defined as the sum of inputs and processes such as instructional materials, school facilities, teachers and teaching style, learning time, and student learning capacity, and can be assessed in terms of outputs like student learning achievement and internal efficiency indicators. A quick survey of Cavite schools reveals inadequate provision of physical facilities, materials, effective teachers and learning time (Box 23). While on Philippine national tests student achievement in Cavite is relatively high, international assessment indicates low overall levels for the country (Box 24).¹⁰ Student performance in Cavite is particularly low in Science and Math, for which English is the medium of instruction. The following discussion addresses inputs and processes that directly affect student learning in Cavite schools.

Lack of Classrooms and Effective Teachers (Boxes 28 and 29)

Classes are large in most Cavite public schools, with sixty or seventy students as a normal class size. While there is no international consensus on

⁸ Briefing given at DECS Division of Cavite, 10 October 1993.

⁹ Hearing at the Office of Planning Service (OPS), DECS, 5 October 1994.

¹⁰ Tan and Mingat 1992.

the optimal, most cost-effective class size on which to base calculations of hiring needs, very large class size is generally seen to have a negative impact on achievement by lowering the amount of time on task, that is time spent for studying, as well as being linked to the use of less effective passive learning methods¹¹. Cavite teachers, especially those teaching very large classes, also expressed their perception that smaller class size has a positive effect on student achievement.

Overcrowded classrooms are the consequence of lack of both teachers and classrooms. With regard to lack of teachers, three factors are pertinent. First, DECS faces a trade-off in hiring between providing teachers for underpopulated areas (see Section 1.3) and for specialties like Home Economics, and maintaining manageable class sizes for densely populated areas and core subjects. Secondly, largely because of low salaries (Box 32) the number of applicants, particularly qualified applicants in science, is insufficient to fill existing vacancies. Thirdly, the existing number of "items" or positions is insufficient, and creating new positions requires not only the allocation of substantial additional funds for new salaries, but also negotiation of the time-consuming DECS procedure for teacher appointments (Box 33). Lack of classrooms is partly due to constraints to devolution in the education sector (Box 34), as discussed in terms of administration and finance.

Since student achievement can still be high in classes of fifty or more¹², a further element in the inadequate achievement of Cavite students is the use of teaching strategies which do not meet the challenging circumstances. DECS is faced with a further trade-off between requiring high quality teacher appointments and providing a sufficient quantity of teachers. This dilemma is highlighted by DECS' enforcement since the beginning of SY1994 of one of its long-standing requirements for appointment in an attempt to raise teacher quality. Qualification on the Professional Board Examination for Teachers (PBET) has been a hiring requirement since 1978. In accordance with Civil Service Commission (CSC) directives in early June 1994, schools are now laying off non-PBET teachers as CSC eligible replacements appear. However, this is a slow and gradual process in Cavite since the teaching profession fails to attract eligibles. It remains to be seen whether this policy will result in more effective teaching and higher student achievement.

¹¹ Lockheed and Verspoor et al. 1991, 61.

¹² Ibid, 61.

Short Length Basic Education (Box 21)

A further basic factor negatively affecting student achievement is the short length of the basic education cycle in terms of length of school year and years of education. While the school year was lengthened from 185 to 200 days since SY1993-94, the entire length of Philippine elementary and secondary education is only ten years. This lack of time for learning hinders subsequent performance at post-secondary and higher education, as well as at work.

Instructional Materials (Box 30)

In Cavite, textbook-pupil (T-P) ratios as of 1993 are 1:2 and 1:1 in elementary and secondary levels, respectively.¹³ These favorable indicators, however, are threatened by rapid increase of enrollments in recent years. Besides, textbook availability is uneven among schools depending on the school location. DECS Division of Cavite office claimed that no books had arrived since January 1994, consequently emptying the provincial warehouse.

These circumstances stem from procedural inefficiency of distribution. Instructional Materials Development Corporation (IMDC), the agency responsible for development, production and distribution of instructional materials, deploys a system that fails to provide accurate information on the required number of materials for each school. During the course of distribution, efficiency declines when textbooks are forwarded to each school from the division office under the administration of superintendents. In effect, materials are not delivered but instead collected by school property custodians, usually teachers, who travel by public transportation. These expenses, covered by profits gained through school canteens, are supposedly funded by IMDC. However, excessive delay of reimbursement and/or non-reimbursement are common complaints.

There are more points for further improvement. Since textbooks are supplied on a loan-free basis to pupils, students cannot make full use of the materials by taking the books home unless the T-P ratio is improved to 1:1. It is also worth noting that in our rapid survey some teachers suggested simplification of the textbook contents and the addition of more exercises.

Not only learning materials but also availability of facilities and equipment influences student learning. In Cavite, the paucity of Science and Home Economics laboratory equipment and libraries seems perennial (Box

¹³ DECS Division of Cavite 1993a, 9 and 34.

31). Small schools in rural Cavite are poorly furnished in general, as the priority in providing scarce equipment is given to schools with bigger enrollment.

Bilingual Policy (Box 25)

The Philippines is a polyglot nation and the sphere of education is not free from this linguistic complexity. The bilingual educational policy has been in effect since 1974, requiring English as the medium of instruction for Science, Math, and English language, and Filipino for all the other subjects. The use of a vernacular language is permitted only in the first two years of elementary education as a complementary support to learning, and in Values Education of the secondary school curriculum.

The policy has long been a point of contention among policy makers and intellectuals. About ten years after the implementation, one official report concluded that children learn faster in a language familiar to them, and that a foreign language limits and even deters learning. The IAEA results mentioned above also support this conclusion. The fundamental question is the extent to which medium of instruction affects pupil achievement. Research on the theme, however, has been scarce and weak.

Curriculum

Curricula in developing countries are often affected by a multiple-shift system. In Dasmariñas District II, one of the relocation sites in Cavite for example, multiple shifts are used in 9 out of 10 elementary schools. The worst example is found in Paliparan III Elementary School where classes are organized into three shifts, each taking only 4 hours a day, 2 hours less than a single-shift.

This gap draws our attention, since a number of studies have found significant correlation between instructional time and student achievement levels.¹⁴ Although the results of international studies examining the effect of multiple shifts are generally positive, this holds only in cases where multiple shifts reduce class size and the curriculum is streamlined. Obviously, this is not the case in the Philippines. Appropriate measures should therefore be taken to fill the gap in instructional time by either introducing a simplified

¹⁴ In a recent study, fifteen out of 17 primary schools and 12 out of 16 secondary schools showed positive effect of longer instructional time on student achievement. See Fuller and Clarke 1994, 119-157.

curriculum with clarified goals to be attained at each grade, or abolishing multiple shifts in the near future.

2. Health

2.1 Overview

The status of health in the Philippines has improved gradually since the early 1970s, although progress has been slower than that in other Southeast Asian countries, largely because of the limited financing for adequate health care. During the early 1980s, budgetary constraints, coupled with low level of commitment to preventive health care for the poor, resulted in the urban poor suffering from lack of public health services. In addition, under the LGC 1991, management of the health sector has been devolved from the Department of Health (DOH) to local government units (LGUs) at the provincial, city, municipal, and barangay levels (Box 17). This section will mainly discuss impacts of devolution on the health sector in Cavite in three respects: 1) administration and finance; 2) health care; and 3) family planning.

2.2 Administration and Finance

Changes in Management:

Since the Philippines has chosen a radical restructuring of the health service organization, changes in management remain uncertain (Box16). First, the LGC does not provide for efficient and rational relations between central government and LGUs. For example, in terms of priority setting, promulgation of national health priorities can not always reflect those of the LGU. While the central government should maintain standards of administration it is found in our interview that local executives seek to extend their authority over health budgets and operations to meet local health priorities.

In terms of delivering the requested health services, a centralized system might be faster and more efficient than a devolved system. Requested health services could be approved with less complicated procedures¹⁵. In fact, it is found that 80 percent of health workers do not support a high level of devolution to LGUs of health service management.¹⁶

¹⁵ Several signatures of local executives are necessary to approve requested health services under the devolved system.

¹⁶ Briefing given by UNICEF on 5 October 1994.

Private Sector Participation

NGOs, which contribute to health service delivery in Cavite, do not necessarily support the national strategy in the health sector. The question is to what extent the development philosophy of NGOs is able to support the national strategy. In particular, problems arise when so-called area gaps exist. Each NGO has a limited target area for its delivery of health services and thus health status differs widely from area to area. It is critical for LGUs to improve their capability to establish productive relations with NGOs by overcoming area gaps and differences in philosophy (Box 11).

Fiscal Impact of Devolution

In Cavite, problems associated with devolved health services principally stem from inadequate local financial resources and the potential misallocation of such resources (Box 15). First, while the growth rate of provincial funds devoted to health services has slightly increased each year since 1991 (17.36% in 1991, 13.94% in 1992, and 14.38% in 1993)¹⁷, the national government's Internal Revenue Allotment (IRA) significantly decreased in 1993. The present allocation of IRA to the different levels of LGU is 23% at the provincial level, 23% at the city level, and 34% at the municipality level, while expenditure of devolved functions is 48%, 4% and 48% respectively¹⁸. Thus, there appears to be a mismatch between IRA allocation and expenditure of devolved functions at the different levels of LGU.

Secondly, there is a tendency for local executives to emphasize resource allocation for: (i) tertiary health care rather than primary health care; (ii) hospitals rather than Barangay Health Stations (BHS); and (iii) construction rather than maintenance. Thirdly, the shortage of manpower is caused by two factors: (i) lack of budget for health; (ii) misallocation of health manpower. Lack of health budget leads to low salaries for health workers. LGUs hire low cost 'temporary nurses' to mitigate the health manpower shortage. Furthermore, salary discrepancies of devolved personnel have occurred. Higher income municipalities can afford to pay more than the low income ones¹⁹. As such, there are not so many professionals willing to work in rural

¹⁷ Cavite Provincial Health Office (CPHO) 1992, 17 and CPHO 1993, 15.

¹⁸ Briefing given by DOH on 4 October 1994.

¹⁹ Salary for health workers have not changed since devolution. However, higher income municipalities can pay additional salary for workers in the municipality.

areas, which causes a relatively large proportion of health workers to be engaged in city hospitals.

2.3 Health care

Impact of Devolution on Health Care

For 1993, most basic indicators of health status (such as crude death rate, mortality rate, and infant mortality rate) are better for Cavite than for the nation as a whole²⁰. The crude death rate is 4.05/1,000 (1993) in Cavite, while the national average is 7/1,000. Infant mortality rate is 21.7/ 1,000 in Cavite, while the national average is 61/1,000. Maternal mortality rate is 3.5/10,000 (1993) in Cavite, while the national average was 10.1/10,000 in 1990.

However, in the process of adopting the rapid devolution stipulated by the LGC 91, the local health sector in Cavite has suffered severely from lack of trained personnel as well as from insufficient health facilities, equipment, and supplies. This insufficiency is largely attributed to the limited political and financial capacity of LGUs.

Although the number of health facilities such as public hospitals, municipality health centers and barangay health stations has slightly increased, rapid population growth due to in-migration to Cavite has outpaced this increase, resulting in declining access to health care services. There are 182 BHSs in Cavite, with the ratio to the population at 1:6,313. Twenty-six hospitals with a total bed capacity of 1,442 in 1993, have been subject to devolution and are now operated by the Cavite provincial government, giving a bed to population ratio of 1:905.18 compared to the 1989 national average of 1:707²¹.

Even before devolution, most local health units such as BHSs and provincial hospitals, were suffering from poor maintenance and insufficient medical instruments and supplies. According to our interviews with medical staff at BHSs and public hospitals, these shortages have become more acute since the start of the devolution process (Box 8).

Numbers of medical personnel are also insufficient in Cavite, with the slight hiring increases far outpaced by high population growth. In 1993 there were 99 physicians, increased from 97 in 1991; 137 nurses, increased from 129 in 1991; and 277 midwives, increased from 190 in 1991²².

²⁰ These basic indicators were obtained from a briefing given by the CPHO; UNICEF 1992, 50 and 85; UNICEF 1993, 23.

²¹ UNICEF 1992,40.

²² CPHO 1993,15.

Furthermore, many physicians and nurses seek overseas employment opportunities (Box 3). According to the dean of De La Salle University, about 80% of graduates of the University of the Philippines Medical School prefer to work abroad²³. Due to the resulting shortage of trained medical manpower, medical personnel working at local health units face a workload beyond their capacity (Box 9).

As mentioned earlier, the salary discrepancies for the same medical personnel between different LGUs damages staff morale, namely, willingness to work. For example, although the content of their work and their rank on the pay scale are the same, the basic salary for a nurse employed by Silang Municipality is P4150, while that of a nurse employed by Cavite Province is P3700²⁴ (Boxes 10 and 15).

Contrary to the intended effects of devolution, combined impacts of insufficient medical facilities, lack of trained manpower, and falling morale may be worsening health service performance in terms of preventive as well as medical care. In fact, the rate of full immunization for targeted children reaching the age of one in Cavite decreased from 96% in 1992 to 94% in 1993²⁵.

2.4 Family Planning

Primary Goals of Family Planning

The largest and most visible area of action remains in the field of family planning. Since rapid population growth has significant implications to national development, the goal of family planning programs is not only to reduce fertility but also to improve and maintain the health of mothers and children by providing accurate and timely information and services.

Legacy of the Catholic Church

The legacy of the Catholic Church leads to inactive cooperation between LGUs and religion-based NGOs. Ideological differences on contraception prevents them from cooperating with each other (Box 11). On the one hand, LGUs are directed by the DOH to promote artificial contraceptive methods rather than natural ones. On the other hand, the Catholic Church is against artificial contraception, based upon religious principles (Box 1).

²³ Briefing given at De La Salle University on 3 October 1994.

²⁴ Briefing given at the BHS in Silang on 6 October 1994.

²⁵ CPHO 1992, 25 and CPHO 1993, 24.

Information, Education, Communication, and Motivation (IECM)

IECM is one of the most important components of the family planning program. Less accessibility to family planning services causes inefficient IECM such as the wide gap between family planning knowledge and level of practice, discontinuation of contraceptive methods and high unmet need for family planning. To promote IECM, training for family planning service providers is especially required in the following areas: (1) explaining the side effects of contraceptive methods; (2) updating specific methods; (3) becoming motivators and community leaders (Box 2).

Demographic Picture

The Cavite population increased rapidly from 965,825 persons in 1989 to 1,149,013 in 1993, making it one of the most populous provinces in the Philippines²⁶. Since this population growth is mainly due to internal migration, especially from Metro Manila, it is not appropriate to calculate the natural population growth using only the annual growth rate. As of 1994, the total fertility rate is estimated to be slightly below 4.0; according to interviews with family planning service providers, it seems that the fertility rate is relatively high in rural barangays (Box 4). The contraceptive prevalence rate is 3.38 in 1994²⁷ (Box 5).

Concluding Remarks

Human development is both a means and an end to economic and social development. Sound, universal basic education and health services are the foundation for economic and social well-being. Particularly in Cavite, part of the Philippines' vanguard CALABARZON region, a healthy, well-educated population is essential to sustain industrialization and concomitant social change. As the economy shifts from a predominantly agricultural to an urban industrial base, the education and health sectors face the challenge of empowering Cavitenos to create and enjoy the modern Cavite of their choice. The proposals outlined below are concrete suggestions towards the achievement of this goal.

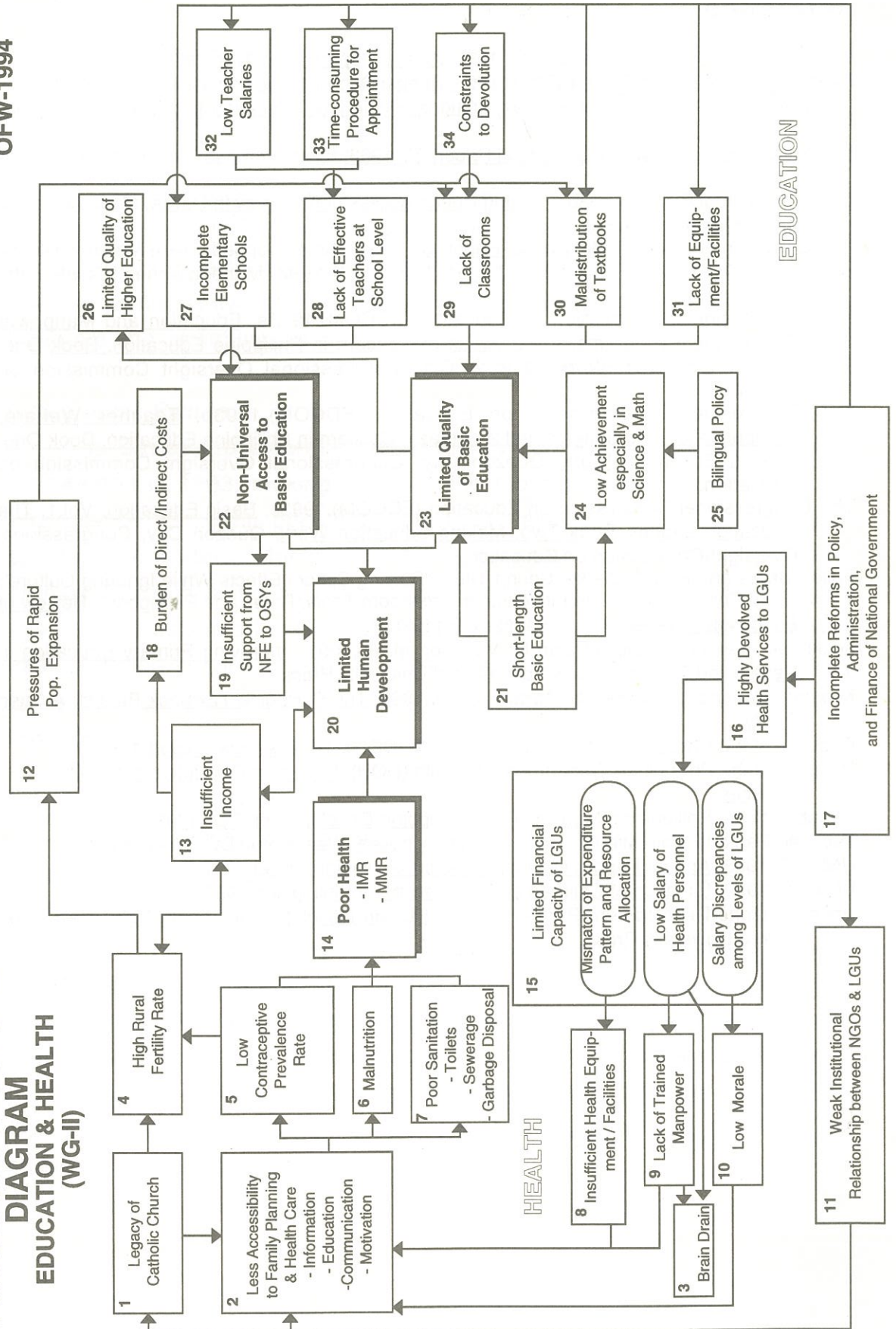
²⁶ CPHO 1994, 8.

²⁷ CPHO 1994, 12.

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**PROBLEM STRUCTURE
DIAGRAM
EDUCATION & HEALTH
(WG-II)**



WG-II: Education and Health Proposals

<i>Proposals</i>	UNIVERSAL ACCESS BY THE YEAR 2000	UNIVERSALIZING QUALITY EDUCATION	INSTRUCTIONAL MATERIALS FOR ALL [Attainment of 1:1 T-P ratio]	INSTITUTIONAL CAPACITY BUILDING FOR HEALTH CARE	FAMILY PLANNING ACCESS PROGRAM
Objectives & Concrete Targets	1) Complete all incomplete schools by SY 1996/67 through implementation of multigrade classes 2) Reduce the numbers of OSY to 7000 by the year 2000 through the grade equivalency system between FE & NFE	1) Short term Conduct in-service teacher training on strategies for large classes 2) Long term Reduce class size by hiring more teachers 3) Medium term Review medium of instruction research as basis for policy action 1 & 2) Overcrowded schools 3) All public school students in Cavite	1) Establish system to collect more accurate information 1b) Integrate private sector for delivery from the division warehouse to each school 1c) Release district offices from distribution procedure 2) Elaborate 6 different local Social Studies workbooks	*Upgrade LG & NGO executives in implementation skills, administration & financial management, and service delivery *Develop coordination between LGUs and NGOs for improved health care	*Increase & sustain FP *Address the unmet needs of FP *Implement regular training program for midwives and social workers in especially needy rural barangays.
Target Population / Area	1) Teachers and students at incomplete schools, in remote areas 2) OSY				*People who need family planning, women of reproductive age and men in rural areas
Executing Agencies	1) DECS Division/District Office 2) DECS Division/District Office, Bureau of NFE	1) DECS, research centers, DBM, DECS, local school boards, 3) DECS, research centers	1) IMDC/DECS central office/ All DECS division offices 2) Cavite DECS division office	*LG and NGO health care executives	*Regional Health Office NGOS-IECM
Manpower Implications	DECS Division & District supervisors & NFE teachers	1 & 3) DECS, researchers, teachers, politicians 2) CSC-eligibles	1) Property custodians 2) Three teachers of Master Teacher II status	*DOH and NGO supervisors, management training consultants	*Barangay health workers *Respected men from the community as role models
Financial Implications	*Increased budget for teacher salaries and training	1) Overseas funds 2) Increased national and LSB budget for hiring 3) Overseas and local funds	1) Increased national budget allocation for IMDC 2) Special Education Fund and sales of the books	*Local DOH and overseas funds	*DOH (Provincial Health Office) *UNFPA, USAID, etc. *Raise midwife salaries
Remarks	*Monitoring and evaluation is essential	1) Interactive course design 3) Controversial issue	1) Quick and effective IMDC bidding procedure necessary	*Evolving DOH structure requires flexible mgmt.	*Boost status of midwives *Involve men

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Working Group 3

Environment and Infrastructure

Members

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Environment and Infrastructure

1. Introduction

During the past decade, the province of Cavite has gradually been changing from a primarily agricultural region into an industrial and rapidly urbanizing province. Being in the proximity of Metro Manila, Cavite has played a vital role in the national government's policies of decentralization. Admittedly, certain growth cores for the promotion of foreign investment and development have been identified in this area. However, on the other hand, the province is now faced with serious problems pertaining to physical planning. For instance, as often pointed out, meagerly coordinated development projects of industrial zones, subdivisions, and roads, may potentially cause chaotic landscape and environmental disruption.

On the basis of the overseas fieldwork study at Cavite (OFW '94-PHI), this paper will outline certain questions with regard to environmental conservation and infrastructure development (see Figure 1). First, our working group focuses upon forest degradation in Mt. Palay-Palay National Park, deterioration of Laguna de Bay, and the garbage disposal system. Second, we research issues of transportation, land use, and housing development. At the end of the report, characteristics of government organizations and individuals in the Philippines are briefly discussed in order to aid understanding of the problems.

2. Environment

2.1 Forest Conservation

Squatters in Mt. Palay-Palay National Park

Projects for urban development or tourism development have inevitably forced local residents into moving from their original settlements. Some of those

evicted inhabitants have in desperation started to squat in upland areas like Mt. Palay-Palay (Box 5). The primary reason they leave for the mountain is that there are very few employment opportunities for them in the modern sector due to their low educational background (Box 1). Hence, illegal farming in the forests is the only possible measure for them to make a living. The squatters are said to receive protection and a kind of informal farming stewardship from influential local agents. Typical agricultural products include rice, corn, taro, cassava, coconut, and tropical fruits, which are sold at nearby market towns. A certain percentage of profits is shared by the informal agents protecting the squatters' livelihood.

Unclear Land Tenures and Boundaries

National parks of the Philippines are encompassed by the National Integrated Protected Areas System (NIPAS) which aims at preserving precious natural environment. However, the NIPAS does not always work well. The National Economic and Development Authority (NEDA) identifies the following key issues (NEDA 1992, 29):

- (1) Unabated human settlements encroachment, e.g., upland settlements and farming and other unauthorized economic activities in protected areas, have resulted in soil disturbance and other forms of degradation.
- (2) Land use conflicts among ecological space, agricultural lands, and built-up areas has resulted in competing and overlapping land uses.
- (3) The insufficient concern on ancestral lands and customary rights of indigenous cultural communities has also contributed to land use conflicts and land denudation.
- (4) Buffer zones are yet to be established and demarcated on the ground.

As NEDA points out, one of the crucial questions is unclear land tenures and boundaries of national parks. Our working group identified the same problems in the national park of Mt. Palay-Palay. Ambiguous delineation of boundaries (Box 2) has brought about not only the above-mentioned informal farming (Box 6) but also land use conflicts between government organizations and local interest groups, such as a tourism development company and indigenous residents. These indigenous residents of the reserved area have also traditionally exploited its forest resources to sustain their livelihood.

Risk of Forest Degradation

Consequently, the forests in Palay-Palay national park have encountered high risk of degradation by uncontrolled activities of squatters, indigenous residents, and tourism development (Box 7). In particular, the squatters' slash-and-burn agriculture will bring about significant deterioration of the forest resources. These squatters will expand their farming plots in the national park so

as to get more fertile land if the informal mediating agents give them the green light. As an alternative measure, these squatters should be provided with other appropriate livelihood opportunities, for example, through a training program on agro-forestry techniques. If the squatters must stay within the boundary of the national park, they should be formally guided by the public entities.

2.2. Water Resources

Deterioration of Laguna de Bay

Laguna de Bay is the most important multi-purpose water resource in the CALABARZON region, and the largest lake in the Philippines. It is surrounded by 27 municipalities, consisting of 203 communities. The water resource is utilized for industrial, agricultural, and domestic purposes. Meanwhile, waste waters from those activities have mainly contributed to the deterioration of the lake (Boxes 13 and 18). As is well recognized, the most remarkable environmental disruption in this region is the lake, per se.

Major factors polluting Laguna de Bay are as follows: waste oils leaked out from passenger boats, waste fluids from industrial factories and electric power plants, organic wastes of aquaculture and duck industries, irrigation water contaminated by chemical fertilizers and pesticides, and leakage of unofficial septic tanks (Box 18). In addition, the flood control development partly intensifies the deterioration of the lake. That is, since the flood control structures contain the lake water, toxic substances steadily accumulate.

Development projects of the watershed have also brought about negative impacts on the lake. The deforestation in the river basin has triggered soil erosion and the resulting silt has made the lake shallower (Boxes 7 and 13). Furthermore, toxic leakage from temporary garbage dumping sites in the watershed may pollute the ground water and subsequently contaminate the lake (Boxes 11, 12 and 13).

Under the circumstances, the number of fish species has severely diminished. The amount of aquaculture products is also decreasing. Thus, the serious deterioration of Laguna de Bay may damage bases of economic activities around the lake (Box 14).

Hindrances to Purifying Laguna de Bay

Laguna Lake Development Authority (LLDA), the Department of Environment and Natural Resources (DENR), and other related institutions are grappling with the environmental problems of Laguna de Bay, together with respective communities around the lake. However, those governmental agencies are not necessarily provided sufficient financial resources and equipment for monitoring and cleaning up the lake (Box 4). Improper allocation of human resources is a further problem (Box 9).

2.3. Garbage

Garbage Collection

In general, there are few urban service systems of classified garbage collection in the Philippines. Valuable materials, such as cans and plastics, are frequently sorted by squatters living in dump sites. These selections are a significant source of income for them. Meanwhile, some communities have recently introduced a recycling-aimed collection method that divides incombustible from combustible rubbish. However, this recycling-oriented system is faced with a dilemma. Even though these projects' participants carefully divide the recyclable goods from other rubbish, all the garbage is carried by the same truck. In this sense, the urban service is not yet fully fledged. Moreover, in the process of improving the garbage collection service, urban administrators must pay sufficient attention to the lifestyle of the poor mentioned above.

Temporary Dump Sites (Municipalities)

Low technology on garbage disposal is another problem in this country. Although the volume of garbage has skyrocketed in the province of Cavite due to the rapid urbanization, there are few sophisticated incinerators (Boxes 10 and 15). Garbage is temporarily dumped at landfill sites in suburban and mountain areas. Since these dump sites are located in the watershed of Laguna de Bay and other river systems, there is a high risk that ground waters and the lake are being contaminated by toxic leakage from the garbage (Boxes 12 and 13). Unfortunately, substantial research has not yet been undertaken to determine the extent of the problem. In any case, municipalities request technical assistance summarized as follows: (1) clean landfill technology, (2) advanced incinerators, and (3) management know-how for recycling activities.

3. Infrastructure Development

3.1. Transportation

One of the most essential elements of the CALABARZON project is infrastructure development. It is hoped that strengthening inter-regional and urban-rural linkages will considerably promote economic development in this region. Especially, road network development is a crucial task to meet the increasing demand.

This working group particularly focuses on the serious problems of road maintenance hinted at by transportation planners in charge of the CALABARZON region.

Overloading and Road Maintenance

Metro Manila is the hub of domestic movement and roads are the most prevailing mode of transportation in Luzon. However, arterial roads connecting the National Capital Region and surrounding provinces are snarled up by a large volume of traffic (Box 28). Furthermore, overloading is a prevalent problem. Vehicles are often overloaded with unprocessed agricultural products, industrial products, and the like beyond the legal limits (Box 30). Massive flows of hefty freight trucks have damaged the road pavements (Box 29). Road conditions deteriorate severely in the rainy season, because water leaked through cracks of the concrete road surfaces disrupts the foundations.

Along with a crackdown on overloading, research on higher road standards is being undertaken by the central government agencies concerned. However, the introduction of reasonable standards is partly delayed by the bureaucracy (Box 24). As a result, low quality of road maintenance is a major problem throughout the country.

Uncertainty of the BOT Scheme

In order to meet the expanding demand of transportation, the Philippines has recently introduced the BOT (Build, Operate, and Transfer) system, as a means to develop infrastructure by mobilizing the financial resources of the private sector. Admittedly, this country has received commendations from international aid agencies, including the World Bank, for its pioneering efforts for introducing the BOT scheme.

However, as the BOT programs are still quite new, their weaknesses as well as strengths are not yet understood among administrators and planners. For instance, the future of highways constructed under BOT is unclear, particularly whether or not they will finally be transferred to the government. Realistically, there is no assurance that the BOT roads will be maintained properly until the time of final transfer. Maintenance is one of the most costly factors for road development (Box 23). If the operating companies are periodically required to spend huge additional renovation costs, it is doubtful that private entities could keep sound management. Additionally, there is as yet no bailout plan for when the private organization goes bankrupt in the midway of the transition period.

In sum, the BOT is quite an innovative attempt. Still, there is much room for improvement before the scheme can be employed widely as a remedy for solving the mismatch between demand and capacity of transportation (Box 21). The BOT scheme must be carefully monitored.

3.2. Land Use and Housing

Urban Sprawl and Accelerated Land Conversion

Due to industrialization and rapid urbanization, the province of Cavite has been faced with urban sprawl (Boxes 19 and 20). A variety of land conversion (including informal land conversion), from agricultural land to industrial complexes and housing subdivisions, are observed in this area. Despite the strict restrictions on land conversion for the purpose of protecting fertile agricultural land, there is a widespread problem of unauthorized land transactions for non-agricultural usage (Box 27). Incomplete land use planning at municipality level as well as inadequate monitoring by central government agencies concerned has spurred on the urban sprawl and illegal land conversion (Boxes 9, 16, 20, and 27). In consequence, the chaotic land management partially contributes to lessening national food security (Box 32).

Subdivisions

Some subdivision developments have been implemented by the private sector in Dasmariñas. Water, electricity and drainage are available in these subdivisions. However, there are few people actually living in the housing complexes. Those middle/high income families who purchase the lots only expect high economic return from inflating land values. Land speculation is rampant in

the province of Cavite (Box 26). Although the number of housing lots is certainly increasing, these housing developments do not properly accommodate the expanding population in this region.

City planning is also hindered by the selfish manner of housing developers. Many private entrepreneurs simply develop their project sites along major public roads, without paying much attention to road connections to neighboring development sites. Respective municipalities must urge the formulation of road network plans in order to properly manage these sporadic developments (Box 17).

Housing of Low Income People

As described above, many subdivisions are being supplied for middle/high income groups, whose main aim is land speculation. Meanwhile, low income groups, for example, migrating factory workers whose salaries are depressed below the minimum wage level, face extremely low quality housing conditions. At present, many of them are living in boarding houses provided by local residents (Box 33).

4. Government and the Individual

Throughout this working group's analysis and discussion of various problems that fall under the realm of infrastructure and the environment, there appear two basic but extremely important factors that must not be overlooked in the identification of root problems in the field. These are the role of government agencies in the development process and the attitudes of individuals that comprise the local society.

In the problem structure diagram, Boxes 3, 4, 8 and 9 partially identify government inadequacies that greatly influence many of the negative effects in the vicious circle of problems identified. It was observed during the fieldwork that many of the different government agencies seem to be lacking in coordination efforts (Box 3). This, for example, results in delays in various project studies such as road maintenance and upgrading some standards (Box 24), and consequently to the creation of ineffective policies due to improper identification of relevant problems. Further, the insufficiency of financial resources and equipment and the improper allocation of human resources (Box 4) lead to inadequate monitoring

efforts (Box 9). Inadequate monitoring subsequently brings about numerous deleterious effects as indicated. For instance, because of inadequacies in monitoring efforts, illegal land conversion accelerates (Box 27), and overloading of cargo trucks results in more damage to existing poor road conditions.

The combination of ineffective or inadequate government regulations and the basic individualistic attitudes regarding profit maximization and the externalization of social costs (Box 25) greatly determines the existence of numerous serious problems in environment and infrastructure. Profit maximization is exemplified in the cases of land speculation (Box 26) and others indicated in the diagram.

5. Conclusion

In the previous sections, we discussed various problems pertaining to environment and infrastructure. Bearing in mind key questions highlighted in the diagram (see Figure 1), this working group proposes the following 3 projects, 1 program, and 1 policy to manage them (see Table 1). The crucial problems addressed are (1) squatters in Mt. Palay Palay National Park, (2) industrial, agricultural, and domestic waste waters, (3) lack of planning for road network of subdivisions, (4) land speculation, and (5) low technology for garbage disposal.

1 MAP PALAY² '95 (Mountain and People Palay-Palay '95: Project)

In order to settle the land use conflict, MAP PALAY² '95 project primarily aims at reestablishing the boundary and zoning of Palay-Palay National Park. This project would assure forest conservation and provide pragmatic guidelines for squatters' farming.

2 PURE 21 (Philippines and You Reinvigorating Environment 21: Program)

An integrated plan must be drawn up for the safe disposal of industrial, agricultural, and domestic waste waters. Meanwhile, public awareness on water pollution should be raised through this program.

3 DAAN 2000 (Developing Amenities & Accessible Neighborhoods 2000: Project)

Municipalities are encouraged to formulate a plan of residential road networks, and coordinate subdivision projects of private developers.

4 LUPA CAVITE 21 (Land Use Promotion Area - Cavite 21: Policy)

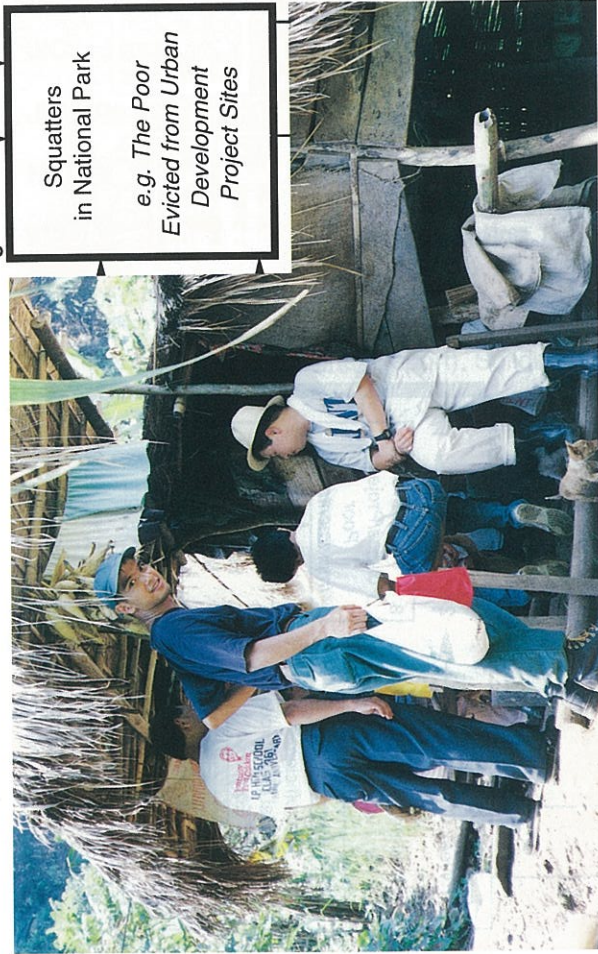
To curb further land speculation, taxation on capital gains should be introduced in this area. In addition, housing construction must be required for those who purchase housing lots from subdivision developers.

5 CLEAN 95 (Cavite and Laguna de Bay Environmental Action Network '95: Project)

This project aims at reduction of garbage, promotion of reuse and recycle, and introduction of sophisticated incinerators and clean land fill technology.

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5

Squatters in National Park
e.g. The Poor Evicted from Urban Development Project Sites

Photo1 Squatters/ Mt. Palay-Palay



29 Damage of Roads

11 Temporary Garbage Dumping Sites

Photo3 Garbage Dumping Site/ Naic



6 Inducing Informal Farming and Logging

Photo2 Informal Farming/ Mt. Palay-Palay



26 Land Speculation

Photo4 Subdivision/ Dasmariñas

Table 1 Proposals of the Environment and Infrastructure Sector

Proposals	MAP PALAY² 95	PURE 21	DAAN 2000	LUPA CAVITE 21	CLEAN 95
	Mountain and People Palay-Palay '95 (National Park)	Philippines & You Reinvigorating Environment 21	Developing Amenities and Accessible Neighborhood 2000	Land Use Promotion Area - Cavite 21	Cavite and Laguna de Bay Environmental Action Network '95
Objectives	*Reestablishment of National Park Boundary and Zoning *Conservation of Forest *Practical Guidelines for Squatter Settlements	*Integrated Plan for Safe Waste Water Disposal *Municipal/Community-based Treatment Plants *Raising Public Awareness on Water Pollution	*Formulation of Subdivision Road Network Plans (Municipality Level) *Guidelines for Road Connections among Existing Subdivisions	*Control of Undue Land Speculation *Taxation on Capital Gains *Requirements of House Construction for Sub-division Purchasers	*Reduction of Garbage *Promotion of Reuse & Recycle *Introduction of High-Tech on Garbage Disposal Plants *Sanitary Landfill Technology to Prevent Ground Water Pollution
Target Population/Area	*"Landowners" and Squatters in the NP Residents around the NP	*Entrepreneurs, Farmers, Fishermen and Residents in CALABARZON	*Municipalities in Cavite *Subdivision Developers	*Subdivision Developers *Subdivision Purchasers *Area of Cavite Province	*Entrepreneurs and Residents *Municipalities in CALABARZON
Executing Agencies	*DENR in Collaboration with Local Governments & Local/Overseas NGOs	*DENR, NWRB and Other Related Agencies + LGs *CBOs/NGOs	*Municipal Governments Assisted by Provincial Government and DPWH	*DAR, HLURB, BIR and Other Related Agencies +Local Governments	*DENR and Other Related Agencies + Local Governments *CBOs/NGOs
Manpower Implications	*Forest Specialists *Land Surveyors *Lawyers *Community Organizers	*Civil Engineers *Specialists for Monitoring *Community Organizers *Public Relations	*Urban Planners *Architects *Representative of Private Land/Housing Developers	*Land Price Appraisers *Taxation Specialists *Urban Planners *Rep. of Developers	*Less-Garbage Advocators *Engineers of Garbage Disposal *Urban/Civil Engineers *Public Relations
Financial Implications	*Overseas Funds	*Overseas Funds *BOT for Treatment Plants	*Local/Overseas Funds (incl. Earnings from LUPA)	*Overseas Funds for the Initial Stage	*Local/Overseas Funds *BOT for Incinerators
Remarks	*Participation by Squatters and Local People is highly desirable.	*Self-Financing Schemes should be Hammered out. ("Pollution Charges" etc.) *Vital Role of Mass Media	*High Maintenance Costs for Subdivision Roads are also a Crucial Factor.	*Revenue of LUPA should Partly be Earmarked for Low-Income Housing Development Projects	*Vital Role of Mass Media to Raise Public Awareness on Garbage Explosion *Introduction of Self-Financing



Working Group 4

The Role of Local Governments & NGOs

Members

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Working Group 4

The Role of Local Governments & NGOs

1. Introduction

Working Group IV (WG-IV) concentrated on "development administration", specifically local government administration and activities of non governmental organizations (NGOs).

The importance of undertaking research in development administration is underscored by the Philippine National Economic Development Authority (NEDA) in its Medium Term Philippine Development Plan (MTPDP) 1993-1998. The goal of the MTPDP is to make the Philippines a Newly-Industrialized Country by the turn of the century. To accomplish this goal, two main means are presented. One of them is global competitiveness which is interpreted to mean the achievement of cost and quality advantages in productions, relative political stability, adequate physical infrastructure, and a consistent policy environment. The other is people empowerment which assigns the achievement of development targets upon the unencumbered workings of economic markets and vast initiatives coming from communities, households, firms, cooperatives and NGOs.

One chapter of the MTPDP is devoted to development administration and presents the Philippine Government on the issue. The following lines from the MTPDP, indicate the importance with which the government views development administration:¹

In the medium-term, the implementation of the Plan's programs and policies and ultimately the fulfillment of its objectives will depend on government's internal capacity to intervene competently and efficiently and on its ability to define an appropriate role vis-a-vis the private and nongovernment sectors.

¹ Government of the Philippines, the Medium Term Philippine Development Plan, 1993-1998.

More specific objectives of development administration are also set out in the MTPDP. For example, "To invigorate the public services toward greater productivity and more responsive service delivery and influence the public to adopt socially desirable values", "To encourage a more active and responsive private sector and citizenry", "To improve collaborative processes and mechanisms for consensus-building and effective decision-making in government" etceteras.² To accomplish these objectives, some specific policies are proposed. For example, "To facilitate consensus-building in decision-making", "To strengthen government capability to implement policies and programs" etc.³

Related to development administration, one important change has been done on administration system. In 1991, the Local Government Code (Republic Act No. 7160) was promulgated. Through this promulgation, system of participatory development is further legitimated.

For example, according to section 107 of the Local Government Code, not less than one fourth of members of fully organized local development council shall be composed of representatives of non-governmental organizations(NGOs).

Moreover, the role of NGO is even more important than before the enactment of the Local Government Code.

However, in the Philippines, so many NGOs are performing developmental work but not all of them participate in this system, some of them choose their own way.

To observe development administration in action, we did research in Region IV, Province of Cavite, about one hour distance from Metro Manila by car. This area is gradually changing from agriculture centered structure to industrialized, as promoted by the CALABARZON Project.

The activities of Local Government Units vary depending on their locaton. And at the same time, activities of NGOs are also different depending on their fields of operations or specialization.

In government organizations of section 2, first, we are giving an outline of Local Government Code which prescribes central government devolves their powers on local governments. Second, we are discussing developing

² *ibid.*, pp.5-4.

³ *ibid.*, pp.5-4.

process. Thirdly, we are talking about actual financial management of local governments, especially whether their income is sufficient to implement their projects or not. In Non-Government Organizations, firstly, we will mention a brief history of NGOs in the Philippines. Second, we are talking about registration and accreditation system for NGOs. Third, we are taking up NGO's activities in OFW area, the province of Cavite. In the conclusion of section 4, we are pointing out the problems and making some proposals to settle them.

2. Government Organizations

2.1 Background and features of Philippine Devolution

Devolution took effect on January 1992 when the Local Government Code 1991 (Republic Act No.7160) was implemented. Local Government Code of 1991 promotes the autonomy of local government units (province, city, municipality, barangay). The Code ensures their development as self-reliant communities, and makes them more effective partners in the pursuit of national development and social progress.⁴ Through decentralization, the Code empowers people more than ever before.

What are reasons for enacting the Code? There are two main reasons. First, after Marcos era, democracy became the trend, which realized decentralization as the administrative system. Second, development in the Philippines has been delayed, compared with other ASEAN countries, because of the administrative inefficiency. It was regarded necessary to revitalize local governments.

Through the decentralization, local government units were given more powers, authority, and resources from national government. Various functions, assets, personnel, and fund have been devoluted from the central government to local government units (LGUs). Mandated in the Code is the decentralization of five major governmental services : agriculture, health, public works, environment and natural resources, and social welfare.⁵

⁴ Section 2(a) of the Local Government Code 1991 provides that "the policy of the State shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals."

⁵ Perfecto L. Padilla, "Decentralization Towards Democratization and Development: The Philippine Experience".

These devoluted services are the following :

"AGRICULTURE--production and disposal of planting materials; distribution of fingerlings and seedlings; livestock production; prevention and control of animal pests; maintenance of demonstration farms and

Incidentally, development plans of the barangay, municipality, city and province are now mandated to start from their respective local development councils. Under the Code, development is intended to be a "bottom up" process.

Moreover, the people either as the representative of NGOs (non-government organizations) or POs (people's organizations) can participate in the planning and monitoring of local government projects [Sec.2(c)]. They can also insist on being consulted before the central government or local government implementing projects, like projects which have a significant impact on the environment [Sec.26].

2.2 Development Process

The significance of development process is participatory development.

In the Local Government Code of 1991 (hereinafter referred as LGC), there are provisions about local government council and composition of it. Section 106 of LGC is about local development council. This section provide that "Each local government shall have a comprehensive multi-sectoral development plan to be initiated by its development council and approved by its sanggunian (Congress). For this purpose, development councils at the provincial, city, municipal, or barangay level, shall assist the corresponding sanggunian in setting the direction of economic and social development, and coordinating development efforts within its territorial jurisdiction." Thus, the development council is important organization for the development process. Through representing in the Council, NGOs or POs can participate in development planning.

animal breeding stations; agricultural extension; provision of facilities for the prevention and control of plant and animal diseases.

HEALTH--maintenance of barangay health centers; provision of general hygiene and sanitation services and facilities; primary health care; control of communicable diseases; maternal and child health care; maintenance hospitals; nutrition programs.

PUBLIC WORKS--maintenance of barangay, municipal, provincial roads and bridges; construction, maintenance, and repair of elementary school buildings; putting up and maintenance of satellite and public markets; community public markets; reclamation project; solid waste disposal; construction, maintenance, and repair of barangay, municipal, city, and provincial buildings; installation of waterworks, drainage, flood control, sewerage, and irrigation systems.

ENVIRONMENT AND NATURAL RESOURCES--integrated social forestry; enforcement of laws on pollution control and environmental protection; small-scale mining; utilization of hydro electric power; management of communal forests and watersheds.

SOCIAL WELFARE--maintenance of day-care centers; undertaking of projects on child and youth welfare and on welfare of the disabled elderly persons; undertaking of rehabilitation programs for vagrants, beggars, juvenile delinquents, and drug victims; undertaking of programs for rebel returnees, evacuees; undertaking of relief operations."

To grasp the real situation of development planning, we should see what's going on in the situation of development planning in each local government unit level.

For example, at barangay level, we can see the starting point of participatory development and its problems.

Barangays shall have integrated multi-sectoral development plan. To formulate and implement these plans, barangays have barangay development councils. According to the LGC, function of the barangay development councils are as follows:⁶

1. Mobilize people's participation in local development efforts;
2. Prepare barangay development plans based on local requirements;
3. Monitor and evaluate the implementation of national or local programs or projects;
4. Perform such other functions as may be provided by law or competent authority.

Concerning the composition of the council, representatives of NGOs should participate in it.⁷

However, in some cases, the real situation of development planning at the barangay level is different from the provisions of the LGC.

(Box.13) According to the Barangay Action Network for Development , the Punong Barangay (Barangay Captain) shall call a meeting of barangay development council, and it will formulate the Barangay Development Plan, Sectoral Action Plans and Local Investment Program. Then, these plans are presented to the barangay council for the approval and fund allocation. After that, the Punong Barangay presents these plans to the Barangay Assembly for the final approval. And the Punong Barangay endorses the approved plans to the city/municipal development councils for prioritization and to the Sanggunian Panlalawigan (City Congress) for fund allocation.⁸ However, some of the barangay leaders ask Senetors or Congressmen to implement their plans. In these cases, implementation of plans are done by Country-side Development Fund (so-called Pork Barrel Fund) allocated to each Senetor or Congressman. The existance of pork-barrel fund leads to neglect integrated planning process. We can see this kind of situation connecting to patriarchal cultural backgroundin the city/municipal level.

⁶ the Local Government Code of 1991, section 109(b).

⁷ the Local Government Code of 1991, section 107(a).

⁸ Busto, A,V, "Primer on the City, Primer on the Province, Primer on the Barangay, Primer on the Municipality".

There are other problems concerning the situation of development planning. One of the problems on the participation of NGOs to development council.

The problem is that the NGOs which send representatives to development councils are mostly traditional NGOs and religious groups. For example, in the municipal development council of Imus, representatives are sent by Imus Business Club, Rotary Club, Kiwanis Club, and JC.⁹

(Box.21) The other problem is relating to planning process. In the development council of Cavite province, 10 representatives are from NGOs among 38 seats. However, in reality, Office of the Provincial Planning and Development Coordinator (OPPDC) has already prepare plans. So far, even the Provincial Development Council has established, most of the development plans are prepared by government side. This situation includes danger to neglect people's voice. In other level, such as city/municipal level, we can see the problems as same as provincial level. In such situation, one of the representatives of NGOs to the municipal development council complains that his opinions or suggestions are hardly taken into consideration.

(Box.4, 11) In the regional level, each region has a Regional Development Council (RDC). The function of RDC is different from other units' development council. One of the mayor mentioned that RDC or NEDA is for lobbying for allocation funds. But, RDC is also planning body in the region. In reality, some problems are still existing in regional development planning. One of them is weak planning linkage between RDC and local development council, and another one is the weak regional budgeting system.¹⁰

(Box.2, 10) To promote participatory development, every development council should spear seats for representatives of NGOs, and city/municipality/provincial planning /development coordinator should work with them. Three years have been passed after promulgation of LGC. We may say only that reformation of development planning system will be completed in the future.

2.3 Financial management

The resources of local governments have been increased by the Code in some ways. The LGUs increased powers of taxation.¹¹ There should be

⁹ interview at the municipality of Imus.

¹⁰ Rogelio Quino, Intensive Lecture Course.

¹¹ Section 129 of the Code states that "Each local government unit shall exercise its own sources of revenue and to levy taxes, fees, and charges subject to the provisions herein, consistent with the basic policy of local autonomy. Such taxes, fees, and charges shall accrue exclusively to the local government units." Furthermore, Section 189 of the Code provides that "Local government units may

more money or revenue flow now to the countryside as a result of the implementation of the Code.

But IRA (Internal Revenue Allotment) has continued to be a major source of LGU income.¹² In case of Cavite Provincial government income, the rate of IRA were 60 % in 1991, 64 % in 1992 and 68 % in 1993. In case of Dasmaringas municipal government income, the rate of IRA were 45% in 1991, 53% in 1992, and 58% in 1993.¹³ The major problem of the IRA is that it's not sufficient to cover the devolved personnel and functions. Delayed delivery of IRA is also the problem for it makes LGU difficult to prepare and implement this plan as they have to wait for IRA funds. (Box 11)

It seems that the problems of promoting the devolution are in the side of central government agencies (CGA). If the central government agencies have the spirit and strong will to promote devolution, it must cooperate and coordinate well with LGUs concerning the problems which come out one after another during the implementation process of the devolution.

We were surprised when we came to know that major roads in Cavite Province are national projects. Mayor of Imus said they couldn't hire even a policeman notwithstanding the rapid increase of population because it is at the hand of National Police Commission. In case of the implementation of Barangay development projects, Barangay leaders go to Congressman to get the allotment of Countryside Development Fund (CDF or Pork Barrel) side by side with requesting the municipal government. This shows that many projects are implemented by central government even after the devolution. Under the present transition period of devolution, close coordination between central government and LGU is decisively important, especially considering the shallow experience of both parties concerning the devolved works. (Box 11,12,13)

Under the Local Government Code of 1991, various tax collection powers were devolved. Eventually, the effort and ability to collect tax at LGU level became more important. Generally speaking, the taxation level in the

exercise the power to levy taxes, fees or charges on any base or subject not otherwise specifically enumerated herein or taxes under the provisions of the National Internal Revenue Code, as amended, or charges shall not be unjust, excessive, oppressive, confiscatory or contrary to declared national policy: Pronounce levying such taxes, fees or charges shall not be enacted without any prior public hearing conducted for the purpose."

¹² IRA is the share of national taxes. From roughly 11% of national taxes, the share of local governments have been raised in accordance with the following schedule: (i)30% for 1992, first year; (ii)35% for 1993, second year; (iii)40% for 1994 and onwards.

¹³ financial statement of Cavite provincial office, report of revenue and receipts of Dasmaringas municipal office.

Philippines is low in comparison with other Asian countries. Central government is about to introduce VAT. Local government taxes also have been increased largely in accordance with the increase of land conversion from agricultural land to industrial/commercial/residential land. But we've heard in a municipal hall that tax mapping was very old. There are possibilities that many lands are not properly taxed. Business tax is collected according to gross sales or receipts which amounts are calculated by tax payers and not checked by the treasurer officers. Eventually, it is also an other form of private business promotion policy as far as understatement is not checked. But a mayor said it was necessary as far as the government wants to invite companies including foreign investors to their municipality instead of going to other municipalities considering the employment opportunities and other contributions by the companies. (Box 6,17)

3. Non-Government Organizations

3.1 A brief history of NGOs

NGOs in Philippines are said to have evolved from peasants organization. In 1919, the National Union of Peasants successfully forced the government to address the problems faced by rural poor. After World War II, organized groups of peasant guerillas forced the government to deal with the situation of the poverty stricken peasantry in Luzon.

The term non-governmental organization (NGO) first appeared in official literature through UN ECOSOC Resolution no.288 of February 1988. Which states, any international organization which is not established by governmental agreement shall be considered an international non governmental organization. This official definition of NGOs sought to delineate those international groups given consultative status with various UN Agencies. Thus, any organization not established by national government may therefore be considered as a NGO. Within Philippine context, however, the NGO sector itself has evolved over the years, causing the term 'NGO' to take on a more definite meaning. Popular usage of the term tends generally to those private, non-profit organizations engaged in development activities for society's disadvantaged sectors.

In 1950s various peasant and worker federations were founded. The International Rural Reconstruction Movement, founded by DR. James Yen,

was the origin of the community development approach. The Philippine Rural Reconstruction Movement, founded 1952, developed four points program on health education, livelihood and self-government.

In 1974, the Catholic Bishop' Conference of the Philippines formed the National Secretariat for Social Action, which led to an emphasis on human rights.

During early 1970s NGOs became better organized and were able to analyze the social problems more critically and effectively. However, it was with the declaration of martial law in 1972, that NGOs began weakened.

After the assassination of Benigno Aquino in 1983, these NGOs provided the organized support for the mass movement of 'People Power'.

It was with the support of the NGOs that Marcos was finally ousted, and Corazon Aquino brought to power.

By types, non-governmental organizations may be classified as primary NGOs which may be further classified into four, that are;

- The Primary NGO, community or village based, focuses on particular community problem and address multi-issues as well, but on a community level only.
- The intermediate NGO, which undertake direct work for the people or work indirectly for them by being grant provider or service institution to NGOs doing direct work.
- The Tertiary NGO which work indirectly for the people provides grant and service.
- The Fourth type is called a network as conduit of funds for bilateral and multilateral programs.

If one adopts a broad definition of NGOs to include all kinds of NGOs, the estimated number of Philippine NGOs well exceed 25.000 but only 2.500 of them are accredited.

3.2 Registration and accreditation system for NGOs

Registration is an official or legal recognition issued to a person, corporation, entity or organization after having met certain basic requirements under Philippine Laws. Under the Republic Act 4373, registration and licensing are considered one and the same process. On the other hand, accreditation is an official acknowledgment of the merits of a person, corporation, entity or organization in meeting the standards of an agency to deliver specificd services.

Tax incentives to NGOs

The tax incentives given to NGOs (as non-profit corporations and foundations) in selected cases are exemption of duty and tax from foreign donations.

3.3 NGO activities in OFW area

In Cavite province, LGUs together with some NGOs are trying to provide financial and technical assistance to farmers and fishermen. LGUs are inclined to cooperate with government run/initiated NGOs (Gringo) such as, PAFC, Sanib-Ani 803 Foundation of Cavite. Bussiness initiated NGOs (Bingos) can work effectively with LGU. But usually , these NGOs donate funds in order to maintain good relation with local government. But as far as NGOs which are critical to the government are not welcom by local governments, the real concept of participation becomes imperil or manipulated.

There are some NGOs that are truly working for the needs of people , like National Secretariat for Social Action (NASSA) in Catholic Diocese of Imus or KASAKA (organising cooperatives). Let's take example of our observation. In the city of Cavite where the squatter people live along the coastal area , NASSA prepare several fishing boats to lend in cheap price . But only very small amount of people can borrow these fishing boats. In the municipality of Alfonso, there is a farmer who knows well how to nurse orchid flower. But disseminating the method to nearby farmers seemed to be limited. There are plans for the people's income raising activities . But LGUs seemed not willing to collaborate with these NGOs because they are critical to the government .

Generally speaking , the prevailing attitude is mutual distrust between NGOs and governments. Government officials are wary of NGO motives and NGOs are impatient to the bureaucratic red tape. We observed from our survey that government people should have more collaborative attitude toward grass root development NGOs.

4. Conclusion

In recent years, the large incident on the local governance or development administration is promulgation of Local Government Code

(LGC). Due to enforcement of the LGC, devolution has been proceeded and local governments have been vested more powers and responsibilities.

However, with implementing the LGC, some problems can be found. One of them is ambiguousness of some provisions of the Code. To prevent misunderstanding and to promote proper implementation of LGC, we would like to propose publication of the primer on the LGC and training for officials of the local government. (Proposals, Table 1)

The other problem is the gap between provisions of the Code and real situation concerning the role and functions of Local Development Council (LDC). In some LDC, even if representatives of NGOs participate in it, the development plans are already formed by the government officials. In such LDC, the meaning of presence of NGO representatives is decreasing. To proceed participatory development, each local government unit's effort for strengthening the roles and functions of LDC are required. (Table 2)

After devolution, LGUs income isn't sufficient to implement their projects and their tax collection ability is still weak. We propose to update tax code and adjust real property tax rate so that LGUs would strengthen their revenue raising powers and efficiently collect taxes. (Table 3)

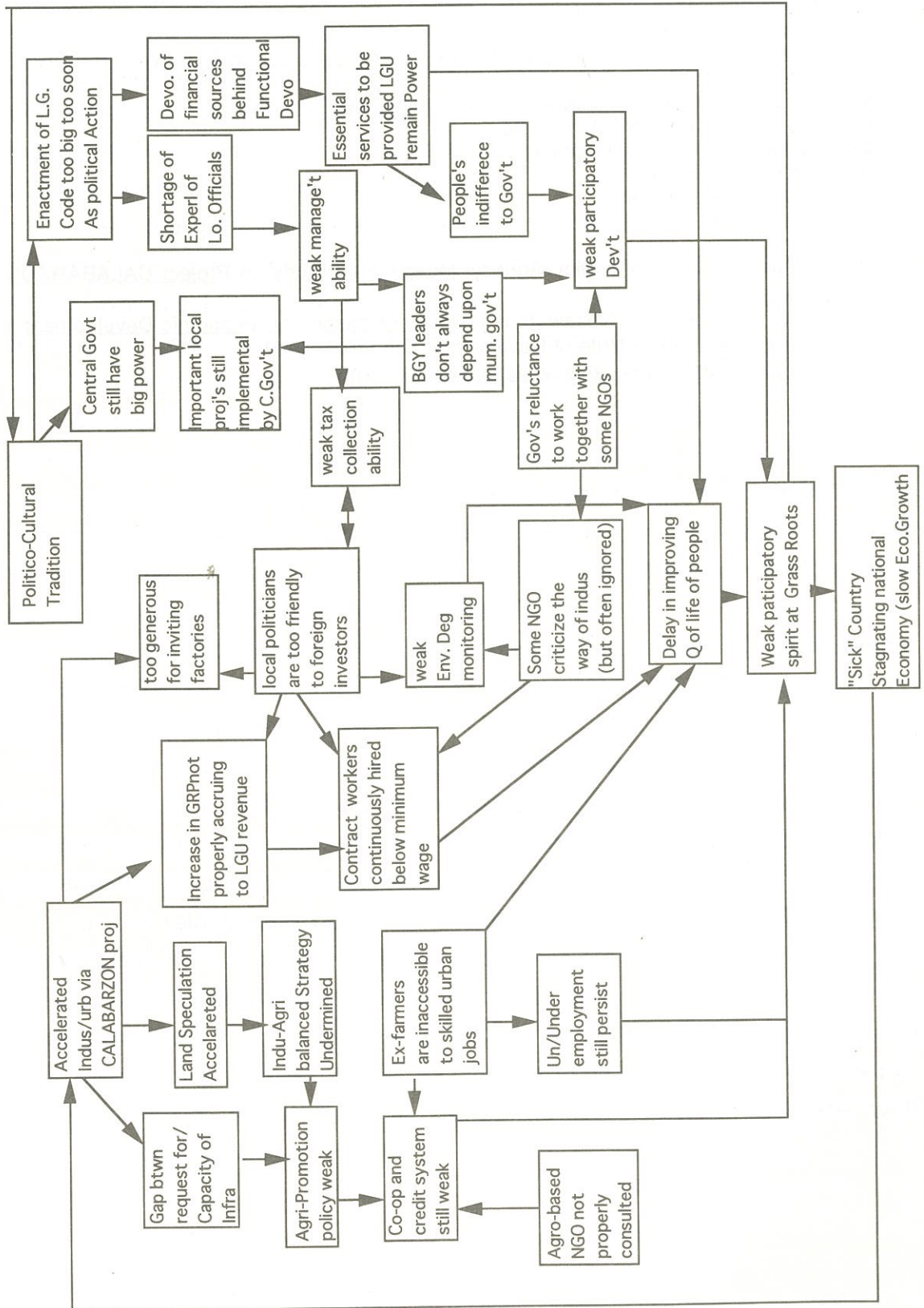
To think about development in the Philippines, the role of NGOs cannot be neglected. As stated before, many NGOs have effective roles on development planning process.

Based on this situation, we would like to propose the setting up of the Training Program Center for LGUs and NGOs. By running this center with both sectors, we can expect improvement of development management practice and agreed perspectives on development. (Table 4)

In the relationship between government and some of NGOs. Among many NGOs, some development oriented NGOs are tend to be ignored by the government. In such situation, to promote authentic participation of NGOs in development planning process, local government should have a tendency to acknowledge and respect to the activities of such development oriented or pro-poor NGOs even if these NGOs do not want collaborate with governments. (Table 5)

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OFW '94-PHI

WG-IV: Local Government and NGO

Proposals

Proposals	Publication of Primer and Training	Strengthen the roles and functions of the Local Dev't Council	Updating Tax Code & Adjusting real property tax rate Tax Campaign	Training Program Centre for LGUs and NGOs	Promoting a System of Acknowledging and Respecting Development Oriented and Pro-poor NGOs
Objectives	*Preventing misunderstanding of Local Government Code *Promote proper implementation of decentralization	*To proceed participatory development, promote NGOs / POs participation into Local Development Council	*To strengthen revenue raising powers and collection efficiency	*To improve and professionalize development management practices * To come up with common / agreed perspective	*To promote authentic participation of NGOs in development process
Target Population/Area	*Staff of the Local Government Unit (LGU)	*Local Development Council	*L GU	*Staff of LGUs *Staff of NGOs / POs	*NGOs that do not want to collaborate with LGUs
Executing Agencies	*DILG	*Each LGUs *NGOs / POs	*Congress *LGU	*LGUs *NGOs / POs	*LGUs
Manpower Implications	*Official of DILG *Staff of related institutions	*Members of Local Development Council *Staffs of LGUs	*Senator / Congressman *Staff of the LGUs	*Staffs of LGUs *Staffs of NGOs	*Staffs of LGUs
Financial Implications	*Overseas Funds *Budget of DILG	*Annual budget of the government	*	*Budget of the Gov't *Budget of NGOs / POs	*Budget of the Government
Remarks		*To create a good relationship btwn LGUs and NGOs/POs are also required	*Concerning Tax Campaign, Experience of the Municipality of Imus should be popularized, and management, evaluation.		

Бюро

Бюро

МГ-А: ГОСЭКОНОМ

ОСМ

Synthesis

Nagamine Haruo
Project Director

The sectoral analyses of our OFW Team conducted under four Working Groups (WGs) have been presented in the foregoing four sections. This fifth and last section summarizes in the nutshell the result of an interdisciplinary debate made amongst the representative members of the four WGs, which took place upon completion of the four respective sectoral reports. The debate was moderated by the Project Director, and consolidated herewith into the Synthesis Report by him that concludes the entire analytical work made during the OFW in 1994.

As a result of our integrated analysis, it appears that the several crucial problems inherent in the Philippines as a whole, particularly those which have special relevance to the Cavite area have been more clearly identified. To start with, let us review the developmental implications of the two problems mentioned below, as an entry point for gaining insight in the problematique in which the Philippines is struggling today.

Problem A: No doubt, EPZA and other industrial estates are providing employment opportunities to Cavite, at a rate higher than the level of existing *unemployment* (if not so high as that of *underemployment*, which is usually believed to be about three times as that of unemployment). However, as revealed by our analysis, many of such opportunities consist of the so called "contract workers", who fail to earn the officially determined minimum wage. This means that the most of enterprises hitherto operating in EPZA have proceeded to the Philippines for nothing but cheap labour, so that the aim of technology transfer, so fervently called for by the Philippine authorities concerned, largely remains a far cry from the reality. In the meanwhile, hardly anything appears to have been done for strengthening SMEs (Small/Medium-Scale Enterprises) operating *outside* EPZA zones; and

Problem B: The status of Philippine workers, compared with their counterparts in their neighbouring countries in terms of certain basic indicators such as Adult Literacy, is quite favourable relative to the level of per capita income. However, as a result of our investigation, it has been found out that there are quite serious deficiencies in the quality of education. In particular, the mismatch between those who are actually trained and those who are desired to be trained --- the latter of course being those in the field of science and technology (S/T).

Presumably, a universal truth is that it is the quality of people that ultimately determines the quality of development of a nation. The two problems mentioned above have ominous implications to the development of the Philippines in this regard: First, the country is not effectively producing needed type of human resources and second, a considerable part of the human resources, if produced at all, tend to *leak* abroad, without contributing to the nation-building endeavours in the country itself except through financial remittances earned elsewhere.

With reference to the Chart "Synthesis (1)", which attempts to demonstrate the cause-and-effort relationship amongst certain crucial problems, Box-11 inventories the whole gamut of the problems identified with regard to the key sectors of development analyzed by our four WGs. Boxes 8 and 9 in the same chart are the simple consequences of Box 11, which very much relate to the deficiencies of current efforts, with the result that the redressal of the Backgrounds X, Y and Z, namely, the legacies of the colonial past, has not been accelerated as desired.

Apart from these problems as such, we should also take note of the dilemma in which this country is struggling, meaning that a strength of this country in one respect is turning out to be a weakness in another. The very high rate of workers going abroad (which is estimated as exceeding 4 million, almost reaching as high as 20% of the total labour force of the Philippines!) is a typical case in point. The frame of mind of most Filipinos/Filipinas, is much more borderless compared, for example, with their Japanese or Thai counterparts. The mind of Philippine people is much more open to the whole world. As a matter of fact, more than 10% of the international seafarers are

Filipinos, followed by Chinese and Russians. Should we compare the population scales of these countries, the implication is obvious.

Such a borderless spirit - which is no doubt an invaluable asset of Filipinos - is now working negatively to the cause of self-reliant development of this country, for job-seeking abroad as immediate solution for improving the livelihood now appears to be reducing the internal momentum to transform itself from "sick" (if we borrow the expression used by President Fidel Ramos) to "sound and viable" nation. In fact, not only the common people but high-level intellectuals also leave the country and serve international organizations at a rate much higher than her Asian counterparts.

In the meanwhile, we must also touch upon the traditional polity and culture of the Philippines, that might have much to do with the colonial legacy since Spanish period, and appears to be deeply ingrained in the social system: A Benevolence Dependency Syndrome. In such a cultural environment, when a community has a certain serious problem, the most common way of solving the problem is for the boss of the community to approach a Congressman or a Senator for tapping what is called the "Pork-Barrel" allocation, rather than for the community to mobilize the statutorily established development management system, namely, the Development Councils established at Barangay, Municipality and Provincial levels. As a result, the bureaucratically established development management system under the Local Government Code for the cause of decentralized participatory democracy, cannot but be undermined. Someone used the word *Bossism* to describe such traditional polity of the Philippines.

No doubt, Bossism or political nepotism exists in all countries in varying degrees. These are good reasons to believe that, in the case of the Philippines, the financial allocation earmarked for the Pork Barrel constitutes quite a sizable proportion within the government budget. A deliberate and sustained effort is therefore required for materializing the spirit of participatory democracy as embodied in the Local Government Code, presumably the most advanced system in Asia in terms of decentralized participatory development management. The people's organizations at Barangay and other local government levels should be developed as the major actors in the exercise of needs identification, programme/project prioritization and financial resource

allocation at various decision-making levels, as already stipulated in the new Local Government Code.

A reference should also be made about the role of foreign aid in the Philippines. According to the briefing we got at NEDA, about 60% of the development budget is financed by foreign sources. Should we assume that about two-thirds of that comes from Japan, near to half-the total development budget depends on Japanese aid. This means that, depending on the ways by which such a huge external resource is spent, it can either accelerate or decelerate the materialization of participatory democracy in the Philippines (Refer to Background Z in the Chart: Synthesis (1)). Donors should take more heed in monitoring the ODA performance --- whether it is benefiting the deprived majority or limited few only.

Keeping all the "Sick Country Syndrome" in view, three proposals are submitted for the frank reactions of all concerned, as the initial steps for action.

1. Cultivation of the Spirit of Discipline in the Community Fabric

So far as our knowledge in Asian development experience is concerned, all the successful cases of participatory development at the grass-root community level involve the sustenance of a fund-raising system by all the constituent community members. It is not so much the amount of money to be put up by poor people per se that really matters, but the cultivation of a spirit of sharing responsibilities and obligation. If somebody contributes certain amount of money regularly, no matter how small, the person naturally feels that he/she should also share in the benefit that would be generated out of the contribution. This is the basis of the *interest* that needs to be developed on the part of each community members, in all the decision-making and actions to be taken in the community concerned. It marks the departure from a passive recipient of whatever benefit to be spoon-fed by an external donor, to an active member who takes part in determining what to be sought for.

Such an attitudinal transformation is also called for in order to introduce innovation in the ways by which various forms of taxes be collected and spent at each local government level. Updating of tax mapping, avoidance of evasions and introduction of fairer principles in the tax assessment, among other things, are vital steps for materializing the attitudinal transformation

discussed here. Without strengthening the financial foundation, what a local government can do is too limited to cultivate the spirit of participatory democracy.

2. Effective Monitoring and Timely Dissemination of Reliable Information

It is unavoidable for an organization or an individual to commit mistakes or to bring about negative consequences even with well-intended efforts. Furthermore, it is also unavoidable in an organization to involve certain corruptions and other unjust practice with malicious intentions. The development management system should cultivate a built-in mechanism to cope with all these unforeseen incidences. The basic infrastructure for this purpose, among others, is the effective monitoring and information dissemination system. The most crucial point is to protect the system from undue political pressures. Free, clean and reliable mass media is an essential watch-dog function for ensuring effective participatory democracy at community levels.

Introduction of development-related topics in the school curricula would also be an important consideration. More often than not, school children are learning only about Shakespeare, Abraham Lincoln and so on through outdated text books compiled elsewhere, and left totally ignorant of the socio-economic and environmental consequences of the multifarious development activities actually taking place in their own communities. Indeed, it is the children who should in fact undertake full responsibility in the decision-making in no time for determining the course of development.

3. Introduction of Proper Obligations for Working Abroad

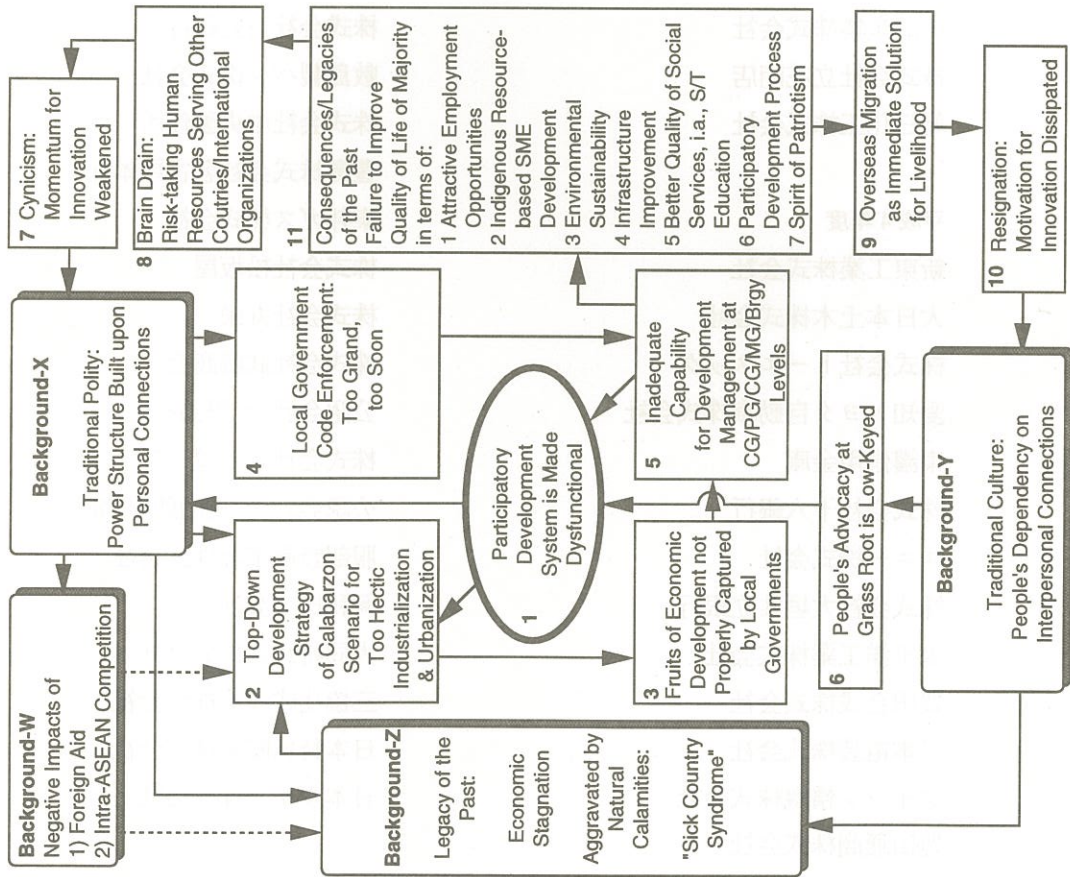
It is already quite common for a number of countries to establish a rule under which a person, in order to be permitted to work abroad, should comply with a prior obligation to serve in the country. For example, a doctor should practice for several years in the countryside before he/she may be allowed to move to North America. It is hard to believe and not precisely verified as yet, but we have been told that a fair obligation is not yet imposed in the Philippines. If it is not, it means a sheer injustice for the large number of people in the rural Philippines who are deprived of access to facilities for ensuring basic human needs requirements, so long as those professionals

have been trained in the local institutions at the case of Philippine tax-payers. A fair rule needs to be instituted to correct the unfairness.

Keeping all these in view, the Chart: Synthesis (2) presents a scenario of redressal from "sick" to "sound and viable" Philippines. The chart advocated four salient "*Redressals*" W, X, Y and Z. Needless to say, each of these is much easier to be said than done. In this respect, Box 6; *Strengthen Advocacy through Activation of POs and NGOs* would deserve special attention. Presumably the mobilization of POs and NGOs would be one of very few practicable strategies conducive to Circle 1: *Activation of Participatory Development System* instituted in the Local Government Code. Although there are many things to be done, Box 6 would be of critical importance for initiating the chain effect for bringing about the four redressals in the long, painful process of development management.

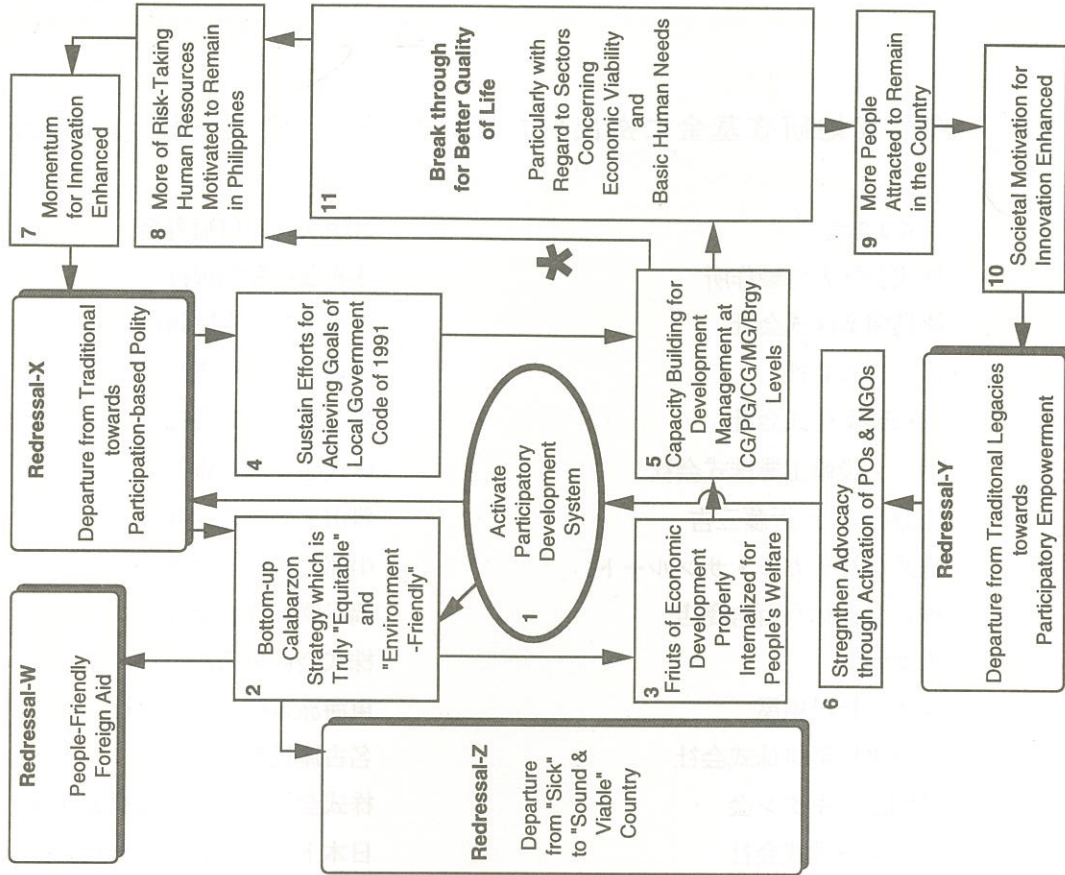
Synthesis (1)

Problem Structure of "Sick Country" Syndrome



Synthesis (2)

Redressal from Sick to Sound and Viable Country



Interdisciplinary Integration Task Force, GSID

海外実地研修基金に拠出いただいた個人、企業一覧（受け入れ順）

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