THE PRINCIPLES AND PRACTICE OF DEVOLUTION: REFORM OF HEALTH SERVICES IN THE PHILIPPINES

A thesis presented
in partial fulfilment of the requirements
for the degree of
MASTER OF PHILOSOPHY IN RESOURCE AND ENVIRONMENTAL PLANNING
at
Massey University
Palmerston North, New Zealand

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1996

ABSTRACT

1992 saw radical reform to local government in the Philippines through enactment of a new Local Government Code. This provided for the devolution of powers, resources and service functions from central government to local government. The process of devolution is now in its third year. This study has been undertaken as a preliminary assessment of the factors that influenced implementation of devolution in the health services, its impacts and its effectiveness.

The study is based mainly on survey techniques. Face-to-face interviews were undertaken with policy makers to establish motivations underlying devolution, what they believe has been achieved, and what they think promote or impede implementation.

Face-to-face interviews were also undertaken with key local officials to identify the health services and functions transferred from central to municipal governments, and to identify the degree of discretion these people now have in policy formulation, implementation, monitoring, and evaluation, and in fiscal and personnel matters.

An opinion survey was administered to assess the perceptions of key players in the management of decentralised responsibility (elected officials, transferred health personnel, and advisory board members) to determine their views of the objectives, the factors that promoted or impeded devolution, and changes in the way things are done as a consequence.

It was concluded that devolution is moving towards local autonomy as intended. The necessary structural changes have been met. Local government responsibilities, resources, and authority have increased, and public participation in local government has been institutionalised. Substantial benefits have been realised particularly in terms of local self-reliance, participation, and competence development. Devolution has also been effective in changing people's behaviour. The results indicate that the key to

successful devolution and to decentralised responsibility is the nature of local leadership and local commitment.

ACKNOWLEDGEMENT

I gratefully acknowledge and sincerely thank a number of organisations and individuals for their support and assistance in making the conduct of this study easy and possible:

- The Philippine Government, in general, and the Department of Interior and Local Government, in particular, for their confidence in nominating me for an Overseas Development Assistance scholarships;

- The New Zealand Government, in general, and the Ministry of Foreign Affairs and Trade, in particular, through Massey University International Student Office, for providing the financial resources for this study;

- The Local Chief Executives of the study areas - Solano, Bayombong, and Bagabag - for their permission to conduct the study in their respective municipalities;

- Professor Philip McDermott, for his supervision, guidance and critical comments on the conduct of the study and the writing of this report;

- Dr. Murray Patterson, for his ready advice in the statistical analysis for this study;

- Karen Puklowski, for helping out in preparing the graphics used in this report;

- The respondents of the interviews, for finding the time to respond to the survey;

- Dr. Bonifacio V. Ramos, the personnel and staff of the Department of the Interior and Local Government, Province of Nueva Vizcaya, and collegues at Massey University - Loloy, Luke, Connie, Gertrude, and Gemma - for finding time to review the initial copy of the questionnaire;

- Alan and Lucia Dorn, Gordon and Eleanor Lindsay, for their inspiring friendship and support throughout my stay in New Zealand;

- Crispin, Crissel Anne, Crissa Lei, and members of my immediate family, for their encouragement and support throughout the course of this study; and

- Above all, the Almighty God, for giving me the wisdom, strength and spiritual guidance.

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INTRODUCTION

"The implementation of decentrali[s]ation provides a rich and rewarding research agenda through which development scholars, policy analysts, and practitioners can contribute to the task of refining and improving the process of implementing decentrali[s]ation policies...in the future."

-G. Shabbir Cheema and Dennis A. Rondinelli (1983)

Background

The enactment of the New Local Government Code[1] has introduced dramatic changes to Philippine local government. The Code addressed the decades-old problem of an over centralised politico-administrative system which was a legacy of a colonial past. The American colonisers favoured centralisation. While the hallmark of the Marcos regime was on administrative decentralisation, local autonomy based on political decentralisation were simple administrative formalisms (Brillantes, 1995c).

Alunan (1995) considers the Local Government Code, which became effective on 1 January 1992, as a culmination of the country's struggle for genuine democracy and empowerment. It provided for political decentralisation or devolution, transferring powers, responsibilities and resources from central government to local government units comprising 77 provinces, 66 cities, 1,544 municipalities and 41,922 barangays. It broadened the service delivery functions of local government and institutionalised the participation of civil society in decision-making processes. In short, devolution had shaken the politico-administrative system of the entire Philippine government, particularly local government. However, are the key players for the management of decentralised responsibility ready for their new role? Can municipal governments sustain the decentralised responsibility? The focus of this thesis will be on these questions and related matters.

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1 Signed into law in 10 October 1991, by former President Corazon C. Aquino in accordance to a 1987 constitutional provision.

Thesis Goal and Objectives

The thesis aims to critically analyse the progress of devolution in the Philippines. It seeks to:

- o determine the extent of devolution in health sector by comparing the experience of three municipalities;
- o establish the motivations underlying the devolution of powers, functions and authorities;
- o assess how far have these objectives been achieved;
- o identify the factors that promote or impede implementation of devolution;
- o ascertain the changes in practice and performance of health service delivery that are taking place in the municipal level as a result of devolution;
- o to determine the level of acceptance decentralisation has elicited and therefore assess the sustainability of decentralised responsibility.

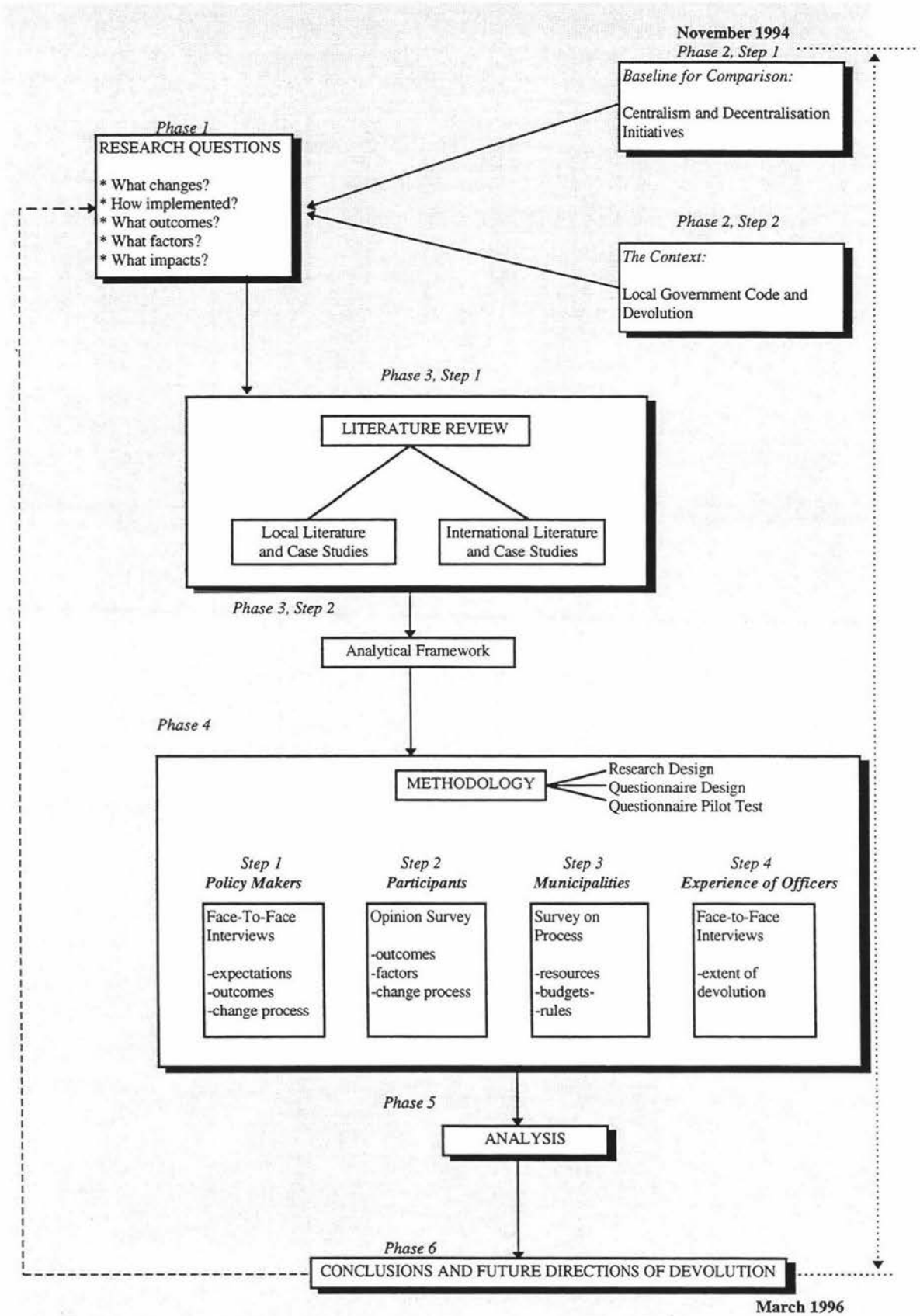
Research Design

To achieve the thesis goal and objectives, a survey research approach utilised face-to-face interviews to gather quantitative and qualitative information. The survey process involved four steps (Phase 4 in Figure 1-1).

The Policy Level

Face-to-face interviews were conducted among people at the policy level to provide a better analytical framework for the devolution goals, outcomes and change factors. Five persons at the policy level (Figure 1-2) were selected on the basis of their knowledge and expertise in local government administration, as well as their involvement with the process of devolution:

Figure 1-1. Research Design



- Dr. Alex B. Brillantes, Jr., Executive Director of Local Government Academy (LGA) of the Department of Interior and Local Government (DILG);
- Atty. Aquilino Pimentel, Jr., former senator and named as the Father of the New Local Government Code;
- Dr. Juan A. Perez III, Director of Local Government Assistance and Monitoring System (LGAMS) of the Department of Health (DOH). He is a current member of the Oversight Committee for the implementation of the Local Government Code (LGC);
- Dir. Rolando Acosta, Bureau of Local Government Supervision, Department of the Interior and Local Government; and
- Local Government Operations Officer (LGOO) V Nini Aquende, Bureau of Local Government Development, Department of the Interior and Local Government.

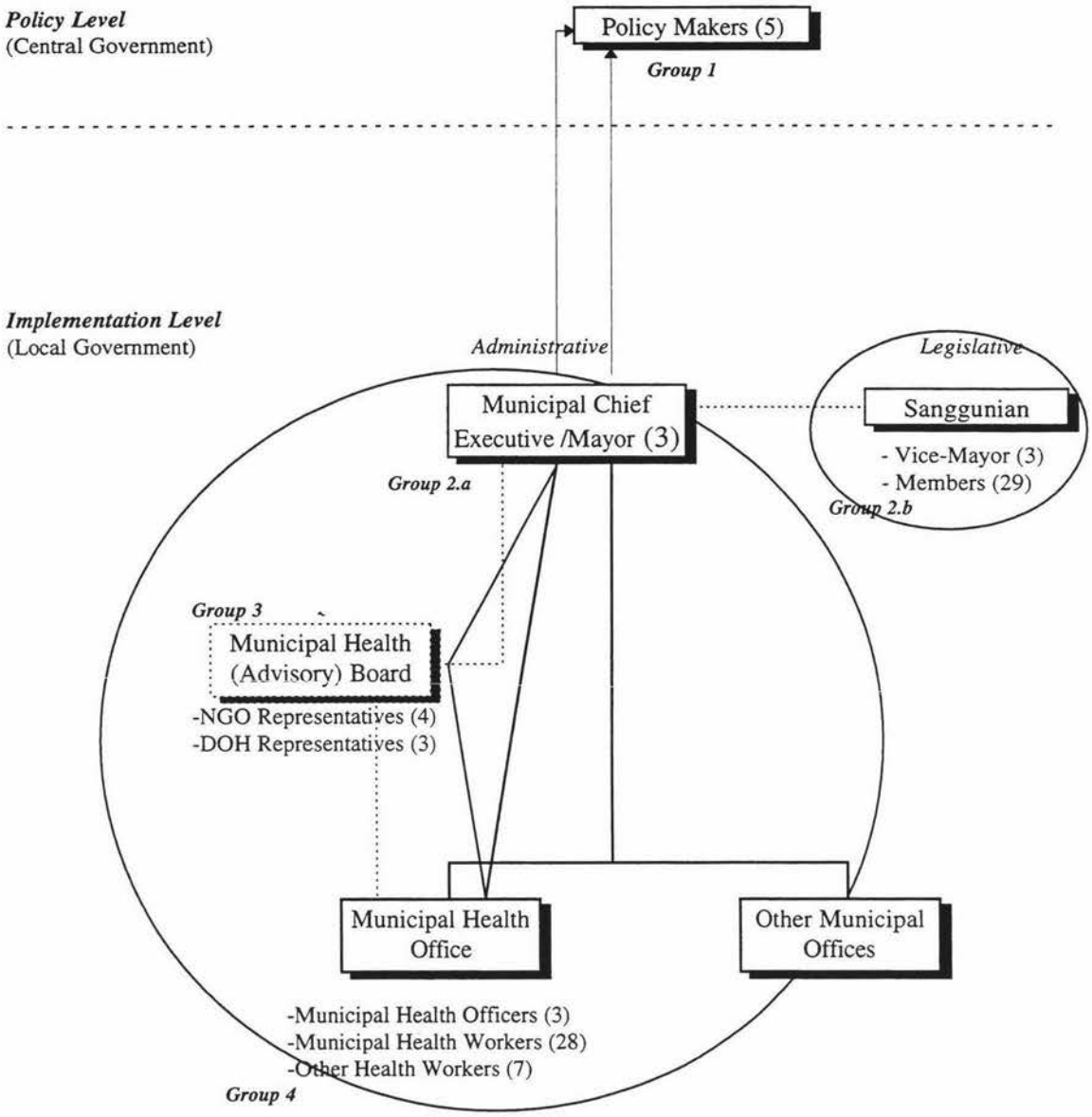
The interviews took place in their respective offices from 8-10 August, 1995. The following broad questions were asked:

- What was expected from the reform process?
- What has been achieved?
- What has not been achieved?
- What is most important in achieving devolution?
- What is the biggest impediment in achieving devolution?
- What else needs to be done?

The interviews were conducted in a semi-formal format using an interview schedule to ensure consistency. Respondents were encouraged to express their opinions about the issues raised. Likewise, the interview was sufficiently flexible to cover the range of queries which arose in the course of each interview.

The interviews were recorded and transcribed. Respondents were provided with transcriptions to make any alterations or to highlight anything they did not want

Figure 1-2. The Respondents and Their Relationship



Note: Groups 1, 2a, 2b, 3 and 4 refer to respondent categories

..... Line of Coordination

_____ Line of Command (local structure)

Other health workers include health personnel (national or devolved to provincial level) assigned to the municipality

directly quoted. Three respondents reviewed their respective transcripts and returned them with slight alterations, acknowledging them as true and correct, and agreeing that comments could be quoted.

The Participants

The opinion survey was administered among people participating directly in the process: the "recipients" of decentralised authority (i.e. municipal elected officials), personnel affected by devolution (i.e. health workers), and selected members of the municipal health board, specifically representatives from Department of Health and non-governmental organisations in the three municipalities selected. The questionnaire was designed to ascertain their perceptions regarding the effects of devolution, factors promoting it, and changes in the way things are done as a consequence. The questionnaire design is discussed in Chapter 5 and the survey findings in Chapters 8, 9 and 10.

The Municipalities

The experience of three municipalities - Bayombong (4th Class)[2], Solano (3rd Class) and Bagabag (5th Class) all found in the province of Nueva Vizcaya, one of the provinces of Cagayan Valley Region (Region 02) in Northern Luzon (Figure 1-3) - concerning the health sector transfers are compared. They were selected for a number of reasons:

First, they have income classifications ranging from third to fifth class. Some groups, including the Congressional Committee on Health (Cadelina, 1993), doubted their financial capacity to support the additional functions and responsibilities transferred to them, making the way in which these municipalities are managing decentralised responsibility particularly interesting.

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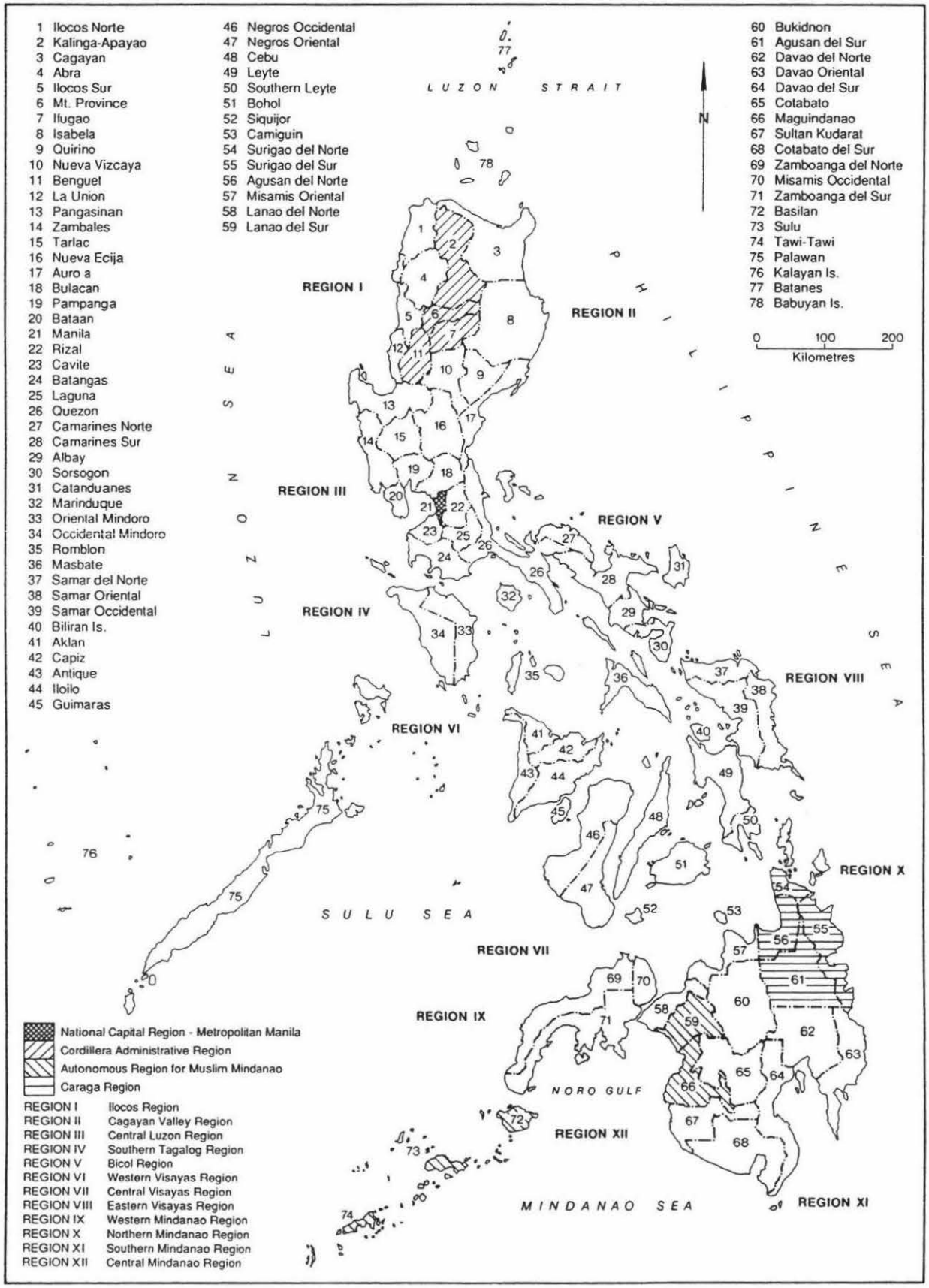
2 Income classification of municipalities was based on Department of Finance Order No. 35-93, which took effect in 1 July 1995.

Figure 1-3. Map of the Philippines



Second, the researcher is familiar with the municipalities of Solano and Bayombong. This made establishing contact with the respondents easier. The municipality of Bagabag was included in the case study because its administrators expressed keen interest in the research.

Third, the municipal chief executives of Solano and Bayombong have considerable experience with the devolution process. They have been with the municipal governments as mayors since the Local Government Code of 1991 took effect in 1 January 1992. The mayor of Bagabag is new to the service. His perceptions about the process were expected to reflect a different set of experiences compared with the other two mayors.

Data collection, including the opinion survey, was undertaken over seven days in each study area between 14 August and 8 September, 1995. Information was gathered about the resources provided for health programs transferred and the rules concerning allocation of funds in the municipalities from the municipal chief executives, supplemented by inputs from budget officers and DOH representatives. Important documents like the annual budget, memorandum of agreement (MOA) and comprehensive health care agreement (CHCA) between the Department of Health and the municipal governments were also examined to elicit more accurate information.

Key Local Officials

Personal interviews were conducted among municipal chief executives, municipal health officers, non-government and DOH representatives to the municipal health board (Table 1-1) to gather qualitative information about the extent of devolution in the sample municipalities.

The interviews focused on the degree of discretion these people now have, with particular reference to: policy formulation, policy implementation, monitoring and evaluation, fiscal matters, and personnel matters.

Table 1-1. The Respondents in the Qualitative Interview

Respondents						
Municipalities	**Mayor/Chief Executives**	**Municipal Health Officers**	**Sanggunian Member**	**NGO Representative**	**DOH Representative**	**Total**
Bayombong	1	1	-	-	1	3
Solano	1	1	1	1	1	5
Bagabag	1	1	-	1	1	4
Total	**3**	**3**	**1**	**2**	**3**	**12**

The qualitative information was used to validate and illuminate the findings from the opinion survey. Triangulation was used "to increase the researcher's confidence so that the findings may be better imparted to the audience and to lessen the recourse to the assertion of privileged insight" (Fielding and Fielding, 1986). For the research as a whole, triangulation was applied in two ways: first, by involving three groups of respondents to reveal differences in perceptions and bias; and second, by linking the qualitative and quantitative data derived from the survey.

The interviews were based on structured interview schedule. Probing and prompts were used to make the respondents aware of the possible answers to the questions asked.

The interviews were taped and transcribed verbatim. The transcripts were checked with ten of the respondents for comments, amendments and supplementary information. In the case of the last two interviews, the transcripts were posted to them for comments. None has been received.

In the course of the interview, some questions were translated into the local dialect where necessary. No translation bias was obvious in the results of these surveys.

Some questions turned out to be politically sensitive during the interview process, particularly those concerning budgets, appointments, and program implementation. In those cases, participants were assured that their identity would remain confidential and that comments quoted in the research would be written in a generalised way, so that

they were not be ascribed to individuals. Generally, the format and nature of the interviews meant that opinions were not obviously withheld as a result of political sensitivity.

Thesis Outline

The thesis has four parts. The first part provides a foundation for the research. Chapter 2 examines the relationship of central and local government units under a highly centralised system along with the past efforts to decentralise government. Chapter 3 focuses on the policy of decentralisation under the Local Government Code of 1991. Chapter 4 presents a review of the current literature on decentralisation and devolution. Discussion covers the objectives of decentralisation and factors affecting its implementation.

The second part highlights the design of the opinion survey, the respondents and data analysis (Chapter 5). It explains the pilot survey carried out prior to data collection. It identifies a number of limitations for the methods used in the research.

Part three presents the results of the interviews with policy-makers (Chapter 6) and key local officials (Chapter 7). Information presented focuses on the experiences of key officials relating to the actual shifts that are taking place in the municipal level. The findings of the opinion survey are presented in Chapters 8, 9 and 10.

The final part presents conclusions and recommendations. It tries to integrate the findings from the theoretical literature review, the face-to-face interviews, the comparative studies, and the opinion survey.

Part One

OVERVIEW

Chapter 2

CENTRALISM AND MOVES TOWARDS DECENTRALISATION IN THE PHILIPPINES

"...the highly centrali[s]ed structures of decision-making and an over concentration of resources at the top level discouraged authentic participation in governance. Worse, those structures that aim to fulfill the collective needs and aspirations of the citizenry in an efficient and efficacious manner have achieved precisely the opposite; they have become impotent in the face of bureaucratic largesse and state dominion."

- Secretary Rafael M. Alunan III (1994a)
Department of the Interior and Local Government

This chapter discusses the historical background and rationale for centralism in the Philippines, and the relationship between national and local governments under a highly centralised system. It reviews the past decentralisation initiatives so that they can be compared with the policy for decentralisation under the Local Government Code of 1991.

Centralism in the Philippines - History and Rationale

History

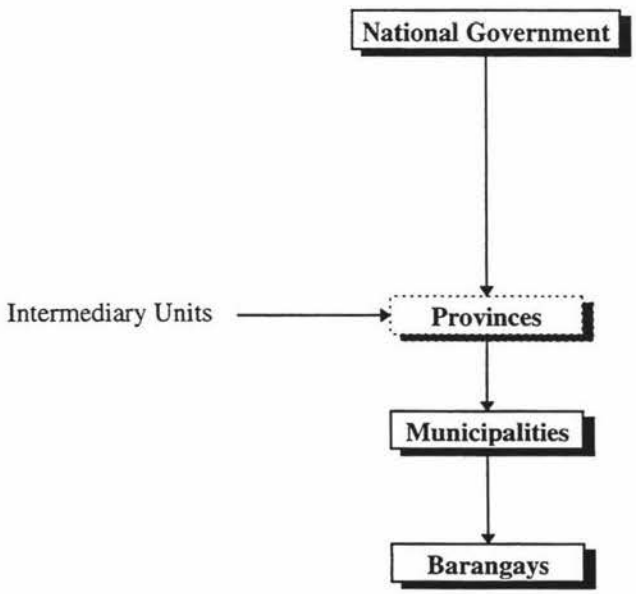
The centralised system of local government in the Philippines was a colonial imposition (Tapales, 1992; Buendia, 1991). When the Spaniards arrived in the islands in 1521 they found socio-economic units called *barangays* and sovereign political units called *bayans* or sultanates. To better colonise the islands, they established *encomiendas* (gifts of land to favoured persons), which gave way to the *provincias* (provinces), *pueblos* (municipalities) and *cabildos* (cities). The Spanish colonisers reduced the status of barangays into a village (*barrio*) with the *datus* (head of *barangay*) reduced to collecting tribute for the Spanish government (Marcos, 1976; Corpuz, 1989).

Thus was effected a highly centralised system of local government described as the "French model" (Alderfer, 1964) or "southern European" (International Union of Local Authorities, 1971).

The Spanish Governor General and his government remained in Manila, and ties to Spain were forged mainly through Manila. Under this arrangement, the dominance of the primate city over the rest of the country was strengthened and many localities in the mountains or in small islands were isolated from development process and opportunities (Tapales, 1992).

This resulted in a hierarchy of governments, with the national government at the apex (Figure 2-1) and the provinces acting as intermediary units between the central government and municipalities, which in turn supervised the villages (Tapales, 1992).

Figure 2-1. Central-Local Government Relations, Spanish Regime



The centralist system was forged by historical events. When Apolinario Mabini, intellectual of the revolutionary government which toppled Spain, drafted an article on local government in the 1899 Constitution, he could only "slightly relax" the tight conduct of the national government "because the needs of the revolution called for

Filipino unity" (De Guzman and Tapales, 1973). The supremacy of the central government was retained "to prevent the provincial and municipal corporations from exceeding their powers, to the prejudice of general and individual interest" (Majul in Tapales, 1992). The Americans saw it as convenient to retain the same pattern of centralism because they needed "a simple scheme of municipal government, so similar to the old system as to be readily comprehensible to the natives" (Laurel in Tapales, 1992).

When a Constitution drafted by Filipino leaders was ratified in 1935, it stipulated that "the President shall exercise general supervision over local government as may be provided by law" (Article VII, Section 10). Thus, the extent of supervision by the President on local matters was left to the interpretation of Congress, the President himself, and the courts. The 1935 Constitution governed national-local relations until the ratification of the 1973 Constitution during the Martial Law regime. Not surprisingly, centralism was reinforced under the dictatorship (Tapales, 1992).

Rationale

The Philippines is a unitary state: its Constitution provides that the national government is supreme and local subdivisions are subordinate. Thus, local government is what Congress wants it to be, the latter being vested with the power to create, abolish or modify local government units. With his power for general supervision over local government and his power to execute and implement the law, the President "legislates" the degree of autonomy provinces, cities and municipalities are to exercise (Mariano, 1957).

The practice of granting local autonomy by the president is limited to the extent provided by law. Since the power to legislate rests on the Congress, it is therefore tasked to formulate the laws that would give meaningful autonomy to local government units.

Central-Local Government Relations

Historical precedents and legal mandates promoted the dominance of central government over local government. Most governmental and political powers were concentrated in the President who can decree legislation in spite of the *Batasang Pambansa* or parliamentary assembly. Although it was only general supervision that was being exercised by the President (through the Department of Local Government) over local government units, they were also obliged to comply with the numerous directives from the national government departments as well as legal issuances or statutes which undermined their authority.

Resources were likewise concentrated in the central government which left the local government weak and dependent on the former. Local units remained financially dependent for 40% to 60% of their total income on central government. Furthermore, studies conducted by the Department of Finance showed that out of the total funds spent by the government in the average region, less than 10% was under the final control of local officials. About 73% of a local government's budget was limited by mandatory provisions which left the local unit little discretion and flexibility (De Guzman, 1990; Brillantes and Cuaresma, 1990; Brillantes, 1990b; Ocampo, 1985).

Most pre-investment activities continued to be centralised in national line agencies. Although the local units participated in development planning, they had limited authority to approve development projects especially those funded from the National Assistance to Local Government Units (NALGU) funds.

Local government units had limited control over local police and functionaries of national agencies operating in their areas of jurisdiction. They do not appoint local treasurers, assessors, budget officers and health officers. Thus, there was little or no local co-ordination and supervisory control over these personnel (Brillantes and Cuaresma,1990; De Guzman, 1990). Local government discretion over the administration of development and service programs had been limited or, in crucial

areas, such as police and fire protection and the regulation of physical and natural development, even reduced, especially during the Marcos administration (Ocampo, 1985).

Agencies other than the Department of Local Government had considerable influence on local government and communities because of their statutory authority and technical resources which were extended to local and regional levels. These included the Department of Finance, on local income policy and administration; Office of Budget and Management, on local budget review; Human Settlements (now defunct), on town planning and development regulation; and National Defence, on local police, fire protection and security (Ocampo, 1985).

The dominance of central government over local government units had shaped their roles, behaviour and time budgets. One study of provincial governors undertaken just prior to Martial Law revealed that:

> "Governors [elected local chief executives of provinces] had to go to Manila, because formal requests and even sending assistants to Manila invariably failed to elicit any response from the central bureaucracy... Governors need to spend about 20% or more of their office tenure running back and forth to Manila, following up projects in the national bureaucracy, soliciting special presidential consideration in the allocation of scarce national resources, and directly facilitating the release of frequently over due funds and appropriations that rightfully belong to the provincial units of government. Nothing would happen if they simply waited for a response in their provinces. The governors had to flatter and acknowledge the authority of central officials by their personal presence and face-to-face dealings. Most of the governors in Mindanao and the Visayas had to spend five to eight days a month in Manila to complete their transactions. More than a third of those from Luzon had to stay for a week in the capital (Walsh, 1976: 153)."

Meanwhile, local government units had also been given more work to do as agents of the central government. Euphemistically, they were exhorted to be more capable "partners" and "participants" in the development programs of the national government. The relationship, however, remained an unequal one, with the national government as clearly the senior partner, directing and guiding the hand of the junior partner at many

points. In addition, the multiplicity and complexity of national agencies impeded the ability of locals to absorb and coherently follow their biddings. Directives and guidelines sometimes came cascading down in confusing number and frequency (Ocampo, 1985).

Because the powerlessness and dependence of local government which the situation described above creates, local government officials were clamouring for authentic local autonomy. They sought decentralisation not only for "democratising the political system and accelerating the attainment of development" but also for the attainment of "social justice" (De Guzman, 1990; Brillantes and Cuaresma, 1990; Brillantes, 1990b).

Decentralisation Initiatives

The initiatives to decentralise during the past decades in the Philippines had been quite remarkable. However full decentralisation had been largely impaired because of either absence of political will, as experienced during the Marcos regime, or uncertainty as to how the decentralisation process might proceed, as can be gleaned from the predicament of the Aquino administration.

Pre-Marcos Regime (1959-1965)

The first legislation on local autonomy was passed in 1959. The Republic Act 2264, entitled "An Act Amending the Laws Governing Local Government by Increasing their Autonomy and Reorganising Provincial Governments," vested in the city and municipal governments greater fiscal, planning and regulatory powers (Ocampo and Panganiban, 1985; Brillantes, 1987). Specifically, it gave the cities and municipalities the power to adopt zoning and planning ordinances, and broadened their taxing powers within the general framework of national tax laws. Provinces, cities and municipalities were likewise granted the authority to undertake and carry out any public works project that the local government could finance (Brillantes, 1987).

Continuous decentralisation had taken place through the *barrio* level. In the same year, the Barrio Charter Act (Republic Act 2379), later amended by Republic Act (RA) 3590, was passed. This conferred on the barrios the legal status of quasi-municipal corporation vested with legislative as well as taxing powers (De Guzman and Panganiban, 1987; Padilla, 1992).

During Marcos Regime (1965-1986)

Decentralisation and local autonomy gained further momentum with the passage of the 1967 Decentralisation Act (RA 5185). The Act devolved certain political powers and administrative functions to city and municipal governments (Ocampo and Panganiban, 1985). Specifically, the Act devolved to provincial governors and city and municipal mayors the power to create the positions and appoint the provincial and city assessors, agriculturists, municipal chiefs of police, municipal attorneys and other heads of offices to be paid for entirely out of local funds.

More explicit and extensive provisions on local government and autonomy contained in the 1973 Constitution provided a stronger recognition of the role of local government compared with the incidental mention of local government in the 1935 Constitution.

The 1973 Constitution devoted a separate article (XI) to local government with provisions, among others, for local units to create their own revenue sources. It provided that "the State shall guarantee and promote the autonomy of local units, especially the barrios, to ensure their fullest development as self-reliant communities" (Section 10, Article 11).

Under such provisions, local autonomy was meant to be pursued through political decentralisation, where the national government administers its functions not through its field offices but through local government (De Guzman and Panganiban, 1987).

The 1973 Constitution called for the enactment of a local government code which was finally passed in 10 February 1983. The Local Government Code (*Batasang Pambansa* 337) actually put together under one law all decrees and previous laws affecting local government units. It also tried to solve the problems caused by vagueness in the 1935 Constitution on specific issues like capacity of local units, especially the cities, to perform the legislated functions (Tapales, 1992). The first Local Government Code vested in local government corporate powers, defined its relationship with national agencies performing general developmental functions in the area, provided them with a relatively wide powers over financial matters, and standardised the powers, responsibilities and organisation of provinces, cities, municipalities and barangays. The effect of these provisions was, however, dampened by the provision that the President would continue to exercise "general supervision over local government units to ensure that local affairs are administered according to law," which included the power "to order an investigation of the conduct of local government officials..." (De Guzman, 1989).

Other events and legislation favouring decentralisation during this period followed:

o The country was subdivided into 13 regions. A development council representing national agencies, and local government was created in each region. Regional offices were established to which national agencies were mandated to delegate substantive administrative authority;

o The Local Tax Code (PD 231) was passed in 1973, which specified the taxing powers of provinces, cities, municipalities and barangays. The Code granted the barangays and provinces taxing powers for the first time. Before this, the provinces derived revenues mainly from their municipal revenue shares (local tax) and internal revenue allotments (national tax) (Padilla, 1992);

o To beef up the financial resources of barangays, a Barrio Development Fund was created by Presidential Decree (PD) 144 issued on 3 March 1973. This consisted a

10% share of the real property tax collected from each barangay, and annual contribution from each province, city or municipality not to exceed P500.00 per barrio;

o PD 558 (21 September 1974) set aside a share from the Highway Special Funds under PD 436 equivalent to 1/4 of the total annual revenue collection for distribution to barangays for the construction, improvement and maintenance of barangay roads and bridges;

o In the area of deconcentration, three regional governments were created for reasons of independence and underdevelopment: the Metropolitan Manila Commission in the National Capital Region and the autonomous regions of Regions IX and XII; and

o The Integrated Area Management System for Agricultural Services (IAMSAS) was adopted in 1982 by virtue of Executive Order No. 803 to widen the role of the provincial government in the administration of agricultural services (De Guzman, 1989).

These legislative changes proved to be more change in principle than in practice. Despite them, more and more substantive laws and decrees were being passed which negated or eroded the political and administrative base of local government. This point is illustrated by the following legal provisions:

o PD 765 issued in 1975 aggregated local police services into the joint Philippine Constabulary/Integrated National Police (PC/INP) which consequently removed the power of administrative control and supervision exercised by local chief executives over members of police forces stationed in their localities. PD 1162 and Executive Order (EO) 1012 (22 March 1985) modified this provision which ordered the return to all mayors of operational control and supervision over their respective police forces. Confusion as to the meaning of operative control and supervision emerged;

o The Local Government Code (BP 337) stripped the governors and city and municipal mayors of the powers to appoint treasurers and assessors and their assistants and instead vested these powers to the President and the Minister of Finance;

o The participatory role of local government units (LGUs) in the construction, rehabilitation, betterment and improvement of school buildings was withdrawn and returned to the Ministry of Public Works and Highways (MPWH) by virtue of EO 972 (28 July 1984). The participation of LGUs in the construction, rehabilitation, betterment and improvement of barangay roads and school building construction was limited on a case by case basis with the MPWH exercising supervision. EO 1004 (28 January 1985) limited the participation of LGUs in projects funded under the National Infrastructure Programme excluding foreign assisted projects;

o The transfer of authority and responsibility for agricultural functions to local government was not accompanied by a corresponding transfer of financial and technical manpower resources (Decentralisation Report Part I, 1988:10). Instead, the Department of Agriculture has been allowed to set up Provincial Agriculturist Office existing side by side with that of the provincial government and engaging basically in the delivery of overlapping services on crop production, livestock and poultry raising; and

o On the issue of gerrymandering, the 1973 Constitution stipulated that approval in a referendum by the majority of the population of local units affected in the creation, division, merger, abolition or substantial alteration of their boundaries must be made before any territorial modifications is to be effected. Despite this provision, under Martial Law presidential decrees were issued establishing territorial boundaries and local units and restructuring government (De Guzman, 1989).

Decentralisation Under the Aquino Administration (1986-1992).

A new Constitution was ratified in February 1987, which stated that "the Sate shall ensure the autonomy of local government (Section 25)." Article X of the Constitution

identified the territorial and political subdivisions comprising provinces, cities, municipalities and barangays. It also provided for the creation of the autonomous regions in Muslim Mindanao and the Cordilleras.

Given the above provisions, the Constitution was still not clear on functions and responsibilities leading to a "more authentic local autonomy." Police services remained integrated. A memorandum of agreement that called for the transfer of police control and supervision to local executives resembled the "empty gesture" of 1985, when operational control and supervision was to be turned over to local executives.

Executive Order No. 112 issued in 24 December 1986 nationalised the positions of local budget officers to "strictly review" the local budgets and "closely monitor" the local budget process to ensure consistency with national goals. This gave the power of appointment and supervision over personnel working in local government units to central government.

Executive Order No. 262, issued in 25 July 1987, reorganised the Department of Local Government and reiterated the President's power of general supervision over local government operationalised through the Department. Moreover, the executive order mandated the Department to foster autonomy through policies and programs that would allow local government "wider latitude for resource generation" and "more powers, responsibilities and resources." It also required the establishment of the Local Government Academy to train local officials and Department personnel.

Executive Order No. 319 issued in 4 March 1988 provided for the reorganisation of local development councils (i.e. Provincial Development Councils, Municipal Development Councils and Barangay Development Councils). These were intended to assist the local legislative bodies in setting the direction of economic and social development and to co-ordinate the development efforts in their respective areas. Membership of the council was widened to include representatives of the public and private sectors and non-governmental organisations working at the different levels of government. This attempt at representativeness, however, may prove to be one of the

council's weaknesses because of the range of lateral views brought to bear on their operations. Also, the lack of binding authority and coercive power on the part of council members limited their output to recommendations (De Guzman, 1989).

In terms of national government functions, decentralisation initiatives were mainly associated with administrative decentralisation, also labelled deconcentration. For instance,

> "In the Department of Public Works and Highways, district engineers and regional directors, were authorised to accept bids and award contracts for construction projects with estimated costs of not higher than P 1 million and P 10 million, respectively. For local government [units], they had limited participation in the construction and repair of barangay roads and school building. In the Department of Health, the authority and responsibility for certain primary health care, preventive and curative health services (e.g. family planning, nutrition, immunisation) had been delegated to district field offices and rural health units which were under the direct supervision and control of the national department. The same form of decentralisation took place in the Department of Agriculture, with the strengthening of the municipal agricultural offices and assigning them the main responsibility for agricultural extension services (Padilla, 1992:176)."

To better operationalise its decentralisation policies and in view of the inability of the legislative branch to enact laws that would alter the existing national-local relations, the Aquino government initiated a Pilot Decentralisation Project (PDP) in the early part of 1988 as a response to the persistent and growing demand for greater local autonomy.

The Pilot Decentralisation Project was initiated by virtue of Presidential Memorandum Circular No. 63 issued in May, 1988 and created therein the Cabinet Action Committee on Decentralisation (CACD) with the following functions:

- Formulate guidelines and launch decentralisation projects in the four pilot provinces (i.e. Tarlac and Laguna in Luzon, Negros Occidental in Visayas and Davao del Norte in Mindanao);

- Ensure that consultation with officials and agencies concerned is undertaken in formulating the plans for decentralisation projects;

- Recommend approval for the appropriate legal issuances to implement the plans for the decentralisation projects proposed by the Provincial Development Councils (PDCs); and

- Report to the President measures on administrative decentralisation that can be adopted by the executive branch (Brillantes and Cuaresma, 1991; De Guzman, 1989).

The Pilot Decentralisation was designed to experiment with the powers to be devolved and how they should be devolved to the local units. Specifically, the objective was to identify and test feasible means of devolving some powers and functions and transferring the corresponding manpower and financial resources to local government units without the necessity of legislation.

The provincial governors of the pilot provinces whose views on local autonomy and decentralisation were sought in connection with the implementation of the project asserted the oft-repeated proposal that local government units should be given sufficient authority and power to manage their affairs without intervention and control by the central government.

Some of the powers, privileges and responsibilities that were recommended to be devolved included the power to appoint local officials, particularly the treasurer, assistant treasurer and members of the police force; the authority to purchase heavy equipment without the need for authorisation from the central government; the execution of the local budget without prior review by Department of Budget and Management; the appropriation of amounts from national funds for infrastructure projects; and the supervision of certain public works projects, infrastructure development, construction of school buildings and others (Padilla, 1992).

Basically, three strategies were adopted by the CACD to implement the Pilot Decentralisation Project: (1) consultation; (2) block grants; and (3) approval of legal issuances (eg. decrees, executive orders, circulars) and memoranda of agreement (Brillantes and Cuaresma, 1991).

A very significant and critical component of the pilot decentralisation project was the granting of P120 million to each of the selected provinces (Appendix A). Except for a few cases, in which the projects to be funded by the grant were specified by presidential instruction, the provincial executives and the councils had discretionary power to determine the projects to be undertaken that would be most responsive to the local people's needs (Padilla, 1992).

Six circulars were issued to facilitate the implementation of the pilot decentralisation project (Appendix B). In addition to these circulars, Memoranda of Agreement (MOA) between the central government and pilot provinces were used as instruments for pilot-testing the devolution of certain national government powers and functions (Padilla, 1992). The Memoranda of Agreement were used as main instruments through which "devolution" of powers and authority in the real sense of the word, could be achieved (Brillantes and Cuaresma, 1991). The departments that issued MOAs included the Department of Environment and Natural Resources (DENR), Department of Public Works and Highways (DPWH), Department of Education, Culture and Sports (DECS), Department of Agriculture (DA), and the Department of Social Work and Development (DSWD).

Assessment of the pilot decentralisation revealed that (Brillantes and Cuaresma, 1991):

o Not all central departments had been responsive to the call for decentralisation; only five or six departments showed any enthusiasm during the initial stages of the project implementation.

o The circulars issued in relation to the decentralisation project emphasised administrative decentralisation. Only limited transfer of authority occurred. Compared

to the degree of authority and powers requested for devolution by the first four pilot provinces, no genuine transfer of powers had been achieved through the circulars. On the positive side, the scope of application of the circulars, except DOTC-MO No. 88-228, extended beyond the boundaries of the pilot provinces.

o After almost two years of implementation, only a small number of memoranda had been finalised, signed and implemented. Implementation of the MOA was slow due to the failure of the line departments concerned to transfer the necessary funds and personnel to the provinces.

Significantly, some devolution was achieved under the MOA with the DENR. This referred to the issuance and regulation of licenses, leases and permits, to explore, exploit, develop and utilise natural resources within the area of jurisdiction of the provinces.

o There was minimal participation by the provincial governments concerned due to two conditions established by MC No. 63. First, the circular provided that participation of the pilot provinces would be limited to "consultation with the respective governors." Second, not one of the governors or even a representative of the pilot provinces was included in the membership of CACD. The composition of the implementing agency was limited to the executive departments, and in this way was a manifestation of the centralist bias of the national government (Guerrero and Brillantes, 1989).

o The block grant had put to the test the capability of the pilot provinces to administer substantial funds and to direct the implementation of development projects. The block grant was the key to the immediate implementation of development projects that had been conceived.

However, it may not be feasible for the national government to give all provinces or local government units large block grants annually. Instead of making the LGUs more

self-reliant, the block grants could rather make them more dependent on uncertain source of discretionary funds.

o The Pilot Decentralisation Project was not uniformly implemented in the pilot provinces. This was due to the absence of guidelines or a general framework on how the project was approached, and how the decentralisation fund was utilised (Brillantes and Cuaresma, 1991).

There were other projects, activities and studies undertaken to pilot the notion of decentralisation in the Philippines (Appendix C). The many programs and projects initiated to pilot decentralisation failed to achieve sustainability or institutionalisation (Sosmena, 1991). The causes of failure are basic to any institutional program that attempts to introduce new concepts and requires behavioural, organisational and political changes. Sosmena (1991), identified some of the impediments (Appendix D). These are summarised below:

o Past efforts were disjointed and partial, emphasising short term impact projects but sacrificing long term policy reforms;

o There was lack of a uniform interpretation of decentralisation and no comprehensive policy framework which would enable the decentralisation schemes to survive. There was no common understanding of the concept of decentralisation;

o Program strategies and technologies were not cost effective. Mismatches between objectives and strategies were experienced;

o The local government bureaucracies failed to understand their roles and obligations within the context of decentralisation and local autonomy. There was no top-to-bottom participation to encourage a common understanding of decentralisation and local government administration;

o Past academic research and various institutional studies were significant historical antecedents of decentralisation. A committee established to provide a definitive policy direction as to how central government may tackle the issue of decentralisation and local autonomy never completed its task and was overtaken by succeeding events that similarly experimented the notion of decentralisation;

o Co-ordinating mechanisms that linked various efforts to improve regional and local government administration were absent from the projects. Effective monitoring and evaluation standards were also lacking, making it difficult to evaluate past decentralisation efforts;

o Decentralisation projects were initiated by both the government and private sectors. However, the government had taken the major role; and

o Caution over promoting decentralisation on the part of the central government led to the imposition of unilateral conditions on the pilot schemes (Sosmena, 1991).

Conclusion

Philippine local government units had been locked into a highly centralised politico-administrative system despite efforts pursued to decentralise government. In the face of this, there was a clamour for substantive decentralisation and local autonomy which heightened in the late 1970s. Since then, decentralisation has become a continuing issue in central-local government relations in the Philippines.

Several measures have been implemented in pursuit of decentralisation. However, a number of issues continued to frustrate this objective in the late 1980s and early 1990s:

1. issuance of politically contradictory legislation reflecting a lack of political will at the centre;
2. absence of a commonality in the understanding of the definition of decentralisation;

3. absence of a comprehensive policy framework on how decentralisation should proceed;
4. absence of evaluation standards useful in the assessment of decentralisation consequences and impacts on an integrated manner;
5. failure of local government units to understand their role within the context of decentralisation and autonomy; and
6. past efforts to decentralise were not accompanied with the corresponding transfer of financial and manpower resources.

Clearly, promoting decentralisation would not be easy against a history of continuing centralisation and its institutionalisation in the attitudes and practices of central and local administrators. Against this background only a strong commitment and radical rather than incremental measures might be expected to achieve decentralisation.

Chapter 3

THE PHILIPPINES LOCAL GOVERNMENT CODE OF 1991 AND DEVOLUTION

"The way to have a good and safe government, is not to trust it all to one but to divide it among the many, distributing to everyone exactly the functions he is competent to."

-Thomas Jefferson writing to Joseph C. Cabell in 1816

The preceding chapter indicates that centralist forces have long subjugated the local government to national government in the Philippines. Several efforts were made to decentralise, which were not carried through into practice. Finally in 1991, the New Local Government Code, a radical piece of legislation that addresses the decades-old problem of the highly centralised politico-administrative system in the Philippines, was enacted.

This chapter reviews the policy mandates and provisions of the Philippines Local Government Code of 1991 relative to decentralisation. It describes the devolution process in terms of the transfer of assets and personnel, financing provisions, and people's participation in local governance. It also indicates the institutional changes in local government resulting from the devolution of responsibility for the delivery of basic services from the national government to the local government units.

The Local Government Code - Basic Provisions

The signing into law of the Philippines Local Government Code on 10 October 1991 was in pursuance to the 1987 constitutional mandate on local government which states that:

> "The Congress shall enact a local government code which shall provide for a more responsive and accountable local government structure instituted through a system of decentralisation with effective mechanisms of recall, initiative, and referendum, allocate among the different local government units

> their powers, responsibilities, and resources, and provide for the qualifications, election, appointment and removal, term, salaries, powers and functions and duties of local officials, and all other matters relating to the organisation and operation of the local units (Section 3, Article X)."

The Local Government Code of 1991, otherwise known as the Republic Act (RA) 7160, specifies that the State:

> "shall provide for a system of decentralisation whereby local government units (LGUs) shall be given more powers, authority, responsibility and resources" (Section 3, RA 7160).

The formulation and implementation of policies and measures towards the realisation of substantive decentralisation and local autonomy are guided by certain principles. These include, among others, the following:

- effective allocation among the different local government units of their respective powers, functions, responsibilities, and resources;
- local officials and employees paid wholly or mainly from local funds shall be appointed or removed according to merit and fitness;
- effective mechanisms for ensuring accountability of local government units to their respective constituents;
- improved co-ordination of national government policies and programs and extension of adequate technical and material assistance to less developed local government units; and
- the participation of private sector in local governance particularly in the delivery of basic services (Section 3, RA 7160).

These general principles are operationalised through the following mechanisms: (1) the devolution of five basic services from the national government's regional offices to local government units; (2) strengthening of people's participation through local governmental mechanisms; (3) increase in revenues for local units by the provision of increased shares in nationally imposed taxes; and in effect (4) strengthen the powers of local executives, officials and councils (Tapales, 1992).

Devolution of Services

Provision is made for the devolution of responsibility for the delivery of certain basic services that formerly belonged to the sectorally-oriented national line agencies as follows:

> "Local government units shall endeavour to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested upon them. They shall also discharge the functions and responsibilities of national agencies and offices devolved to them pursuant to [the] Code. Local government units shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate, or incidental to efficient and effective provision of the basic services and facilities..." (Section 17a, RA 7160).

The national agencies affected by devolution and basic services transferred include the following:

National Agency Affected	Services Transferred
• Department of Agriculture (DA)	• Agricultural extension and on-line research.
• Department of Environment and Natural Resources (DENR)	• Community-based forestry projects.
• Department of Health (DOH)	• Field health and hospital services and other tertiary health services.
• Department of Public Works and Highways (DPWH)	• Public Works and infrastructure projects funded out of local funds
• Department of Education, Culture and Sports (DECS)	• School building programs
• Department of Social Welfare and Development (DSWD)	• Social welfare services
• Department of Tourism (DOT)	• Tourism facilities and tourism promotion development
• Department of Transportation and Communication (DOTC)	• Telecommunication services for provinces and cities
• Housing and Land Use Regulatory Board (HLURB)	• Housing projects for provinces and cities
• Appropriate National Government Agency	• Other services such as investment support, industrial research and development

The Code likewise devolves to local government specific regulatory powers that were initially vested in national line agencies. These regulatory powers and the agencies affected include the following:

National Government Agency Affected	Regulatory Powers Transferred
• Department of Agrarian Reform (DAR)	• Reclassification of agricultural lands
• Department of Environment and Natural Resources (DENR)	• Enforcement of environmental laws
• National Meat and Inspection Commission-Department of Agriculture (NMIC-DA)	• Inspection of food products
• Department of Agriculture (DA)	• Quarantine
• Department of Public Works and Highways (DPWH)	• Enforcement of National Building Code
• Land Transportation Franchise Regulatory Board-Department of Transportation and Communication (LTFRB-DOTC)	• Operation of Tricycles
• Philippine Games Commission (PGC)	• Establishment of cockpits and holding of cockfights.

The extent of services devolved depends upon the nature of the local unit (Appendix E). For instance, *barangays* are given the responsibility for agricultural support services; maintenance of health centers and day care centers; general hygiene and sanitation; barangay roads, bridges and water supply; infrastructure and barangay justice (*katarungang pambarangay*).

Municipalities and cities are mandated to conduct on-site-research services to agriculture and fisheries; implement community-based forestry projects; undertake projects on primary health care, maternal and child care and communicable and non-communicable disease control services; social welfare services; solid waste disposal; infrastructure facilities including school buildings and municipal roads and bridges.

Provinces are required to deliver agricultural extension services; environmental protection; social welfare services; infrastructure; low-cost housing projects; health services including tertiary health care.

Transfer of Personnel

Complementing the decentralisation of services is the transfer of corresponding manpower resources to local government. The transfer of personnel does not necessarily mean geographic movement of people, because regional personnel were

actually assigned to the local units. Personnel of affected national agencies were absorbed by the local government units to which they were previously attached to the extent that this was administratively viable. The security of tenure of affected personnel was upheld with the issuance of Executive Order No. 503 dated 22 January, 1992. The executive order made mandatory "the absorption of the national government agency personnel by the local government unit," giving priority to technical personnel, and assuring that national government personnel not absorbed were retained by the national agency concerned. Table 3-1 shows the personnel transferred as of 31 December 1993.

Table 3-1. Transfer of Personnel as of December 31, 1993

Agency	Expected Personnel Transferred	Actual Personnel Transferred	Retained Personnel
Department of Health (DOH)	46,377	46,107	270
Department of Agriculture (DA)	17,798	17,667	131
Department of Social Welfare and Development (DSWD)	4,157	4,141	16
Department of Environment and Natural Resources (DENR)	903	899	4
Department of Budget and Management (DBM)	1,650	1,650	0
Philippine Games Commission	25	25	0
National Meat Inspection Commission (NMIC)	9	9	0
Total	**70,919**	**70,498**	**421**

Source: DILG, 1993

The personnel affected by devolution are distributed among 77 provinces, 66 cities and 1,544 municipalities. It is estimated that the work force of each local government unit will have increased by at least twenty personnel. The three municipalities (Chapter 7) selected for the study illustrate this growth. Bayombong recorded an increase of 46% (33 employees), Bagabag, 40% (23 employees) and Solano, 28% (29 employees).

The national agencies affected by devolution have phased out their regional or field offices. However, field units primarily responsible for the implementation of their programs at the local level and for providing technical assistance to and co-ordinating certain technical functions with local government units were established (Padilla, 1992).

The central departments most affected by the devolution process because of the transfer of personnel are the Department of Health (DOH), Department of Agriculture (DA), Department of Social Welfare and Services (DSWD), and Department of Environment and Natural Resources (DENR). The transfer shook the local bureaucracies to the core and opened the way for fundamental public administration reforms (Brillantes, 1994b). For example, administrative supervision and control over delivery of devolved services has been given to the local executives, and the salaries of the transferred personnel are now paid from the coffers of the local treasury (Padilla, 1992).

Among the four agencies mentioned above, the Department of Health seemed to be the least prepared. As soon as the Code was signed, DOH personnel protested and rallied against devolution (Tapales, 1992; Sia, 1994). The DOH's reaction was based on a conviction that health is a national responsibility in most countries due to the huge financial outlays needed to maintain efficient delivery of health services (Tapales, 1992).

Moreover, fears and anxieties about the deterioration of the quality of health service delivery emerged, on the grounds of:

- inadequate LGU funds to sustain service delivery;
- politicisation of appointments of health professionals; and
- limited career paths for health workers (Borlagdan, Gabronino and Tracena, 1993).

The DOH's reactions had some effect. A re-nationalisation bill for devolved health services was submitted to Congress and had already passed third reading, which is as good as approved in the Philippines. However, the final version of the re-centralisation bill was not implemented because Congress failed to allocate funds for the purpose (LGAMS, 1995b). In the end, the DOH personnel stopped opposing the changes and went into the serious business of planning how to live with the law (Tapales, 1992).

Appointment of Personnel

As discussed earlier (page 30), the power to appoint local officials who are paid wholly or mainly from local funds was devolved to local executives - governors for the provinces; city or municipal mayors for cities or municipalities. The exemptions are provincial, city and municipal treasurers. Formerly appointed by the President, they are now appointed by the Secretary of Finance.

Financing Devolution

Increased responsibilities demand increased resources. The Local Government Code provides that:

> "The basic services and facilities herein above enumerated shall be funded from the share of local government units in the proceeds of national taxes and other local revenues and funding support from national government, its instrumentalities and government-owned or controlled corporations which are tasked by law to establish and maintain such services or facilities. Any fund or resource available for the use of local government units shall be first allocated for the provision of basic services enumerated [in the Code]....before applying the same for other purposes, unless otherwise provided in [the] Code (Section 17(g), RA 7160)."

Internal Revenue Allotment (IRA) Share

The lifeblood of many local government units which could not raise enough revenues had always been their shares in internal revenue (central) taxes. Before the implementation of the Code, local government received 20% of the Internal Revenue Allotment (IRA) distributed among them on the basis of population (70%), land area (20%), and equal shares (10%).

The New Local Government Code raised the local government's share of the IRA to 40% (Table 3-2). This means that under the 20% IRA share, LGUs would receive P 12.15 Billion in 1992 plus P 6.6 Billion from the National Assistance to Local

Government Units (NALGU), a total of P 18.75 Billion. Under the new scheme, even if the NALGU share was scrapped, the IRA share of LGUs would be P 24.37 Billion in 1992. In addition to this, they received "a one time additional P 4.0 Billion to cover the initial cost of devolved personnel services" (Tabunda and Galang, 1991), after which, they have to sustain the costs of such services which is only partially compensated by the increase in IRA allocation (Tapales, 1992).

Table 3-2. Allocation of IRA to Local Government Units

(a) The total annual IRA shares due all LGUs is allocated as follows:

Provinces	=	23%
Cities	=	23%
Municipalities	=	34%
Barangays	=	20%

(b) The share of every province, city and municipality is determined on the basis of the following distribution formula:

Population	=	50%
Land Area	=	25%
Equal Sharing	=	25%

(c) Every barangay with a population of not less than 100 inhabitants is entitled to an IRA of not less than P 80,000.00 per annum chargeable against the 20% share of the barangays from the total IRA.

(d) After deducting the aggregate sum of the individual barangay share of P 80,000.00, the remaining balance of said 20% allocation shall be further distributed to the barangays on the basis of the following formula:

Calendar Year	**1992**	**1993**	**1994**
Population	40%	50%	60%
Equal Sharing	60%	50%	40%

Source: Section 285, RA 7160

Local Revenues

Local government units have been vested with revenue-raising powers under the Local Tax Code (Presidential Decree 231). These taxing powers have not changed in the Code because provinces, cities, municipalities, and barangays exercise almost the same revenue raising powers (Appendix F).

No national tax imposition has been transferred to local government except for the residence tax, which has been replaced by the community tax. This is now imposed by the city or municipality and the proceeds accrue equally to the city or municipality and

the barangay where the tax is collected. Previously, the residence tax was imposed by the national government: 90% accrued to the local government and the remaining 10% to the national government (Padilla, 1992).

The new Local Government Code merely modified certain aspects of the existing system of local taxation to enable local units to generate more revenues:

- local units are allowed to increase the rates in certain types of levies;
- a few taxes have been transferred from one level of local government to another;
- local government units, particularly the barangays, are entitled to bigger shares from the collection of some taxes, which shares are directly released to them;
- the local units are entitled to a substantial share, 40%, of the revenue derived from the development and utilisation of national resources (eg., mining, forestry, and fishery charges imposed on the utilisation and development of natural resources within local jurisdictions); and
- the statutory impositions on local government's system of utilising and expending their own funds have been abolished (Padilla, 1992).

Other Financial Transactions

The Code enhanced the governmental and corporate powers of local government units by granting them full autonomy in the exercise of propriety rights. They have the power to enter into credit and other financial transactions, enter into loans with other local government units, enter into build-operate-transfer arrangements and even float bonds. They are now authorised to secure and receive financial grants or donations without prior approval from the national government agency concerned or from a higher local government unit. However, if the project financed by such grants affects national security, prior clearance shall be secured.

People's Participation

It is provided in the Code that,

> "Local government units shall promote the establishment and operation of people's and non-governmental organisation to become active partners in the pursuit of local autonomy (Section 34, RA 7160)."

In keeping with this, the Local Government Code of 1991 lays the groundwork for direct and active participation of non-government organisations (NGOs) and people's organisation (POs) in local government structures and processes. It made mandatory the participation of POs and NGOs in local special bodies like the development council, health board, school board, peace and order council, and people's law enforcement board. The membership of development councils is increased with the proviso that at least one quarter of total membership should come from the NGOs and POs.

Conclusion

The Philippines Local Government Code of 1991 is a radical piece of legislation which substantially modified the politico-administrative infrastructure of the entire government. It dramatically shifted powers from central government to local government by devolving the responsibility for the delivery of certain basic services and regulatory functions, including assets, equipments, records and personnel.

To support the devolved responsibility, the Code modified the revenue-raising powers of the local government units, aside from increasing their shares from internal revenue taxes. The Code also increased the opportunity for people's participation in local governance. It made the membership of non-government organisations and people's organisations mandatory in local special bodies.

As a result, the Code has strengthened the technical and administrative capability of local government in a way essential for a truly substantive decentralisation and meaningful local autonomy, and in this promises a break from previous initiatives which were less comprehensive and therefore generally unsuccessful in their promotion of decentralisation.

Chapter 4

DECENTRALISATION AND DEVOLUTION PERSPECTIVES

"Decentralisation will result only in frustration, dissipation of resources, and a loss of accountability if it is not accompanied by a commitment to developing the will to perform and the competence to deliver among local personnel. Devolution is not simply about shifting responsibility and resources: it is about willing entry into a new set of relations by the central and local agencies of state, and by the communities on whose behalf they govern."

-Philip McDermott (1996)

The terms decentralisation and devolution are employed in a variety of ways, both within the academic literature on central-local government relations and in everyday parlance. Sometimes they are used interchangeably and sometimes one is associated with the other. But in the context of this study, decentralisation is used more broadly than devolution: devolution is treated as one form of decentralisation.

What is Decentralisation?

Decentralisation is broadly defined as the transfer of planning, decision-making, or administrative authority from the central government to its field organisations, local administrative units, semi-autonomous and parastate[3] organisations, local government, or nongovernmental organisations (Rondinelli and Cheema, 1983). It refers to the systematic and rational dispersal of governmental authority and responsibility, and the allocation of powers, functions and resources to local level institutions. Decentralisation is intended to allow multi-sectoral decision making to be as close as possible to the location of the problem (Brillantes and Cuaresma, 1990; De Guzman, 1988; Wunsch, 1991; De Guzman and Padilla, 1992; Celestino, 1990; Padilla and

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3 A parastate organisation is an institution or body which takes on some roles of civic government or political authority (Oxford English Dictionary). It is an institution with semi-independent authority to perform responsibilities which is not located within the regular government structure. Examples of parastate organisations are public corporations, regional planning and area development authorities, multi-purpose and single purpose functional authorities and special project implementation units (Rondinelli and Cheema, 1983).

Oamar, 1989). It also refers to a basic administrative concept and process of shifting and delegating power and authority from a central point to subordinate levels within the administrative hierarchy, in order to promote independence, responsibility, and quicker decision making in adopting policies and programs to the needs of these levels (Sosmena, 1991).

In some respects, decentralisation may reflect a degree of *degovernmentalisation*, that is, reducing the role of government in the lives and fate of the citizenry. This standpoint can be rationalised by considering that as a process, decentralisation implies that the power of the government emanates from the people. Therefore, this power and authority must be "returned" to its source - the governed. This opposes the position that the agencies of central government (the bureaucracy), are the centres of power (Alunan, 1994a; Sosmena, 1991).

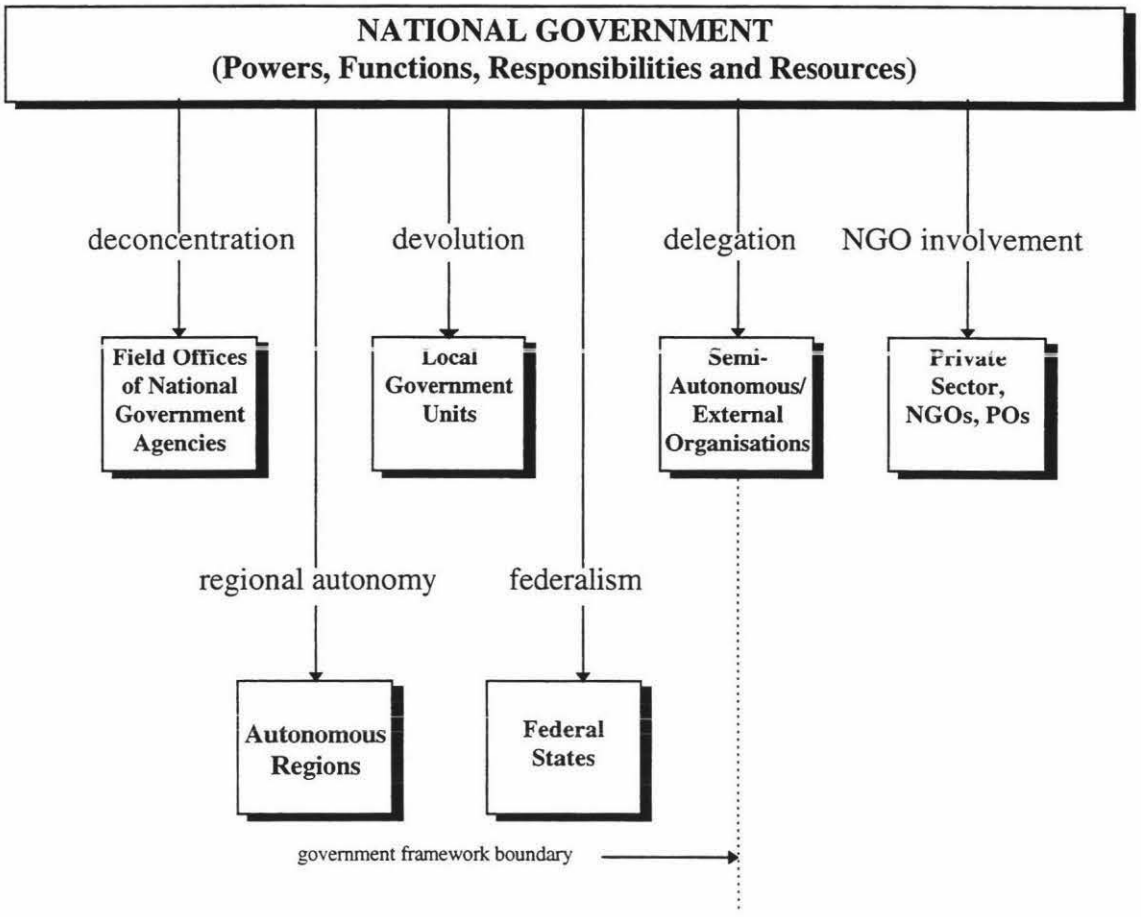
Decentralisation has administrative and political dimensions which are distinct, but which are both necessary to understand decentralisation.

Forms of Decentralisation

Decentralisation can be pursued in many ways (Figure 4-1). Rondinelli (1981) identified four major forms of decentralisation: deconcentration, delegation, devolution and involvement of nongovernment institutions. Brillantes and Cuaresma (1990) add two forms: regional autonomy and federalism.

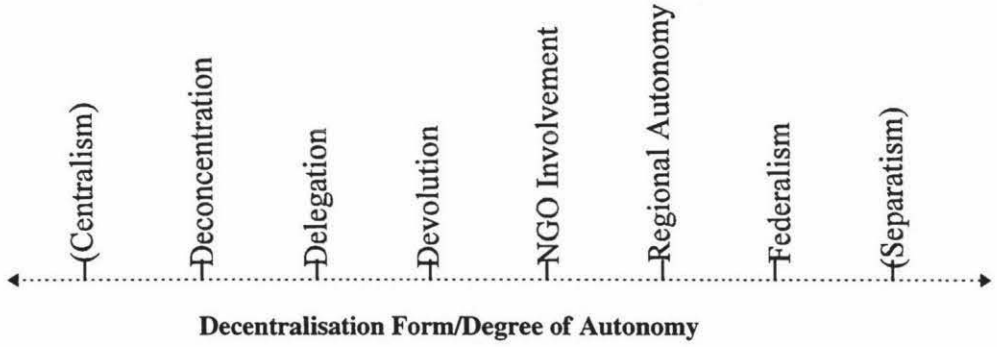
The many forms of decentralisation can be seen as a continuum that reflects the degree of autonomy given to local government units or entities to which powers and responsibilities are transferred (Figure 4-2). They follow a nearly logical sequence, but the succeeding approach may not depend on the preceding one since various forms of decentralisation may be implemented simultaneously. Technically, centralism and separatism are not forms of decentralisation but they are presented to show both extremes of the process.

Figure 4-1. Forms of Decentralisation



(After Rondinelli, 1981; Brillantes and Curesma, 1990).

Figure 4-2. Decentralisation Continuum



(After Brillantes and Cuaresma, 1990)

Deconcentration

Deconcentration, also referred to as administrative or departmental decentralisation, involves the redistribution of administrative responsibilities only within the central government (Rondinelli and Cheema, 1983). It refers to the delegation of authority and responsibility by the central offices to the regional, district and other field offices (Brillantes, 1990a; De Guzman, 1989; Buendia, 1991; Alterman, 1988). The primary rationale for deconcentration is a combination of functional efficiency and effectiveness (Sosmena, 1991). It also promotes a feeling that the "government is close to the people," thus providing citizens with a better understanding of what the government proposes (Rondinelli and Cheema, 1983).

Deconcentration may take the form of shifting workloads, field administration, and local administration (Table 4-1). However, none of these forms implies a significant delegation of authority.

Table 4-1. Forms of Deconcentration

Deconcentration Type	Key Characteristics/Features
Shifting of Workload	Redistribution of administrative responsibilities from a central government ministry or agency headquarters to its own field staff located outside the national capital, without transferring to them the authority to make decisions or to exercise discretion in carrying them out.
Field Administration	Transfer of some decision-making discretion to field staff, allowing them some latitude to plan, make routine decisions and adjust the implementation of central directives to local conditions, within guidelines set by the central ministry.
Local Administration	Local functions are performed under the technical supervision and control of central ministries, and the heads of the local administrations serve at the pleasure of central executives (and through to the nation's chief executives)

Source: Rondinelli and Cheema, 1983

Delegation

Delegation requires the transfer or creation of the broad authority to plan and implement decisions concerning specific activities - or a variety of activities within specific spatial boundaries - to an organisation that is technically and administratively capable of carrying them out without direct supervision by a higher administrative unit (Rondinelli and Cheema, 1983). Delegation transfers managerial responsibility for specifically defined functions to organisations that are outside the regular bureaucratic structure or to local level. However, indirect control by central government is maintained (Thomason, et al, 1991a; Curtis and Taket, 1996; Alterman, 1988).

Devolution

Devolution, otherwise known as areal or political decentralisation, refers to the transfer of power, resources and responsibility for the performance of specified functions by the central government to local government units or to special statutory bodies (Brillantes and Cuaresma, 1990; De Guzman, 1988; Booth, 1988). It involves the granting of authority and power to local government units to manage their own affairs, a process which may lead to local autonomy (De Guzman and Padilla, 1992). Similarly, devolution implies shifting the power to take certain types of decisions from one level of government to another lower level, or to entities outside government altogether, in a way which makes that lower level or outside entity an autonomous actor. In short, devolution is having government decisions taken "nearer to the people" (Heald, 1976).

The Philippine Local Government Code of 1991 defines devolution as:

> "...the act by which the national government confers power and authority upon various levels of local government units (LGUs) to perform specific functions and responsibilities (Section 17(e))."

Often, devolution of power can be achieved only by legislative enactments (De Guzman and Padilla, 1992). Subsequently, devolved power can also be returned to the centre by legislative action (Mc Kinlay, 1990a).

Devolution can be full or partial. Full or complete devolution involves giving a sub-national government body unlimited autonomy over a particular policy domain; it could choose to do exactly as local electors desired, for example. Devolution may be partial, with both local and central government (or some other combination of agencies) retaining responsibility for aspects of the policy in question. Such a situation requires extensive consultation, joint and separate decision making between central and local authorities, and some form of dual accountability (Boston, 1988).

In its purest form, devolution has certain fundamental characteristics. First, local units are autonomous, independent, and clearly perceived as separate levels of government over which central authorities exercise little or no direct control. Second, local government units have clear and legally recognised geographical boundaries within which they exercise authority and perform public functions. Third, local government units have corporate status and the power to secure resources to perform their functions. Fourth, devolution implies the need to "develop local units as institutions" in the sense that they are perceived by local citizens as organisations providing services that satisfy their needs and as governmental units over which they have some influence. Finally, devolution is an arrangement in which there are reciprocal, mutually beneficial, and co-ordinated relationships between central and local government; that is, local government has the ability to interact reciprocally with other units in the system of government of which it is a part (Rondinelli and Cheema, 1983).

The final concept implies that local government discharges obligations as part of a national political system and not as dependent elements of a central hierarchy. The concept of devolution is non-hierarchical in the sense that it posits a number of governments having a co-ordinated systems relationship with one another on an independent, reciprocating basis (Sherwood in Rondinelli and Cheema, 1983).

These specifications for devolution may be valid from a theoretical and legal perspectives but in most developing countries the actual requirements are less stringent. Even if most of the theoretical conditions for devolution are met, central governments often attempt to make local government act consistently with national development policies and plans in performing their functions. Thus, certain formal or informal controls are often maintained to accomplish national goals (Rondinelli and Cheema, 1983).

Involvement of Nongovernment Institutions

Decentralisation can be achieved by transferring functions to nongovernment institutions. It may involve the transfer to parallel organisations[4], privatisation, self-management arrangements[5] or debureaucratisation (Rondinelli and Cheema, 1983).

Privatisation refers to "the transfer of responsibility for certain governmental functions" (De Guzman, 1989), that is, producing goods or supplying services (Rondinelli and Cheema, 1983), to private sectors. The need for privatisation was espoused by one UK Minister of Local Government (1980), in terms of the ability to revitalise decaying urban areas:

> "The Urban Development Area, like much of the rest of our inner urban areas, desperately need the private sector's energy and resources...In these ...we must encourage and enlist the flair, drive and initiative of the private sector as the only possible way of restoring lasting prosperity to the decaying areas of some of our towns and cities (cited in Duncan and Mark Goodwin, 1988:137)."

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4 Parallel organisations may be national industrial and trade associations, professional or ecclesiastical organisations, political parties, or co-operatives. In this form of decentralisation, government may transfer the right to license, regulate or supervise the members in performing their functions (Rondinelli and Cheema, 1983).

5 Self-management arrangements allow workers in public enterprise or production co-operatives to plan and manage their own activities without strong central government intervention and control. More often, government transfers responsibilities to or shares them with organisations that represent various interests : farmers' co-operatives, credit associations, mutual aid societies, village development organisations, trade unions or women's and youth clubs (Rondinelli and Cheema, 1983).

This line of thought was further extended by the Environment Minister, when he said:

> "I believe it is now self-evident that on a very exciting scale, the private sector is being persuaded and 'incentivised' to come back into urban programmes...The private sector is now willing to be involved and is prepared to provide very substantial financial support in pursuit of profits in the urban areas, providing the mechanisms for evolving them are developed, and a lot of what is happening on Merseyside is going towards developing these agencies (cited in Duncan and Goodwin, 1988:146)."

Debureaucratisation, on the other hand, is allowing decisions to be made through political processes that involve larger numbers of political interests, rather than having decisions made exclusively or primarily by government through legislation, executive decree, or administrative regulation (Rondinelli and Cheema, 1983).

Regional Autonomy

Regional autonomy refers to the granting of basic government powers to the people of a particular area or region with minimal control and supervision from central government. This means a greater freedom for the local government to respond to the needs of the people for the promotion of their well being through a more equitable distribution of resources and services (Brillantes and Cuaresma, 1990).

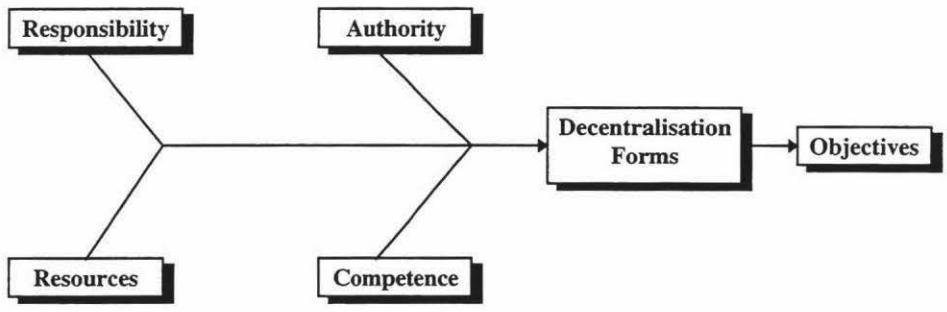
Federalism

Federalism refers to the division of governmental powers between the national (federal) government and its constituent units (e.g. states, provinces, republics, regions or cantons). Each state has its own constitution and exercises vast powers and functions except for purely national functions like defence and security, foreign affairs, currency and others. This form of decentralisation is the most radical but it is not feasible in a unitary state like the Philippines (Brillantes and Cuaresma, 1990; Celestino, 1990).

Elements of Decentralisation

Decentralisation has four basic elements - **authority, responsibility, competence (ability) and resources**. The integration of these elements determine the degree (form) of decentralisation and the type of objectives attained (Figure 4-3).

Figure 4-3. Elements of Decentralisation



Authority is the right to give orders, the power to exact obedience (Walker, 1989) and the power to take action (Rabey, 1993). Responsibility is a requirement to take action. Competence (ability) includes the knowledge, skills and attitudes necessary to carry out authority and responsibility. While resources - manpower and finance - can fuel the process of decentralisation and local autonomy.

Authority is not to be conceived apart from responsibility; it is its natural consequence and essential counterpart. Wheresoever authority is exercised, responsibility arises (Walker, 1989). In other words, if responsibility is assigned for a task, there must be an appropriate authority to carry out the requirements of that task - without this matching authority[6] , the responsibility cannot be upheld (Rabey, 1993).

In this context, these basic elements should act towards the same objectives in the same direction. But in practice they are separable and given in piecemeal. To consider

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6 Siting of authority to make decisions may be undertaken in the areas of policy formulation, policy implementation, program delivery, personnel matters and financial resource allocation (MAB and MIAC, 1991).

one scenario (Table 4-2), a local government unit may be given responsibility for goal-determination and function performance. It may be given resources but not authority over goal achievement and competence enhancement. It may have some ability to perform its assigned functions but its authority over resources may not extend to allocations over ability enhancement. In such a situation, the degree of local autonomy may be minimal and decentralisation may take the forms of deconcentration and delegation.

Table 4-2. Integrated Decentralisation Elements: Scenario 1

Basic Element	Domain			
	Goals	Functions	Resources	Ability/Competence
Responsibility	/	/	/	x
Authority	x	x	x	x
Ability/Competence	x	/	x	x

Note: / = Present; x = Absent (After Ocampo, 1992)

Alternatively, local government units may have broad responsibilities and powers over all domains (Table 4-3). Yet these may remain paper provisions without the training, technical assistance, and real resource endowments, needed to boost local capacity for autonomous behaviour (Ocampo, 1992).

Table 4-3. Integrated Decentralisation Elements: Scenario 2

Basic Element	Domain			
	Goals	Functions	Resources	Ability/Competence
Responsibility	/	/	/	x
Authority	/	/	/	x
Ability/Competence	x	x	x	x

Note: / = Present; x = Absent (After Ocampo, 1991).

These scenarios imply that the absence of any one element has an effect on the process of decentralisation and local autonomy. They also indicate that goals towards decentralisation and local autonomy can be better achieved if the stated elements are given in the appropriate combination.

Why Decentralisation or Devolution?

The impetus for decentralisation, of whatever form, has stemmed from a variety of motivations, but much emphasis has been placed on criticisms about the bureaucratic nature of centralised government.

Mike Codd in his paper, *Federal Public Sector Management Reform-Recent History and Current Priorities*, emphasised that:

> "[In Australia] during the periods of restraint in the latter part of the 1970's and the 1980's, it became increasingly recognised that public sector management was too centralised and too much directed at controlling inputs and due process, and that substantial gains in effectiveness and outcomes could not be achieved without reforming the overly centralised structures and process, the associated centralised management philosophy, and the overwhelming concentration on inputs for control and accountability purposes... Hence, there is no more important challenge for those interested in improving public administration than to get the balance right between the minimum requirements for meeting the needs of centralisation in public sector administration, and devolution of authority and responsibility operating departments consistent with that minimum requirements " (cited in MAB and MIAC, 1991:1-2; Williams, 1993:37).

During the 1970s, many governments in Asia, Latin America and Africa began to experiment not only with new approaches to development, but also with new political and administrative arrangements for planning and managing development programs and projects. The increasing interest in decentralising authority for planning and administration to states, regional and district and local agencies, field units of central ministries, local government and special purpose organisations arose from three converging forces:

1. disillusionment with the results of central planning and control of development activities during the 1950s and 1960s;
2. the implicit requirements for new ways of managing development programs and projects that were embodied in growth-with-equity strategies that emerged during the 1970s; and

3. the growing realisation that as societies become more complex and government activities begin to expand, it becomes increasingly difficult to plan and administer all development activities effectively and efficiently from the centre (Rondinelli and Cheema, 1983: 10).

Related to the third point Polaschek (1958) said, with reference to government administration in New Zealand, that:

> "[...t]he welfare state is now a huge and costly machine redistributing income and claims to goods and services on a massive scale. It has become so complex that no one knows what is being accomplished, or whether the results bear any relation to the costs involved" (cited in McKinlay, 1990a:19).

Brian Elwood emphasised the democratic and participation imperatives underlying decentralisation in his discussion of the local government reform process in New Zealand during the late 1980s:

> "Centralisation of decision-making and resource control seems to run counter to a political philosophy - democracy - which stresses the role and importance of the individual and individual choice...There is every possibility of establishing an over all system of government when the individual may feel more part of that system than is possible where government is too centralised...it will be achieved by increasing citizen input into decision making (cited in Martin and Harper (eds.),1988: ix)."

Celestino (1990) emphasised the powerlessness of local government under a highly centralised government:

> "centralisation results in 'paralysis of the extremities (lower levels of government)' and 'apoplexy of the centre (national government).' This situation would also make the central government inefficient and ineffective because its hands are full of powers and functions which are beyond its capacity to hold and wield. There is therefore a need for central government to share its powers and functions (as well as the corresponding 'accountability' that goes with these powers and functions) with the local government in order to avoid this no-win situation. In this context, a favourable balance of power between the national government and local government should be established through a strategy called decentralisation."

In the United Kingdom, neighbourhood decentralisation was seen as a means of responding to the many criticisms of public sector bureaucracies (Table 4-4).

Table 4-4. Typical Complaints of Public Sector Bureaucracies in United Kingdom

1. Unresponsive	Front line staff do not have the authority to respond to the public.
2. Uninformative	Few people understand council procedures-they may know that they are number *x* on the housing waiting list and have *y* points, but they do not know what this means.
3. Inaccessible	Services are located in huge, hostile buildings miles away from where people live and public meetings are unwelcoming.
4. Poorly co-ordinated	Despite the corporate management initiatives of the 1970s, departmentalism and professionalism have grown stronger.
5. Bureaucratic	Virtually every decision has to be made with reference to the 'rule book' or involves senior management. This requires large amounts of paperwork and causes long delays.
6. Unwilling to listen	Staff are trained to be more concerned with departmental and professional objectives than with listening to the problems of the public. Answering a public enquiry is often seen as a distraction from work.
7. Inefficient	There is a massive waste as a result of duplication between departments and the application of uniform policies which have no flexibility to respond to local needs.
8. Unaccountable	Front-line staff and their managers cannot be properly held to account for poor performance if they lack control over the resources that are necessary to deliver services, nor can politicians be held to account for decisions made in remote central committees which have an impact in unforeseen ways on local communities.

Source: Burns, Hambleton and Hogget, 1994: 86.

Objectives of Decentralisation

Decentralisation is usually prescribed to achieve a range of goals and their associated values such as efficiency, effectiveness, participation, local autonomy and local competence development.

Efficiency and Effectiveness

Efficiency refers to the achievement of ends with the least amount of resources, while effectiveness is the achievement of objectives (Weihrich and Koontz, 1988; Carter, Klein and Day, 1992) or reflects how well a programme or activity is achieving its stated objectives, goals and other intended effects (Tomkins, 1987). Effectiveness is also associated with the value which society desires from given inputs and outputs of a particular public service (Tomkins, 1987).

Effectiveness has various facets which make it different from efficiency. An efficiency calculation assumes a clearly defined output while effectiveness involves all effects, intended or not, and needs inputs from a variety of sources (Plowden, 1994; Bautista, 1987). Managers, consumers, professional service providers and general employers have a part to play in the determination of what effectiveness is. In sum, effectiveness measurement takes into account the relevance of different groups and competing interests (Tomkins, 1987).

Decentralisation contributes to efficiency and effectiveness by locating decisions closer to the scene of action, where standard national policy can be modified to better meet potentially peculiar and changing conditions. Decentralisation takes advantage of more precise, "case-wise," and current knowledge, adaptive skills, and the smaller "human" scale of local institutions, and communities in dealing with their problems (Ocampo, 1992).

In the 1980s, efficiency arguments received a strong boost from business literature suggesting that the management structure of successful firms was decentralised - "close to the customer" (Peters and Waterman, 1982; Inkson, et al. 1986; Common, Flynn and Mellon, 1992; Epstein, 1990).

Efficiency arguments for devolution and decentralisation became prominent in recent New Zealand discussions about the role of government. They suggest that the quality of decision-making will be improved the nearer the point of decision-making is to those affected by it. Local decision-makers, having access to more accurate and current information, can respond to citizens' preferences more effectively than can authorities in a distant capital (Martin, 1991). This can occur because of differences between the communities or clients involved, the need for responsiveness to market, other conditions, or other factors. In a larger society, decentralisation can result in more efficient allocation of resources to needs (McKinlay, 1990a).

Efficiency arguments in favour of devolution are often associated with a preference for confining the role of government to a very small range of functions. Preferences, it is suggested, will be best reflected when exercised directly - through the market rather than through the mediation of governments, whether national or sub-national (New Zealand Treasury, 1987; McKinlay, 1990a).

Participation

Radical democratic theorists, political theorists, and political activists see the direct participation of citizens in the conduct of public affairs as a necessary condition of democracy. They employ the language of 'power sharing', 'consultation', 'empowerment', and 'community' (Martin, 1991).

Decentralisation, according to Brillantes and Cuaresma (1990), enables maximum participation of the people concerned in the decision-making processes on issues that concern them directly. A review of literature reveals various definitions of public participation. Hampton (1987) provides a three-fold definition of the term in the context of British local government:

> "Participation in service provision can be seen as a means by which individuals may protect their rights as consumers of public goods and services; it can be described as the right to consultation; or it can involve the full...concept of people sharing in the process of policy making and service provision" (cited in Gyford, 1991:53).

Sherry Arnstein (1969) argues that "there is a critical difference between going through the empty ritual of participation and having the real power needed to effect the outcome of the process." To encourage a more enlightened dialogue she set out a typology, or ladder, of citizen participation (Figure 4-4). At the bottom of the ladder are two rungs of non-participation, the next three rungs are degrees of tokenism and the last three rungs are degrees of citizen power.

Figure 4-4. Ladder of Citizen's Participation

8	**Citizen Control**: Citizens govern a program or an institution, be in full charge of policy and managerial aspects, and be able to negotiate the conditions under which "outsiders" may change them.
7	**Delegated Power**: Citizens achieve dominant decision-making authority over a particular plan or program.
6	**Partnership**: Citizens share planning and decision making responsibilities with powerholders.
5	**Placation**: Citizens advise but the powerholders continue to make decisions
4	**Consultation**: Inviting citizen's opinions with no assurance that these will be taken into account.
3	**Informing**: Citizens are informed of their rights, responsibilities, and options, however, no channel for feed back and power for negotiation are provided.
2	**Therapy**: Citizens are engaged in extensive activity, but the focus is curing them of their "pathology" rather than changing the victimisation that create their "pathologies."
1	**Manipulation**: People are invited to participate in order to "educate" them and engineer their support.

(After Arnstein, 1969)

Local Autonomy

Local autonomy remains a focal point in the decentralisation process. In the Philippines, decentralisation is seen as a means of achieving the constitutionally enshrined State policy on local government:

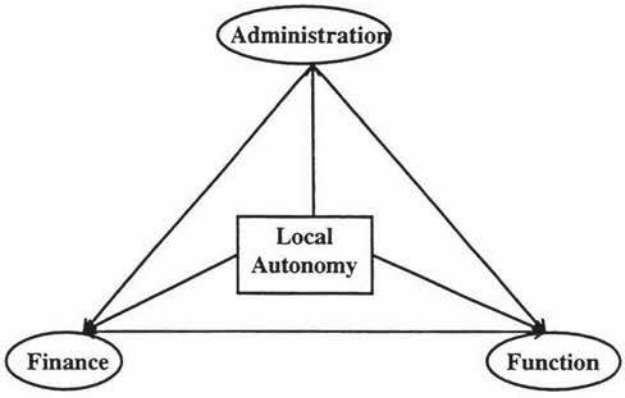
> "The territorial and political subdivisions of the state [comprised of provinces, cities, municipalities, and barangays] shall enjoy local autonomy (Section 2, Article X)."

Local autonomy is generally viewed as the enhanced freedom of the peripheral units of an organisation or system. It entails interrelated processes that need to be more precisely and operationally defined (Ocampo, 1992). It refers to the degree of self-determination and self-government enjoyed by local units in their relation with the central government, and thus implies a measure of independence from national control. Local autonomy is usually gauged by the allocation of power and functions between

national and local units and the control and supervision exercised by the national government over local units (Alderfer, 1964).

In its utilitarian form, local autonomy is perceived as the triad of administration, finance and function or service (Figure 4-5). **Autonomy in administration** denotes the leeway to manage local affairs and make final decisions. It also implies the direction and freedom to hire and fire personnel in the local bureaucracy. **Autonomy in finance** includes the power to levy taxes, collect the rates, or taxes levied, retain the collection and, finally, spend what is collected. **Autonomy in function** refers to the dichotomy between a public function which belongs purely to local authorities, and a shared function or one which resides on central government on legal or traditional grounds (Sosmena, 1991).

Figure 4-5. Local Autonomy Triangle



Decentralisation, whether initiated by the central government or forced upon it by centrifugal tendencies, is one precedent or correlative condition of local autonomy. Another is the shifting roles of local units from passive objects to active subjects of decentralisation (Figure 4-6). This means reshaping the roles of local units from merely being followers, supporters or implementors of central mandates to participants, partners, leaders or self-propelling local institutions (Ocampo, 1992).

Autonomous attributes and attitudes in behavioural terms can be summarised as follows:

1. Self-determining in terms of goals and functions;
2. Initiative, leadership, and discretion in decision making and action;
3. Self-reliant in resources and strategies;
4. Open to local participants; and
5. Responsive and accountable to local constituents (Ocampo, 1992).

Figure 4-6. Direction of Greater Autonomy

Direction of greater autonomy - - - - - - - - - ->	
1. Serve more actively as agents of central government.	Assert and serve their own identities and interests.
2. Perform more functions for the central government.	Determine and perform their own functions, including central government-like functions.
3. Help articulate the central government's goals; translates them into local ones.	Ratify the central government's goals; adopt and implement their own.
4. Get more resources from the central government; untied grants.	Generates, allocate and use more of their own resources.
5. Get more technical aid from the central government for local problem-solving .	Develop their own strategies for solving both common and unique problems.

Source: Ocampo, 1992

Developing Competencies

According to Rondinelli and Cheema (1983), decentralisation could lead to the development of greater administrative capability among local government and private institutions. It expands their capacities to take over functions that are not usually performed well by central ministries, such as the maintenance of roads and infrastructure investments in areas remote from the national capital. It could also give local officials the opportunity to develop their managerial and technical skills. The

capacities to perform effectively the planning, decision-making, and management functions that are formally granted to local levels of government include the ability to:

1. identify development problems and opportunities;
2. identify or create possible solutions to development problems;
3. make decisions and resolve conflicts;
4. mobilise resources; and
5. manage development programs and projects (Leonard, 1983; Cheema and Rondinelli, 1983).

The Australian Public Service Commission perceived the results of devolution in operational functions in human resource management to departments and agencies as "making the managers manage." It said that:

> "Because these developments [devolution of human resource operational functions] have sought to increase the authority, responsibility and accountability of managers, they need to be seen as doing more than merely '**letting** the managers manage.' The central purpose of the devolutionary process has been to give to managers the tools and incentives to manage efficiently and effectively their human resources so as to achieve organisational and government objectives - in other words, "**making** the managers manage" (cited in MAB and MIAC, 1991:10).

Other Motivations for Decentralisation

Rodinelli (1981) identified a variety of arguments for decentralising development planning and administration in developing countries:

1. Overcomes the limitations of central planning[7] ;
2. Hastens decision-making;
3. Increases knowledge and sensitivity to local problems and needs;
4. Builds political and administrative awareness;

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[7] Plans have broad objectives that are difficult to implement in lower levels. These are produced to satisfy international lending institutions. They ignored limits on resources; and failed to consider differing needs and conditions of regions and sectors of society (Rondinelli and Cheema, 1983).

5. Increases representation of various interest groups;
6. Enhances administrative efficiency;
7. Improve inter-agency co-ordination;
8. Offsets influence of local elite;
9. Improves public service delivery and evaluation; and
10. Reduces diseconomies of scale.

According to Smith (1985), decentralisation is presumed to:

1. be a more effective way of meeting local needs;
2. be relevant to meeting the needs of the poor;
3. improve access to administrative agencies;
4. soften resistance to social change through popular participation;
5. reduce congestion at the centre;
6. be necessary for national unity through local democracy;
7. enhance civic consciousness and political maturity; and
8. mobilise support for development plans.

Burns, Hambleton and Hogget (1994) identify six overlapping yet distinct objectives of neighbourhood decentralisation in United Kingdom:

1. Improving services. More sensitive service delivery. Changing the relationship between public servants and the public: public at the top. Service planning and policy.

2. Strengthening local accountability. Enhancing public influence and control. Making performance more visible to the public. Strengthening the power of ward councillors. Promoting community development.

3. Achieving distributional aims. Targeting resources on different areas/groups.

4. Encouraging political awareness. Winning political support for public services. Increasing public knowledge on local issues. Winning support for political party.

5. Developing staff. Enhancing job satisfaction from working more closely with the public. Creating friendly work environment. Encouraging neighbourhood loyalty.

6. Controlling costs. Developing management control to improve cost-effectiveness.

Criteria Used to Assess Achievement of Decentralisation Objectives

Sosmena (1991) set out criteria (Table 4-5) that can effectively assess whether or not decentralisation objectives are successfully achieved.

Table 4-5. Guidelines for Assessing Achievement of Decentralisation Objectives

1. To what extent does decentralisation achieve broad political objectives: political stability, mobilising support and co-operation of non-governmental organisations and local communities for specific national development policies?
2. To what extent does decentralisation increase administrative effectiveness by promoting greater co-operation among units of national and local governments including non-governmental organisations in the attainment of a mutually acceptable development goal?
3. To what extent does decentralisation promote economic and managerial efficiency by allowing governments at both central and local levels to achieve development goals in a most cost effective manner?
4. To what extent does decentralisation increase government responsiveness to the needs and dimensions of various interest groups within the society?
5. To what extent does decentralisation contribute to greater self-reliance and self-determination?

Source: Sosmena, 1991

Certain Limitations of Decentralisation

The appeal of decentralisation is not difficult to understand. It offers a way out from the tight, centralised, bureaucratic and hierarchical organisations which have been found to generally make administrative co-ordination among different organisations difficult (Wunsch, 1991). However, decentralisation, according to Burns, Hambleton and Hogget (1994), is not an end in itself. Rather, it should be viewed as a possible route to the achievement of an organisation's strategic objectives. It is not a "quick fix" or panacea that can solve the administrative, economic and political problems related to national or rural development. Comparative experiences in the implementation of various decentralisation programs have shown that its application can create more problems in the process before positive results are realised (Sosmena, 1987). According to Wunsch (1991), expectations from decentralisation are not always realised.

Factors Affecting Implementation of Decentralisation

Several factors can influence implementation of decentralisation of whatever form. These are political, resources, psychological and behavioural, administrative and operational factors and capability building issues (Figure 4-6).

Political Factors

1. Political Will. Commitment and political will of national government to devolve power and authority, as well as financial autonomy to local government (Briones and Pantaleon, 1994).

2. People's Participation. Successful decentralisation depends on the extent of people's participation and support in the process (Briones and Pantaleon, 1994).

3. Linkages. Decentralisation requires the interaction of various organisations (national government agencies, nongovernment organisations and private sectors) at

different levels of government. The effectiveness of interorganisational relationships and linkages depends on the following criteria:

a. the clarity and consistency of policy objectives and the degree to which they give implementing agencies clear direction to pursue activities that will lead to their achievement;

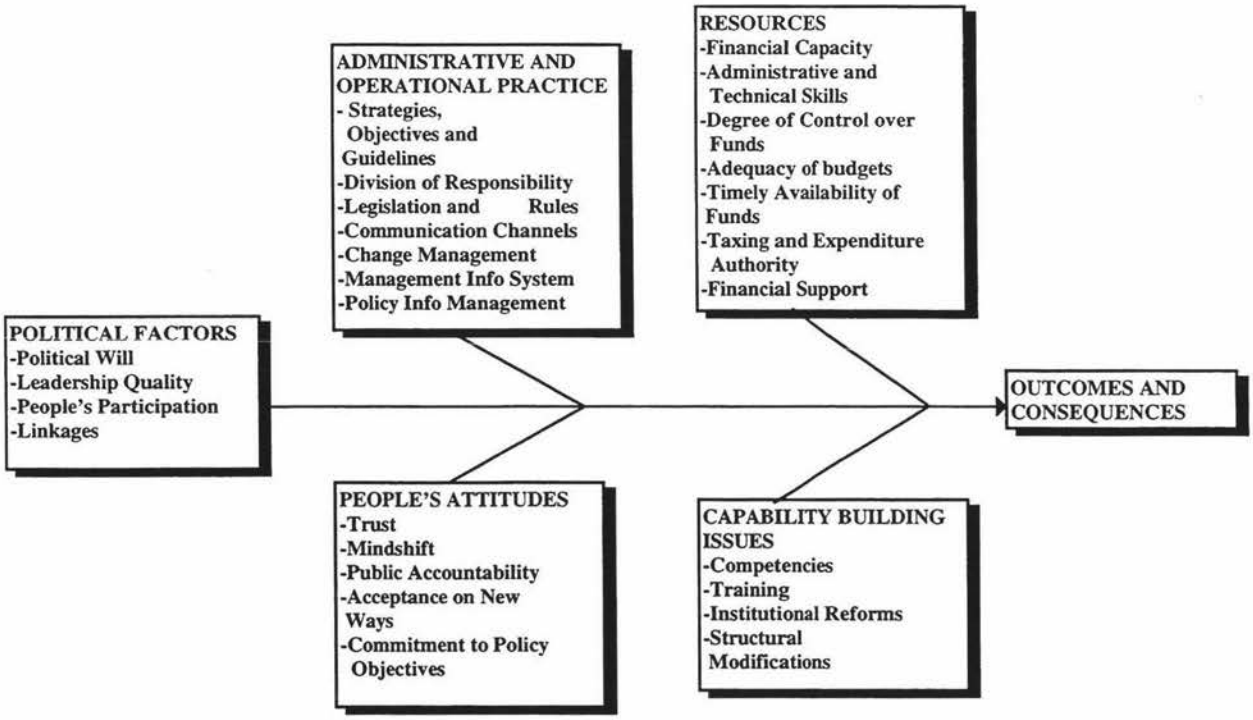
b. the appropriate allocation of functions among agencies, based on their capacities and resources;

c. the degrees to which planning, budgeting, and implementation procedures are standardised and thereby minimise conflicting interpretations that make programs and policies difficult to co-ordinate;

d. the accuracy, consistency, and quality of interorganisational communications that enable organisations involved in policy implementation to understand their roles and tasks and to complement the activities of others; and

e. the effectiveness of linkages among decentralised administrative units that ensure interaction among organisations and allow co-ordination of activities (Rondinelli and Cheema, 1983:29).

Figure 4-7. Factors Affecting Implementation of Decentralisation Process



4. Leadership quality. Leadership is the ability to influence the behaviour of others in an organisation to go in a certain direction (Kossen in Lawton and Rose, 1994; Lundstedt in Gortner, 1981). Leadership involves establishing a clear direction, and aligning people behind a set of strategies to deliver the vision of where the organisation is heading. It also entails motivating and inspiring people to overcome the major resource and bureaucratic obstacles along the way (Kotter in Curtain, 1993). According to the trait theory of leadership, leadership requires certain characteristics,

a. the ability to solve problems creatively;
b. the ability to communicate and listen;
c. a strong desire to achieve;
d. many interests and sociability;
e. a positive and sincere attitude towards subordinates;
f. self-confidence;
g. enthusiasm;
h. self-discipline;
i. manners; and
j. emotional stability (Kossen in Lawton and Rose, 1994).

In the context of decentralisation, it can be argued that leadership involves the ability to set up the sytem within which decentralisation works. It requires confidence and ability to trust others. It requires the ability to motivate people and to let go the reins.

Resources

1. Financial Capacity. Padilla (1987-1988) emphasises that increasing the financial capacity of local government is necessary for effective decentralisation. He explains that:

> "...political decentralisation and local autonomy, which, time and again, has been enunciated as one of the main politico-administrative policies of the [Philippine] government, may be reinforced by the increased financial capacity of local authorities. Devolving more powers and functions to local government units and expanding the programs and services that they are to undertake pre-suppose first and foremost the strengthening of their fiscal position."

The degree to which agencies have control over funds, the adequacy of budgetary allocations to perform decentralised functions, the timely availability of resources, and the adequacy of revenue raising and expenditure authority at the local level affect implementation as well. One of the dilemmas facing governments attempting to implement decentralisation policies is that central officials take the initiative, usually under pressure from other groups, to decentralise authority, but then negate that authority by refusing to transfer financial, administrative, and technical resources to local agencies (Cheema and Rondinelli, 1983).

2. Financial Support. The extent to which agencies receive sufficient financial support determines the outcome and effects of decentralisation program (Rondinelli and Cheema, 1983).

3. Administrative and Technical Skills. The availability of administrative and technical support affects implementation of decentralisation programs.

Psychological and Behavioural Factors

1. Trust. Current decision makers (holders of delegations and the performers of high level tasks) must be willing to devolve and actually pass on delegations (and tasks where appropriate) to enable successful devolution to take place, i.e. there must be a change in both their attitudes and behaviour (MAB and MIAC, 1991:x).

A system of decentralisation called "*policing by objectives*" was introduced in London Northamptonshire police. This seeks to promote dynamism within the organisation. Policing by objectives devolves responsibility for setting and working towards

objectives to managers at each level in the hierarchy, and it encourages participation and feedback from the bottom level of the organisations. Analysis of the system reveals that:

> "The success of the system seems to rest to an acceptance by officers of their new responsibilities...devolved management depended very much on the personalities involved; a superintendent has to trust his deputy" (Common, Flynn and Melon, 1992:58).

2. Mind Shift. Alunan (1994b) advocates,

> "...after the **POWER SHIFT**, (brought about by the Local Government Code), comes the equally important task of the **MIND SHIFT**, a shift in orientation among national and local officials, supportive of the goals of decentralisation."

Philippine President Fidel V. Ramos (1994) reiterates the importance of this mind shift when he says:

> "...the Local Government Code has devolved substantial authority and ...responsibility to local levels. However, such a devolution of powers is certainly not enough. It must be accompanied by appropriate changes and reforms not only in local structures and processes, but also in the behaviour and mindset of local officials concerned. This calls for creativity, risk-taking, and a deep and broad commitment to community development and nation-building..."

3. Public Accountability. The receiver of the new range of powers and tasks must be prepared to accept the new responsibilities and the accountability that goes with them, i.e. there must be a change in both their attitudes and behaviour, too. (MAB and MIAC, 1991:x). Those who are to assume delegated functions and powers must not only exercise them for the public interest but must remain vigilant with respect to the ethical and moral implications of their acts (Sosmena, 1991).

Likewise, those who gain power need to be willing to accept the new ways of doing things. Changing traditional norms that hinder individual performance, introducing innovations, and maintaining questioning but positive attitudes are the critical

components of behavioural modifications. Those who are in the position to devolve powers must understand that sharing power is vital to the dynamics of democracy and development. In turn, those who are to exercise delegated powers carry the burden of moulding a cadre of accountable public officers (Sosmena, 1991).

4. Acceptance and commitment to policy objectives among officials and staff of local government units (implementing agencies).

Administrative and Operational Factors

1. Strategic Direction. Organisations need a clear set of strategies, objectives and guidelines (MAB and MIAC, 1991:x).

2. Understanding of Roles and Responsibilities. There needs to be a clear division of authority and responsibility between the roles for those at the centre of the organisation (or central government) and those in the regions (or local government) (MAB and MIAC, 1991:x; Hichman, 1987).

3. Simple and Clear Legislation and Rules. Simplification of legislation and associated policy and administrative guidelines will assist devolution by making clearer what is expected (MAB and MIAC, 1991:x).

4. Communication Channels. Open communication channels will help sort out implementation difficulties (MAB and MIAC, 1991:x).

5. Change management. Organisations need to actively encourage and manage change to take advantage of the administrative efficiencies it can bring (MAB and MIAC, 1991:x).

6. Management Information Systems. Installation of adequate management information systems to allow management to monitor performance (MAB and MIAC, 1991:x; Hichman, 1987).

7. Policy Information Management. The need for policy analysis and policy reforms and continuous flow of information for effective local decision making are very much recognised in any decentralisation effort (Sosmena, 1991).

Capability Building

1. Competencies. The power of analysis, resoluteness and even common sense, which generally are not common, are some of the competencies that are important in decentralising functions and powers from the top to bottom. Administrative competencies necessary for managing public organisations, developmental capabilities for regional and local developments, as well as economic and social competencies are organisational requirements necessary to sustain a decentralised system (Sosmena, 1991).

2. Training. Training interventions may have to be undertaken primarily to orient all concerned with the necessary preconditions for effective decentralisation (Sosmena, 1991). In which case, resources must be expended on the training commitment that is an essential precursor to ensure that the receivers of devolved powers are adequately skilled to handle the new responsibilities (MAB and MIAC, 1991:x).

3. Institutional reforms, that is, local capability building from below, may be undertaken as a strategy to implement decentralisation. Certain structural adjustments are necessary in order to facilitate the attainment of decentralisation objectives (Sosmena, 1991).

In line with this, Oberst (1986) observes that as a strategy, "decentralisation does not merely involve the transfer of political power to local units of government," but more importantly, it requires changes in the administrative structure, and attention to possible conflict between those who will benefit by decentralisation and those who stand to lose.

Alunan (1994a) says that decentralisation must include the fine-tuning of localised structures, so that they are truly reflective of popular sentiment. This requires a kind of artistry in crafting "people-centred structures" which emanate from the wellspring of indigenous knowledge, local experience and home-grown sentiment.

Conclusion

Decentralisation can mean different things to different people. It has both political and administrative dimensions. The political dimension relate to participation, authority, power, autonomy and accountability. The administrative dimension relates to delegation, transfer of functions, resources and responsibility. Both dimensions presuppose the capability to discharge the decentralised functions as well as the existing functions.

Decentralisation can take various forms such as the process of deconcentration, delegation, devolution, transfer of functions from government to non-government institutions, regional autonomy and federalism. These forms reflect the integration of four important elements: **authority**, **responsibility**, **resources**, and **competence**.

Generally, decentralisation is desired and described in terms of democracy, autonomy, efficiency, effectiveness and participation. It is essential that any change leading to decentralisation must be clear about its purpose to determine the form it should take. For instance, deconcentration may be prescribed to achieve functional efficiency and effectiveness, while devolution may be prescribed to achieve the goals of: efficiency, effectiveness, equity, empowerment and local autonomy.

Decentralisation may not achieve its objective or resolve the problems it is intended to do. This is not just a matter of inappropriate form, but a reflection of the range of conditions which have to be satisfied to ensure success. Not only do most conditions have to be favourable, but they need to interact in a certain way. Any being absent may be fatal to the process, or outcome of decentralisation. The factors identified in this chapter that appear to condition the success of decentralisation are: political,

administrative and operational practices, people's attitudes and mindsets, and resources and capability building.

On the basis of this conceptual summary, the following issues will be the focus of the research into the effectiveness of health services decentralisation in the Philippines:

1. Attaining Decentralisation

- what pattern of interaction should be established between all levels of government and nongovernment organisations and the private sector to successfully implement decentralisation?
- what level of commitment among national and local officials is necessary to effect successful decentralisation?
- what modifications should be introduced to the entire government structures, processes, and systems to sustain decentralisation?
- what necessary interventions should be made to enhance capability of local government and be able to sustain the decentralised functions and responsibilities?

2. Achieving the Benefits of Decentralisation

- how far does decentralisation contribute to greater self-reliance and autonomy?
- to what extent does decentralisation increase efficiency and effectiveness?
- how far has public participation been enhanced by decentralisation?
- to what extent does decentralisation increased local government capability and competence?
- how does decentralisation lead to a more responsive system?
- to what extent does decentralisation increase local accountability?

The preceding review indicates that the two broad research questions, how to bring about decentralisation most effectively and how decentralisation might best deliver the anticipated benefits, are likely to be closely related.

Part Two

METHODS

Chapter 5

METHODOLOGICAL APPROACH

"Our truth is the intersection of independent lies..."

-Lewis, 1966 (cited in Fielding and Fielding, 1986)

Opinion Survey Methodology

As pointed out in Chapter 1, the main objective of this thesis is to explore the impacts and critically analyse the progress of devolution in the Philippines. A survey of opinions is one of the range of methods applied to achieve the thesis goals and objectives. It is important to note, however, that the survey reflects only the perceptions of key municipal government officials (recipients of decentralised responsibility), health personnel (personnel transferred) and members of the health board (advisory body) in three municipalities chosen as case study areas. It does not cover the public view of the outcomes of the process, nor the experience of other local government units like the provinces, other municipalities and barangays.

Objectives

The survey looked at three aspects of the devolution process in the Philippines. First, it aimed to determine the perceptions of municipal elected officials, health personnel and members of the health board about the nature of devolution objectives, in terms of efficiency, effectiveness, participation, local autonomy and developing competencies. Second, the survey was designed to identify the factors participants believe have promoted or impeded the devolution process. Third, it aimed to gather perceptions about changes in the way things are done as a consequence of devolution.

Research Questions

It was hoped that several research questions would be answered by the survey. Foremost is whether local government units became more autonomous as a consequence of the powers shared with them by national government.

It was illustrated in Chapter 2 that the Philippine politico-administrative structure had been highly centralised. Most decisions were made and financial resources were concentrated in "imperial Manila." The system kept local government units powerless and dependent on national government. In the light of the situation, several attempts were made to decentralise government and promote local autonomy. As described in Chapter 3, the new Local Government Code enacted in 1991 provided for the devolution of powers, authorities, responsibilities and resources to local government units. The issue of whether the "structural power shift" brought about by devolution has made the local levels less dependent on central government will be addressed in this research.

Another question is the extent to which people's participation in the development process (within the context of people empowerment) has been enhanced by devolution. The ideology of people empowerment, also referred to as 'active citizenship' (Brillantes, 1994a) requires that people at the local level, whether local government, local institutions, people's organisations (POs), non-government organisations (NGOs), or civil society make their decisions at that level (Brillantes, 1995).

Another question is the degree to which devolution has led to a more responsive, more efficient and more effective system compared with highly centralised politico-administrative system.

The issue of whether local government capability and competence has been strengthened through decentralisation was also looked at. The survey covered decision-making, technical competence, monitoring performance, service delivery, problem identification and resolution.

The factors that contributed to or impeded effective implementation of decentralisation process were also covered. These included political, resource, psychological, behavioural, administrative, operational and capability building issues. An attempt was made to determine the most important factors influencing the process of devolution.

Perceptions regarding changes as a consequence of devolution were investigated. These changes covered organisation, program implementation, service delivery and participation, matters which should reflect the pattern of acceptability and sustainability of the decentralised responsibility among local officials and affected personnel.

Survey Design

The questionnaire comprised five parts (Appendix G). The first part covered the effects of devolution on the way things are done. Opinions on 19 statements relative to devolution objectives - efficiency, effectiveness, participation, local autonomy and developing competencies - were sought. These statements were listed at random in the survey questionnaire. These were classified according to the stated objectives prior to analysis (Table 5-1).

Most statements provided in this part of the questionnaire were derived from the literature review. Care was taken in wording the statements to reflect the concepts each was intended to represent.

The second part of the questionnaire dealt with the various factors that are important in facilitating the devolution process. The list of factors used for this part of the questionnaire was a result of pooling together the factors identified by several authors in the literature review (Chapter 4). Nine factors were taken from those reviewed by the Australian Management Advisory Board and Management Improvement Advisory Committee (1991), five factors was taken from those reviewed by Rondinelli and Cheema (1983) and the remaining nine factors were derived from findings of local authors like Sosmena (1991), Briones and Pantaleon (1994) and Padilla (1987). These

Table 5-1. Questionnaire Statements on Devolution Outcomes

Objectives	Perceived Devolution Outcomes
Efficiency	I.a. Sped-up decision making processes pertaining to health issues.
	I.c. Reduced the cost of delivery of health services.
	I.d. Improved co-ordination of health services and other related services by the municipality.
	I.f. Eliminated the duplication of health services delivered between central government and municipal government.
	I.s. Increased the productivity of health personnel.
Effectiveness	I.b. Led to decisions which take more account of community needs.
	I.g. Improved the understanding of the public about the health services they are entitled to.
	I.e. Increased the number of primary health care services available for the public.
	I.i. Increased access to health services by the public.
Participation	I.h. Improved the ability of the public to have a say in the process of health service design.
	I.j. Encouraged active participation by volunteers from the public in health service delivery.
	I.k. Enhanced public influence over health service delivery.
Local Autonomy	I.l. Made the performance of health personnel more visible to the public.
	I.n. Led to less dependence on central government among municipal officials.
	I.r. Provided wider latitude for health personnel to act with discretion in solving health service problems.
Developing Competences	I.o. Developed the capability to solve health problems at the municipal level.
	I.m. Improved monitoring of health program implementation.
	I.p. Provided the opportunity for municipal officials to develop their technical ability on health matters.
	I.q. Allowed health personnel to allocate health services according to the needs of the community.

factors were presented at random in the questionnaire but were regrouped for data analysis (Table 5-2).

The factor concerning resources excluded the number of people available which is very much dependent on the adequacy of budget. As one respondent argued,

> "Even if we need more people if we do not have the money to pay for their salaries and other emoluments, then nothing can be done about it."

The third part of the questionnaire solicited the respondents' opinion over twenty-four statements (favourable and unfavourable) concerning organisation, attitudes, behaviour, program implementation, service delivery and participation as a consequence of devolution. The statements in this part were presented at random in the questionnaire but these were grouped according to the consequences of the process (Table 5-3).

Table 5-2. Questionnaire Statements About Factors Important in Devolution Process

Description of Factors	Perceived Factors Promoting Devolution
Political	B. The political will of central government to devolve authority to local governments.
	C. The nature of support from the private sector.
	D. The nature of support from non-government organisations.
	E. The nature of support from intended health service beneficiaries.
	F. The leadership of the municipal chief executive.
Resources	G. Adequacy of the municipal budget available to perform devolved functions.
	P. Timely availability of funds for health services.
Behavioural and Psychological	I. The acceptance by municipal officials of their new responsibilities.
	J. The commitment to the devolution policy among municipal officials.
	K. The commitment to the devolution policy among health personnel.
	L. Willingness of municipal officials to accept new ways of doing things.
	M. Willingness of health personnel to accept new ways of doing things.
	N. Commitment to working with the public among municipal officials.
	O. Commitment to working with the public among health personnel.
Administrative and Operational	A. The nature of communication between the municipality and central government.
	H. The degree to which the municipality has control over funds.
	Q. Clear set of guidelines from central government.
	R. Clear set of objectives and policies from central government.
	U. Adequate management information systems for central government to monitor performance.
	V. The quality of analysis leading to the devolution policy.
	W. The quality of the devolution policy itself.
Capability Building	S. Training for municipal officials.
	T. Training for health personnel.

For the first three parts, a five-point Likert scale was used to provide a quantitative measure of opinion on the concepts implied in each statement. For part two, the respondents were also asked to list the five factors from the list of 23 (Table 5-2) which they considered most important to less important.

The respondents were given considerable leeway to make further comments about the process of devolution in the Philippines. This enabled them to express important views that were not expressed in the statements provided in the close-ended questions.

Personal details such as gender, age, years of experience with the municipal government, positions, were all asked largely in an attempt to describe the respondents and look for patterns in their perceptions and attitudes.

Table 5-3. Questionnaire Statements About Changes in the Way Things are Done as a Consequence of Devolution.

Changes	Description of Changes
Organisational or Institutional	3.I Response time to policy questions are longer due to lack of technical expertise among municipal officials.
	3.j Health personnel make more mistakes in their decisions on health issues.
	3.k There is lack of assurance that health personnel will receive the monetary benefits they are accustomed to.
	3.q Lines of communication between central government and local governments are impeded.
	3.s Administrative supervision over health personnel has improved.
	3.t Technical supervision over health programs by central government suffered.
	3.u Promotion for health personnel is impeded.
	3.v Skills training opportunities for health personnel have become fewer.
	3.w Devolution has increased competition within municipal offices in funding allocation.
Behavioural	3.a Municipal officials are more accountable for their performance.
	3.b Health personnel spend much more time in the field.
	3.c. Municipal officials are more committed with their job.
	3.o Health personnel report less frequently to the central government for service delivery outcomes.
	3.p Health personnel enjoy their job more.
Implementation and Service Delivery	3.g Devolution increases competition between the central government and the municipality in the provision of health services.
	3.h The municipal government is forced to provide a particular service by central agency directive rather than making a choice based on factors that are important to the municipality
	3.l Devolution has led to more people educated about health matters.
	3.m Devolution has improved health in the population.
	3.n Health services are less subject to political influence.
	3.r Successful implementation of health programs is highly dependent on the mayor's support.
	3.x Devolution has led to more people being treated for medical conditions.
Participation	3.d Community groups work more actively with the municipal government in the provision of health services.
	3.e Non-government organisations work more actively with the municipal government in the provision of health services.
	3.f Private organisations work more actively with the municipal government in the provision of health services.

Response Scores

Individual responses to each question were consistently scored. For part one, strong agreement with a statement was given a score of 5 descending through to a score of 1 for strong disagreement. Likewise, for sub-part one of part two, scores of 5 diminishing through 1 were given to the response of totally important through totally unimportant. For sub-part two, respondents were required to identify the five factors from the list which they thought most important, and to place these in descending

order, the aim being to force them to discriminate amongst influences on devolution. The first of the five factors was given a score of 5 descending through 1 for the fifth. Factors not mentioned in the set of five most important were given a score of nil.

For part three, two sets of scores were applied to the responses. For 'positive' statements, like questions a, b, c, d, e, f, l, m, n, o, p, s and x, a score of 5 was given to strong agreement decreasing through to 1 for strong disagreement. For 'negative' statements such as questions g, h, i, k, q, r, t, u, v and w, a score of 5 was given to a strong disagreement and 1 for strong agreement.

Sample Selection

For purposes of this survey, the following categories of respondents were identified, from the three municipalities:

- the mayor or municipal chief executive of the municipality;
- the vice-mayor or presiding officer of the *sanggunian bayan*;
- the regular and ex-officio members of the *sanggunian bayan;*
- the municipal health officers or rural health physician;
- other transferred health personnel - public health nurse, rural health midwives and sanitary inspectors;
- health personnel from DOH field units and those devolved to the province (higher level of local government) assigned in the municipality;
- DOH and NGO representatives to the municipal health board.

All relevant personnel were interviewed and the resulting sample size comprised a total of 93 individuals: 3 mayors, 3 vice-mayors, 24 regular council members, 6 *ex-officio* members of the council, 3 health officers, 33 other transferred health personnel, 12 health personnel assigned in the municipality, 9 representatives from the municipal health board.

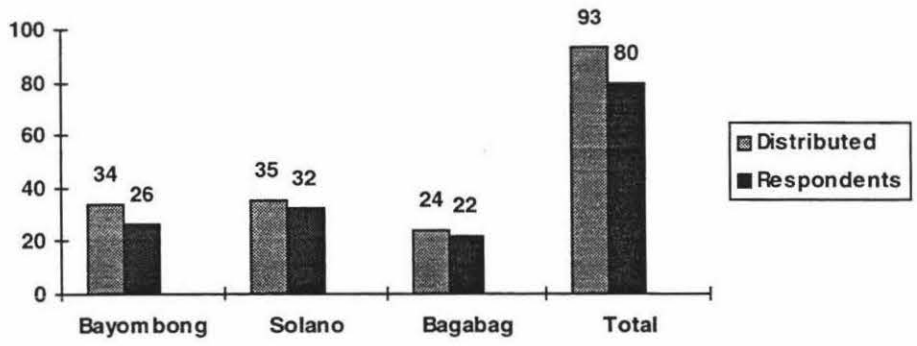
Questionnaire Distribution

Each of the 93 individuals were given the questionnaire personally during visits made in each municipality from 14 August - 8 September, 1995. The questionnaire had an accompanying letter requesting respondents to find time to answer the questionnaire and assuring them of the confidentiality of responses. Dates were agreed when to pick up the completed questionnaire. The completed questionnaire was collected on agreed dates or within at least two days from delivery.

Response Rate

Out of the 93 questionnaires despatched, 80 were completed: one municipality registered a response rate of 76%, the second municipality, 91% and the third municipality recorded a response rate of 91% (Figure 5-1). One of the respondents did not answer fully part three of the questionnaire. Accordingly, non-responses were treated as missing data.

Figure 5-1. Questionnaire Distributed and Response Rate, By Municipality



The Respondents

Three key groups of participants in the devolution process were represented among the respondents: elected officials, health personnel and members of the advisory body. About half of the 80 respondents are health personnel, 13 from the municipality of

Bayombong, 18 from Solano and 8 from Bagabag (Table 5-4). Elected officials covered approximately 42% of the respondents, 10 from Bayombong, 12 from Solano and another 12 from Bagabag. The representatives from the advisory body comprised approximately 9% of the total respondents.

The 13 non-respondents comprised of 2 elected officials, 5 personnel transferred, 2 health board members, and 4 personnel assigned in the municipalities.

Of the 80 respondents who completed the questionnaire, 43 are males and 37 are females. About 34% of the respondents are over 44 years of age with approximately 43% in the age range of 35-44 years. On the average, the respondents from the municipality of Bayombong have been working with the municipal government for 3.7 years, 2.8 years for respondents from Solano and 3.3 years for the respondents from Bagabag. Taking all 80 respondents, the average length of service of the respondents with their respective municipal governments is 3.2 years.

Table 5-4. The Respondents in Each Municipality, By Position

Municipality	**Bayombong**		**Solano**		**Bagabag**		**Total**	
Respondents	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Elected Officials	**10**	**38**	**12**	**38**	**12**	**55**	**34**	**42**
Mayor	1		1		1		3	
Vice-Mayor	0		1		1		2	
Regular SB Member	8		8		8		24	
Ex-officio Member	1		2		2		5	
Health Personnel	**13**	**50**	**18**	**56**	**8**	**36**	**39**	**49**
Mun. Health Officer	1		1		1		3	
Public Health Nurse	1		0		1		2	
Rural Health Midwives	7		9		4		20	
Rural Sanitary Inspectors	2		3		1		6	
Assigned Personnel	2		5		1		8	
Advisory Body	**3**	**12**	**2**	**6**	**2**	**9**	**7**	**9**
DOH Representative	1		1		1		3	
NGO Representative	2		1		1		4	
Total	**26**	**100**	**32**	**100**	**22**	**100**	**80**	**100**

Of the 34 elected officials, 23 have been with the municipal government for over 3 years, with an average previous work experience of 12.7 years with national government agencies and/or local government units. Eleven of these elected officials

had worked with private companies, local and/or foreign for an average of 7.9 years, and 7 have their first jobs as municipal elected officials. Eight of them were voted recently during the national and local elections in 11 May 1995.

For the 31 health personnel who are now under the administrative umbrella of the mayors, three have occupied devolved positions, 1 from Bayombong and 2 from Solano. The remaining 28 health personnel transferred had worked with the Department of Health for a minimum of 5 years. In addition, 8 respondents are personnel assigned in the municipalities, 2 are from the DOH provincial field unit and 6 are devolved to the province.

The DOH and NGO representatives of the municipal health board have been serving as such for an average of 2 years and 1.3 years, respectively. On the basis of these statistics, it can be summarised that most of the respondents are male, almost half are health personnel and most of them belong to the age range of 35-44 years.

Statistical Analysis

The percentage distribution of responses to individual statements were used to provide answers to the research questions posed earlier. Bar charts were also used to show the pattern of responses to individual statements.

Differences in responses to the questionnaire statements were ascertained along various respondent characteristics. Experience with the municipal government (less than three years or three years and above), municipal assignment (Bayombong, Solano or Bagabag), and appointment status (elected or non-elected) characteristics were used to divide the respondents into different categories. A chi-square test comparing the differences among frequency distributions of respondents grouped according to different characteristics, was used to identify statistically significant differences in attitudes.

The SAS statistical package was employed for all statistical analyses, and where statistical significance was to be tested, the significance test was set at $p<0.05$.

Analysis of Qualitative Interviews

As mentioned in Chapter 1, face-to-face interviews with policy makers and key local officials were conducted to gather qualitative information. There are a number of methods for analyzing qualitative data. However, the method advanced by Sarantakos (1993) was utilised in the current study. According to him, qualitative data analysis is a "cyclical continuous process" that goes through data reduction, data organization and interpretation.

Data reduction refers to the process of manipulating, integrating and highlighting data in order to identify important aspects of the issue in question, to identify main themes and to categorise the material for the purpose of analysis (Sarantakos, 1993). For this research, the interview transcripts, were first read, common views summarised and information that has no identifiable bearing on the research problems deleted. Second, the questions asked during the interviews were considered and links between them were drawn to identify broad themes.

Data organisation is the process of assembling information around certain themes and points, categorising information in more specific terms and presenting the results in some form (Sarantakos, 1993). For this thesis, data organization was applied by bringing together the responses to the themes identified. The theme-organized data were read through, main points highlighted and were further summarised for ease of analysis.

Interpretation involves making decisions and drawing conclusions related to the research questions (Sarantakos, 1993). He notes that "[i]dentifying patterns and regularities, discovering themes and explanations are aspects of this process." For this research, interpretation was carried out by counting significant and recurring opinions

provided on various issues raised. Triangulation was also used for a more objective conclusions.

Questionnaire Pilot Test

The questions asked are central to the data collection process (Drew, 1980). A pilot survey was carried out to: (1) determine if terms used in the questionnaire are ambiguous and confusing, (2) find out if questions are too difficult to answer, (3) detect if questions are too personal, (4) identify bias questions, and (5) determine how easily the questionnaire was answered , and how long it took.

Early drafts were critically reviewed by two senior academics. A pilot test was administered by mail among ten operations officers of the DILG provincial office of Nueva Vizcaya particularly the officers assigned to the three sample municipalities. The questionnaire was also reviewed by five Filipino students at Massey University. Significant changes and improvements were made to the questionnaire as a result of pilot testing.

Methodological Limitations

The comparative study covers only three Philippine municipalities with income levels ranging from third to fifth class, rather than all municipalities with similar income classifications. This selectivity may lead to bias in the results and conclusions. However, involving all the municipalities within a particular income bracket is beyond the resources available for the study.

Some of the respondents from the group of elected officials are new to the office, with little more than one month's experience at the time of the study. Their limited experience with the municipal governments and the process of devolution may have influenced their responses. This concern also applies to some health workers appointed by the mayor after the transfer. They lack experience, both with the previous centralist system and the present devolved set-up. The possibility that this

might colour opinion was considered, in part, by covering the responses of people with different lengths of service.

Data collection was undertaken about two months after a re-nationalization bill for the health sector was vetoed by the President. This event has an impact to the health personnel and subsequently influenced their opinions.

Conclusion

This chapter explored the design of the opinion survey, its objectives and how the questionnaire was despatched. It described the respondents who represent three groups of participants - municipal elected officials, health personnel transferred and advisory board - in the devolution process. Finally, it explained how the data - quantitative and qualitative - were analysed.

Part Three

RESEARCH FINDINGS

Chapter 6

DEVOLUTION OBJECTIVES, OUTCOMES AND FACTORS: THE POLICY LEVEL PERSPECTIVES

" There is no single important factor. There are so many factors. One cannot say this is the most important factor. Devolution has to be taken in the context of the dynamics of sharing of power..."

-Ex-Senator Aquilino Pimentel, Jr. (1995)
Father of New Local Government Code

This chapter presents information gathered from interviews with selected people from the policy level about the aims, objectives and outcomes of the devolution process in the Philippines. It also outlines their opinions about the factors that enhance and impede implementation of the process.

What were the Expectations?

The government expected the following benefits to flow from the reform process: an enhanced emphasis on the government's policy priorities, development of local competencies, sharing power, efficiency, effectiveness, equity, increased local self-reliance, and people empowerment.

An Enhanced Emphasis on the Government's Policy Priorities

The major reason for the 1992 reform was the government's determination to implement its policy on local autonomy through a system of decentralisation. As stated in the Local Government Code of 1991, it is the policy of the State that,

> "...the territorial and political subdivisions 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. Towards this end, the State shall provide for a more responsive and accountable local government structure instituted through a system of decentrali[s]ation whereby local government units shall be given

more powers, authority, responsibilities, and resources...(Section 2a, RA 7160)."

Decentralisation is also one of the development strategies stated in the development administration portion of the Medium Term Philippine Development Plan (MTPDP), the blue print of *Philippines 2000* which is the nation's vision of the future. Development administration as defined in MTPDP is the framework for managing the administrative machinery as development occurs in the various sectors of the economy. Its overriding concern is the establishment of an administrative environment conducive to growth and increased productivity by the adoption of reforms to enhance administrative structures, processes, procedures and linkages (Brillantes, 1995a).

Sharing Power and Local Autonomy

The Philippines has always had a highly centralised politico-administrative structure. Most opportunities and decisions were always done in "imperial Manila." An over centralised politico-administrative structure has been identified as the fundamental obstacle to development (Brillantes, 1995). It has been blamed for underdevelopment in the countryside, because most resources and decision-making powers were concentrated in Manila.

In line with this, Former Senator Aquilino Pimentel, Jr. (1995), Father of the Local Government Code, argues that devolution should distribute powers of government to the various levels of local government to accelerate the process of development.

The transfer of powers and authorities to local government will enable local communities to have a hand in transforming their areas and directing their development endeavours in terms of social, economic, cultural and political (Acosta, 1995; Aquende, 1995). It will enable them to be self-sufficient, self-reliant, self-governing (Aquende, 1995) and ultimately less dependent on central government (Brillantes, 1995). In sum, devolution is expected to ensure, people's control of their own lives and environment (Acosta, 1995).

People Empowerment

Brillantes (1995), points out that the ultimate ideology of devolution is local empowerment, wherein people at the local level, whether local government, or local institutions - people's organisations, non-government organisations, civil society - make the decisions which will affect them.

Efficiency, Effectiveness and Equity

According to Dr. Juan H. Perez III, head of the Local Government Assistance and Monitoring Service of the Department of Health (DOH), the ideals of decentralisation as enunciated in the Code are geared towards efficiency in governance and in the delivery of services, including health. Decentralisation principles can also be aligned with the organisational objectives of DOH, first, to have an effective health services and second, to have an equitable health services.

Dr. Perez explains that as secretary of DOH, Juan M. Flavier saw decentralisation as consistent with the principles of rural development focusing on the periphery, an area with which he was familiar, having had previous experience in primary health care. The idea is to make decision making in health more closely attuned to the needs of the community, as well as having effective and equitable health services.

Dr. Perez expressed reservations about how LGUs can achieve effectiveness in balancing the use of resources in health services:

> "...the Code provides for efficiency, however, effectiveness can be questioned by the public health people. [For example, an LGU] may be efficient in utilising the resources, however, [it] may not be effective if it is not using the resources [appropriately], that is, putting the resources where they are needed for public health. In DOH, I do not say we are the best, but at least we are somewhat effective in providing health services. Because we are taking a professional public health point of view. [We] could determine where to utilise the resources - either in the curative aspect or preventive measure - we apply proper balance. [An] LGU may have some difficulty coping with that."

He also reveals that the resources of DOH have been biased in favour of LGUs because inequity issues have been brought about by the IRA allocation,

> "[An] equity problem has [cropped up] because although [devolution] was conceptualised over many years, a pilot study about how it is to be [operationalised] effective[ly] was never conducted. There was also no study on how the IRA will be equitable, [so], from the very first year of the LGC implementation, inequity [issues] in the way resources were provided [became apparent]. In such a situation, we took upon ourselves the role of trying to provide more equity. We utilise the resources of DOH to [cope] with this inequity issue in favour of the poorer LGUs, hoping that in the future the LGC will be adjusted and make the IRA distribution more equitable."

What has been Achieved?

Former Senator Pimentel says a lot has been achieved. Local government has been empowered, their tax shares have been increased, the share of local units in the proceeds of natural resource development has been fixed. Even the barangays which used to be excluded from the channels of powers in the past, generally enjoy a lot of power now.

Similarly, Director Rolando Acosta of the Bureau of Local Government Supervision of the Department of the Interior and Local Government says that the immediate objectives of devolution - the transfer of powers, functions, personnel, programs and assets - were all achieved. However, he thinks that, it remains to be seen whether or not devolution makes a difference in the life of the Filipino.

Dr. Brillantes says devolution has increased consciousness among local government officials that they now have responsibility. He thinks the saying that goes, *"Sa inyo ang kapangyarihan, sa inyo na rin ang pananagutan"* (Yours is the power, and now yours is the accountability) is very true. He explains that such consciousness has increased to an extent that local officials are made aware that their position is not to be taken lightly,

> "...before, all you needed to be a local government official is to take a good name, a family name and the rest will follow. Patronage and politics is still very much in existence. [O]bviously that is not very much the case now. [Devolution] has increased consciousness and responsibility at the local level."

In his view, redistribution of power has not yet been fully achieved,

> "...when you implement devolution, you don't immediately shift it. In fact, in one of the papers I wrote, to do that will result to what is called an 'administrative shock' in the part of LGUs. It has to be done gradually. When you implement devolution, you have to change structures, you have to change institutions and you have to change processes and most importantly, you have to change the mindsets - the ways of thinking of people."

In terms of self-reliance among local government officials, Dr. Brillantes says that there are pockets of success. The *"Gantimpalang Pang-lingkod Pook"* or *"Galing Pook Awards"* program launched by the Department of the Interior and Local Government in partnership with Asian Institute of Management and supported by the Ford Foundation, Inc., demonstrates that devolution is working. But there is still a long way to go:

> "...maybe, we should look at the LGUs and devolution within the broad context of the Philippine political history...we have been highly centralised nation for many decades and centuries, and to reverse this with one shift of the law...will not do it. Attitudes, habits, structures, institutions, processes have to be reoriented towards devolution...and this takes time...(Brillantes, 1995)."

In terms of people empowerment, Dr. Brillantes says, initially the NGOs and POs adopted the "wait and see" attitude, but right now the results have been encouraging. Over 16,000 NGOs have been accredited and are now part of the framework of local special bodies. This means that the level of measurable participation exist, although this certainly is no guarantee of their effectiveness. It is still too early to determine this.

What has not been Achieved?

Former Senator Pimentel does not believe that sufficient devolution has taken place to make local autonomy work, especially in the health sector.

Director Acosta thinks that there is a need for an in-depth analysis of whether empowerment as enshrined in the Code has enabled local government to govern meaningfully for development. He explains that:

> "...about 85% to 90% of the municipalities in the Philippines belongs to the 4th, 5th and 6th income class brackets which means that the internal revenue allotment share constitutes the lion's share of their incomes. If the IRA is removed, they cannot survive."

From the standpoint of the Local Government Academy, Dr. Brillantes points out that there is a need to be more aggressive in making the virtues or the strengths and the features of the Code known to the ultimate wielders of local powers - the local officials. In relation to this, he thinks that a more comprehensive and integrated capability building program for the local government units has to be achieved.

From the DOH perspective, Dr. Perez stresses that, effectiveness in health service delivery has yet to be fully realised. He explains that:

> "In the past two years, the resources for health were very minimal, such that the benefits of health workers under the Magna Carta[8] were not given. As a result, the health workers were demoralised, and became less efficient and less effective in the delivery of basic health services...the DOH is caught solving the dilemma on how to make the health workers more effective."

Dr. Perez explains that the past two years experience indicate that the DOH cannot manage the problem alone. It needs the support of other government units. The

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[8] Otherwise known as Republic Act 7305, promulgated to promote and improve the socio-economic well-being of the health workers, their living and working conditions; and terms of employment. This entitles health workers to a number of benefits like hazard pay, subsistence, laundry, remote assignment allowances and longevity pay. 50% of Magna Carta benefits are provided by national government and the remaining 50% by the local government units.

Department of Budget and Management (DBM) has to change the distribution of IRA and it should be given more leeway to address inequities in IRA allocation. The Commission on Audit (COA) should change the way it is providing for procurement. To cite one issue, COA centralised the procurement to the governor's office since devolution, without giving authority to the hospitals to procure and without considering the distance between these hospitals and the governor's office. In such a situation, hospitals are caught up in red tape.

Dr. Perez elaborates this further:

> "[P]reviously, we would require only 5 to 10 signatures to buy medicines for the hospital, now it takes 70 to 80 signatures to buy something and it takes 4-5 months, which is impossible because hospitals are operated [according to] emergency [needs]. In this regard, we are asking the DBM and COA to change their procedures. But what they keep telling us is to wait for the Code to be revised. The Code provides that the Governor or Mayor will sign the voucher, so even if the hospital is 100 kilometres away, if one wants to buy something he needs to report to the governor for his signature. In some instances time is wasted because the governor, or other local staff who has to affix his/her initial in the voucher, is not around. There is therefore a need to make procurement procedures conform with the situation of hospitals. I think the framers of the Code thought that the provincial government is only at the capitol, they never thought that devolution would bring in hospitals with several branches scattered over the province."

What is Most Important in Achieving Devolution?

Former Senator Pimentel suggests that, while there is no single factor, the key is power sharing:

> "The central government must be willing to share power and the local government officials must be responsible for implementing that power that is shared with them."

Dr. Brillantes suggests that, the readiness of the local government to take up power and a readiness of central government to give up power are most important in achieving devolution. According to him this implies,

> "...the readiness of the formal institutions, readiness of the formal processes, readiness of the mindsets that will somehow guarantee or play a key role in the success or failure of devolution."

Director Acosta adds:

> "...there should be a strong commitment to devolution or that we all agree. And there is the will to make devolution in a democracy really work...we should give devolution the chance to work, we at the national level should continue to work with commitment to push those factors that ensure the workings of devolution at the local level."

LGOO V Nini Aquende considers the continuous capability building program for local chief executives by the DILG and other NGAs is important in achieving devolution together with continuous information dissemination about the provisions of the Code and continuous capability building program for devolved personnel.

Looking at devolution from the national perspective, Dr. Perez says,

> "...there should be adequate funding for the health services and it should be earmarked in the IRA. In order to give the LGUs a chance to prove themselves, they should be given the adequate resources. Once that is there, it will solve so many problems. Providing adequate resources does not mean adding money into the system, it just means another reallocation for equity."

What is the Biggest Impediment to Achieving Devolution?

As the past two years have shown, the biggest obstacle to devolution according to Dr. Brillantes, is lack of appreciation on the part of national agencies, even national officials such as members of Congress, who feel that devolution is not the way to go because it threatens careers:

> "I am talking about the DOH. [S]ome would say the LGUs are not yet ready, some will say that 'local governments' have not been strengthened. I would not say that it would be an impediment [because] if it was properly addressed, I think they will appreciate the merits of devolution."

He notes that another possible impediment is the existing institutions and processes that have been entrenched for long time. It is not easy to turn things around, one has to reorganise these possible impediments.

Lack of interest and commitment among sectors involved in the process of devolution is the biggest impediment according to Director Acosta,

> "If devolution cannot go beyond lip-service, beyond mere transfer of personnel and programs, then I don't think the ultimate objective of devolution, which is people empowerment, would be assured in the long term. The Code is supposed to establish a firm, long-term foundation or institution for people empowerment. If the foundation is shaky, because we do not want the Code to work as it should work, as perceived by the framers, then, devolution would just be a part of the evolutionary nature of Philippine local government."

Former Senator Pimentel points out that ignorance is the biggest impediment in achieving devolution,

> "Ignorance of the purposes of devolution both from the central government point of view and the point of view of the local officials and the people as well. So, that is why there is a need for a massive information drive to let them know all about it - the purposes, the powers that are now being devolved as a result of the Local Government Code."

LGOO V Nini Aquende says that money is the biggest impediment in achieving devolution. According to her, some LGUs were disadvantaged in the IRA allocation which is shared among LGUs according to the following formula: population - 50%, land area - 25%, and equal sharing - 25%. She explains that inequities arise because of population and land area considerations as illustrated below:

> "Puerto Princesa has a huge land area but the population is small. Another is Quezon city with a lot of population but with a small land area. In view of this, it has been proposed that population criterion be made 55% because basic services are primarily for the people, if population increases, expenditures for service delivery will also increase...so the land area criterion be made 20%, and equal sharing will remain 25%..."

She cites another example where the IRA allocation has become problematic:

> "...there are no hospitals devolved to the city. Most of the hospitals were devolved to the provinces. Maintenance and operating expenditure for hospitals is huge. The city which has greater share from IRA has not been given hospitals. So there is a windfall for the city, the provinces were disadvantaged."

She stresses that money became a problem not because funds were not devolved but because funds were subjected to IRA allocation. For example, at the outset of devolution, the DOH has returned four billion pesos (P 4.0 B) for IRA distribution. In justifying such an amount, it has computed all the expenditures for hospitals and its personnel, without taking into consideration the number of hospitals in a province. Another example is the Department of Agriculture (DA) which computed only the salary component excluding maintenance and other operating expenditures like light, water, janitorial services, and others. So maintenance of the buildings transferred to the LGUs has become problematic.

Dr. Perez points out that the impediments in achieving devolution are lack of local government awareness, lack of prioritisation for health services, the low morale of health workers and lack of support for them. According to him, all these concerns have stemmed from the limited funding provided for LGUs. He explains that:

> "[We] don't need additional money. Once the money is earmarked for health, LGUs can easily cope with all the salary increases imposed by national government. [We] need a more responsive type of support for local governments. As of now, we need to wait for Congress to act. We have waited for three years, nothing happened in Congress. It is a miracle that health services had survived without major problems."

Conclusion

The primary motivation for the government's initiative for devolution, based on the views of people at the policy level, is sharing power with local government units. Devolution has been pursued to make local government self-reliant, self-governing and

less dependent on central government. Efficiency and effectiveness are by-products of devolution.

In a structural or physical sense, power sharing has been achieved. Authorities, functions and resources were transferred to the local government units. Their fiscal capability has been strengthened because their tax shares have been increased.

Implementation of devolution has not been without problems. The lack of equity in the allocation of IRA appears to have impeded the process. Reservations have been raised relating to the long-entrenched nature of the central and local institutions involved, and the attitudes of personnel charged with implementing change.

Government officials appear satisfied that the effective transfers have occured and condition for successful devolution have been met at the central level. The questions of the capacity and willingness of local government to assume the necessary functions and the willingness of transferred personnel to adopt to the new circumstances remain unanswered questions. These are addressed in the following chapters.

Chapter 7

EXTENT OF DEVOLUTION: THE LOCAL CONTEXT

"The cost of devolution is not sufficient. The feeling along the way is that national government is not very generous. [It] should have been more liberal. The computation of IRA is not acceptable..."

-Atty. John Severino Bagasao, Jr. (1995)
Municipal Mayor, Bayombong

This chapter describes the study areas. It compares the health sector transfers - services, functions, personnel, assets and resources for health programs - among the three municipalities selected. It summarises the perception of key officials in the municipal governments regarding the degree of discretion they now have in terms of planning and policy formulation, policy implementation, monitoring and evaluation, and personnel matters. It also provides a broad picture of the changes taking place at the municipal level.

The Municipalities

Bayombong

Bayombong is the capital town of the province of Nueva Vizcaya (Appendix H). It has a total land area of 16,165 hectares which is approximately 4% of the total land area of the province. The municipality is subdivided into 25 *barangays*, each *barangay*[9] is further subdivided into *puroks* or small villages. According to the 1990 census, the municipality has a population of 39,886, of which 19,903 are males and 19,668 are females. Since the last census in 1980, the municipal population has grown by 2.76% per year.

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9 This is the smallest political unit. It is headed by a *punong barangay* also called barangay captain elected at large by the qualified voters therein. A *barangay* has a legislative body called the *sanggunian barangay*, composed of the *punong barangay* as presiding officer, and 6 members also elected at large by the qualified voters therein. Regular meetings of the *sanggunian* is at least twice a month. Appointive officers of the *barangay* includes a secretary and a treasurer. They are appointed by the *punong barangay* with concurrence of a majority of all members of the *sanggunian barangay*.

Bayombong is dubbed as the "center of education." It is also the "center of government institutions" where the provincial government and national government agency field units are found, particularly at the Provincial Capitol. The Provincial Capitol is one of the landmarks and major attractions of the municipality.

The overall administrative machinery of Bayombong is the municipal government headed by a lawyer who has been elected as mayor or chief executive for two consecutive terms (1992-present). He was also adjudged as most outstanding mayor of the region for two successive years, 1993 and 1994. To undertake its day-to-day activities, the municipal government employs 105 regular staff and 95 casuals, allocated within its different offices (Figure 7-1). This includes 33 people devolved from central departments.

The policy-making body of the municipal government is the *sanggunian bayan* or municipal council, composed of a vice-mayor (re-elected) as the presiding officer, eight regular members, and one *ex-officio* member representing the municipal association of *punong barangay*. The *sanggunian bayan* serves as a checking mechanism against executive power (Alunan, 1994c) at the municipal level. Within the *sanggunian*, 10 committees are created for the effective and proper exercise of its legislative functions (Figure 7-2). The members of the *sanggunian bayan* meet at least once a week. Meetings are open to the public unless a closed door session is ordered by an affirmative vote of a majority of the members present, there being a quorum.

Figure 7-1. Internal Structure, Municipal Government of Bayombong

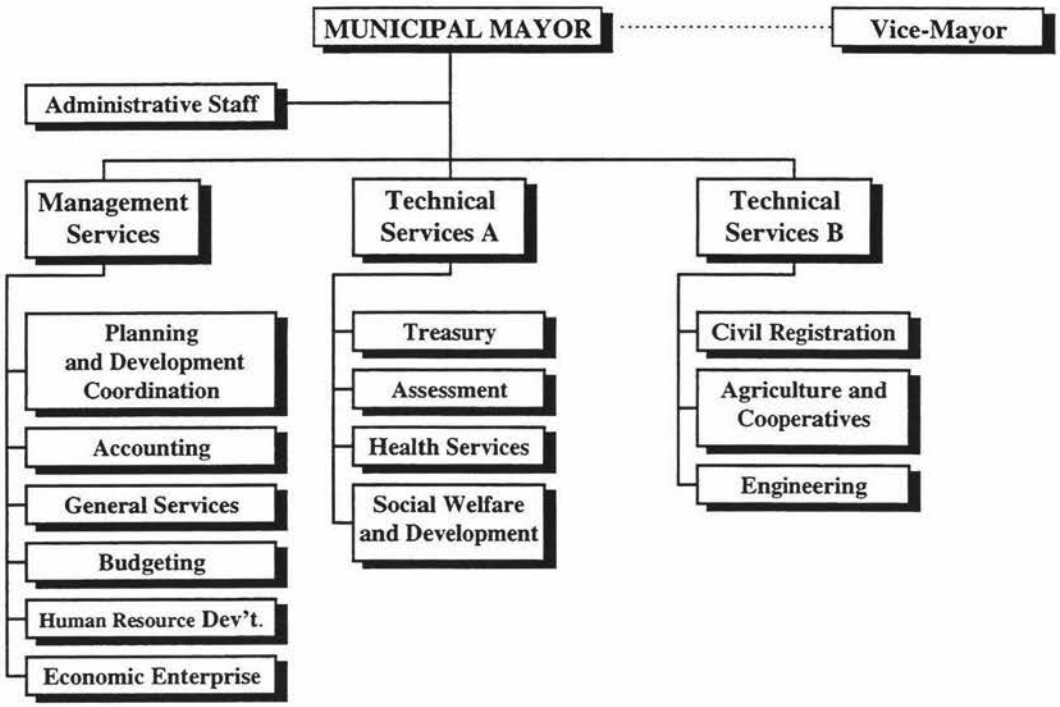
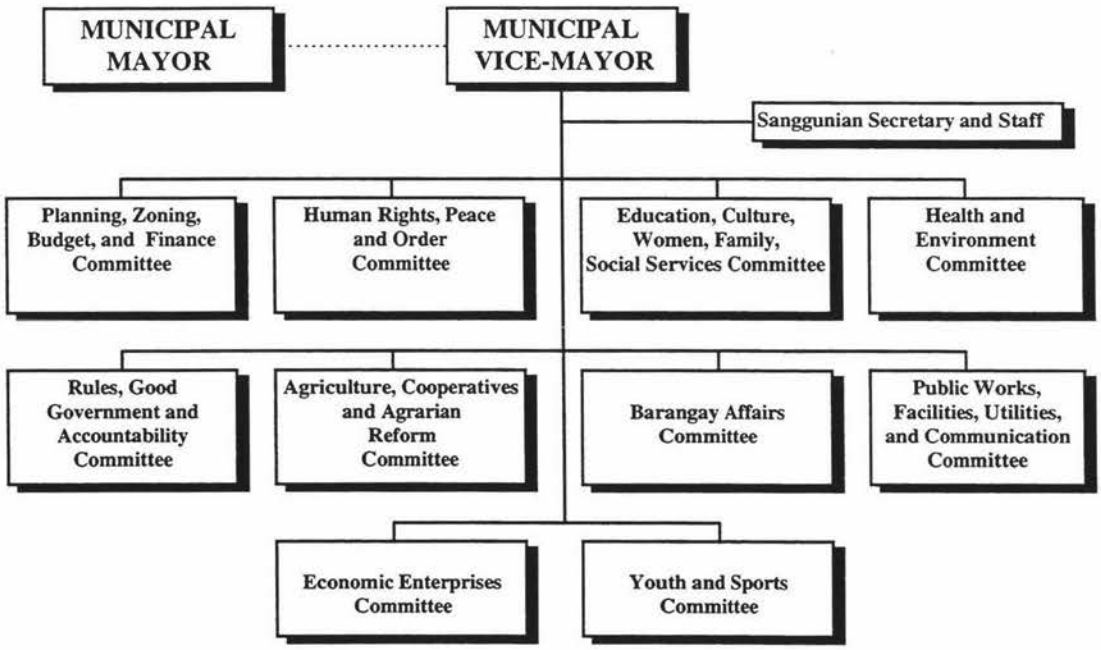


Figure 7-2. Council Structure, Municipal Government of Bayombong



Bagabag

Bagabag, the gateway to the famous Banaue Rice Terraces, is approximately 20 kilometres from the capital town of Bayombong. It consists of 26,000 hectares of land divided among 17 *barangays*. The 1990 census shows that Bagabag has a total population of 26,028 of which, 13,155 are males and 12,869 are females.

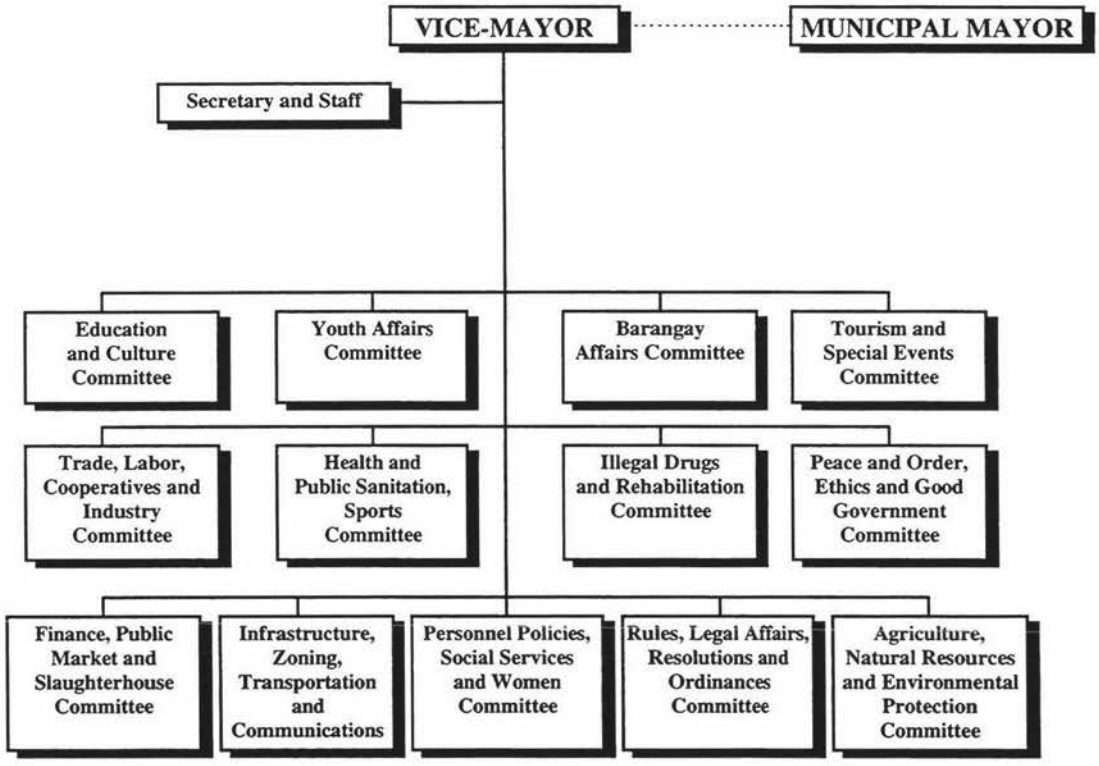
Land in the municipality is divided among the built-up area (3%), agriculture (39%), open grassland (8%), forest (46%), roads (2%), water bodies (3%) and utilities. Farming is the main source of living among the residents, with rice and corn as the main crops planted.

The municipal government of Bagabag is headed by a former banker who was elected as mayor during the latest national-local elections in 11 May 1995. Eighty permanent staff, including 23 devolved personnel, and 5 casuals are employed to undertake the day-to-day operations of the municipal government. The internal structure of the municipal government is shown in Figure 7-3.

The municipal council of Bagabag is headed by a first-time vice-mayor who acts as presiding officer during *sanggunian bayan* meetings. Under his jurisdiction are 8 regular council members and two *ex-officio* members: one representing the municipal association of *punong barangays* and one, representing the municipal federation of youth councils. To effectively perform its legislative functions, 13 committees are created within the *sanggunian* (Figure 7-4).

Figure 7-3. Internal Structure, Municipal Government of Bagabag

Figure 7-4. Council Structure, Municipal Government of Bagabag



Solano

Solano is fast becoming the busiest and most progressive municipality, being the center of trade and commerce of the province of Nueva Vizcaya. It is approximately 5 kilometres away from the capital town of Bayombong. It has a total land area of more or less 13,980 hectares which is distributed among 22 *barangays*. As in the other two municipalities, each *barangay* is subdivided into at least 6 *puroks* or small villages headed by *purok* leaders, informally elected by the residents. According to the 1990 census data, the municipality had a total population of 44,246: 22,212 are males and 21,980 are females.

The mayor of Solano, a former provincial administrator, is now in his second term. He exercises control and supervision over all administrative affairs in the municipality (Figure 7-5). At the time of the study, the strength of the municipal government was 132 permanent employees (includes 29 devolved personnel) and 47 casuals.

The local legislative body, or the *sanggunian bayan,* of Solano is composed of a newly elected vice-mayor, as presiding officer, 8 regular members and 2 *ex-officio* members representing the municipal association of *punong barangays* and federation of youth councils. The council members meet regularly every week as mandated by the Code. Each council member, including the presiding officer, are assigned to at least one committee created within the *sanggunian bayan.* The council committees are organised as follows:

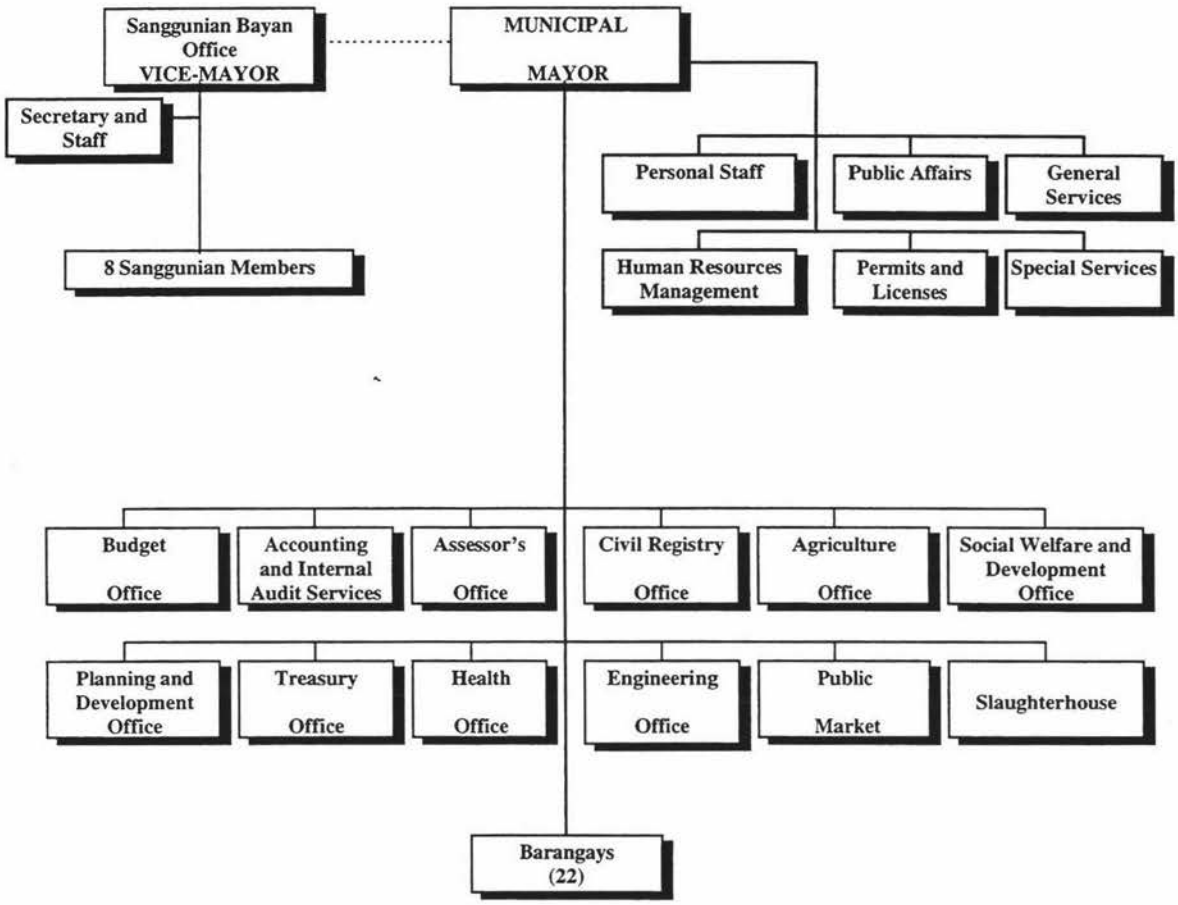
1. peace and order, laws, rules, human rights and regulations;
2. education, arts, culture and tourism;
3. health, and public sanitation, social services, women and family;
4. infrastructures, land use and development;
5. revenue, appropriation, finance and ways and means;
6. agriculture, cooperative development and environment protection;
7. public safety and utility;
8. barangay affairs;

9. youth and sports development;

10. trade, commerce and industry;

11. labor and good government.

Figure 7-5. Organisational Structure, Municipal Government of Solano



Health Functions and Services Transferred

The transfer of health functions and services to the municipal governments of Bayombong, Solano and Bagabag took place in April 1993, about ten months after the targeted date for all transfers mandated in the Code. Sometime in October 1992, memoranda of agreement (MOA), pre-requisites of the transfers, were executed and entered into by the Department of Health (DOH), represented by the Assistant

Regional Health Director, and each municipal government, represented by the chief executive.

The functions, programs and services of the DOH transferred to the municipalities are:

1. capital outlay for rural health units including main health centers and barangay health stations;
2. purchase of drugs, medicines and medical supplies;
3. primary heath care such as maternal and child care, nutrition, family planning, dental, environmental health, and disease control services;
4. operation of infirmaries;
5. aid to puericulture centers;
6. appointment of all personnel of the devolved units in accordance with qualification standard set by the DOH;
7. and all other assets and liabilities except for dental equipments and instruments utilised for inter-municipal functions.

As a result of these transfers, the DOH is left with functions which are of national scope and importance such as foreign assisted components of national health programs and services; support programs, services, facilities and assets that cover two or more provinces; health service and disease control programs that are governed by international agreements; and regulatory, licensing and accreditation functions.

DOH and Municipal Government Responsibilities

A partnership between the DOH and the municipal governments is forged through the MOA. It clearly delineates the roles and responsibilities of the DOH and the LGUs. Not surprisingly, the DOH remains the primary agency for ensuring the good health for all Filipinos. It focuses mainly on health policy formulation, national health planning, formulation of guidelines and operation standards, promulgation of health standards, targets, priorities and indicators, monitoring and evaluation of health programs and extension of technical, administrative, logistics, financial and other support service to

the LGUs. The municipal governments are primarily responsible for delivering health services.

The partnership between the DOH and municipal governments is further strengthened through the Comprehensive Health Care Agreement (CHCA) between them. The CHCA outlines core programs of the DOH and its support to the municipal governments in implementing the core health programs, and *vice-versa*. The core programs significant to municipal governments are: child health, comprehensive nutrition program, safe motherhood and women's health, tuberculosis control, safe water and sanitation, special events and activities, and training programs.

Personnel and Assets Transferred

The DOH personnel based in the municipalities became a part of the municipal governments in April 1993 after reappointment papers were issued by the mayors. Fourteen health personnel were transferred to the municipal government of Bayombong, 9 in Bagabag and 12 in Solano (Table 7-1). As a result, the workforce in each municipal government increased, 19% in Bayombong, 14% in Solano and 16% in Bagabag.

Table 7-1. Health Personnel Transferred, Per Municipality

Position	Bayombong	Bagabag	Solano
Rural Health Physician	1	1	1
Nurse	1	1	0
Midwife	9	5	8
Sanitary Inspector	3	1	3
Dental Aide	0	1	0
Total	**14**	**9**	**12**

At the time of interviews, there were vacancies for one or two devolved positions in each municipality. For instance, in Bayombong and Bagabag, there was 2 vacancies for the position of midwife, while in Solano, the position of rural health nurse was vacant. These positions have not been filled up due to lack of funds to pay for their

salaries. Meanwhile in Bagabag, recruitment and selection are in progress according to democratic principles. The mayor stressed that appointments will not be based on political recommendations. However, it might have been expected that vacancies would be filled as soon as they arise, considering the demand for health services.

In addition to the personnel, the relevant DOH assets have been transferred to each municipal government. This means that Bayombong has gained an increase in assets amounting to P661,290 (NZD 39,850), Bagabag, P569,520 (NZD 34,320), Solano, P514,110 (NZD 30,980). Assets transferred include buildings, motor vehicles, furniture and office equipment, technical and scientific equipment.

Resources for Health Programs

All three mayors admit that funds allocated for health programs are barely adequate. In 1994, the municipal government of Bayombong has set aside P 2,034,180 (NZD 122,570) or approximately 13% of its total annual budget. For fiscal year (FY) 1995, the budget for health programs has increased to P 2,588,580 (NZD 155,973), although the share of health was pegged at 9%, which means a decrease of 4% from the 1994 budget.

In Solano, the municipal government has allocated an amount of P 1,499,470 or about 7% of the budget for FY 1994. This share has decreased by 2% from the 1993 budget. The same percentage as that of FY 1994 is allocated in FY 1995. In Bagabag, P 886,140 (NZD 53,390) is allocated for health or around 8% of the municipal budget for FY 1994. This has increased to P 1,099,740 (NZD 66,260) or approximately 9% of the total budget in FY 1995.

The budget per person, is increasing every year in the three municipalities, with Bayombong allocating relatively more than the other municipalities. The support for Bagabag seems very positive because the budget per person in FY 1995 has increased remarkably, by 91% from the 1993 budget (Table 7-2).

Table 7-2. Budget Allocated for Health, Per Municipality

Municipality	**Bayombong**	**Bagabag**	**Solano**
Income Class	4th	5th	3rd
Population Base (1990)	39,886	26,028	44,246
Average Annual Increase in Population[10]	2.4%	2.4%	2.4%
CY 1993 (Base Year)			
Population	42,827	27,948	47,509
Total Municipal Budget (Peso)	12,349,850	9,200,250	15,644,910
Budget for Health (Peso)	1,937,620	639,190	1,400,770
Share of Health Budget (%)	16	7	9
Budget per Person (Peso)	45	23	29
CY 1994			
Population	43,855	28,619	48,649
Total Municipal Budget (Peso)	15,865,480	11,734,570	22,500,630
Budget for Health (Peso)	2,034,180	886,140	1,499,470
Share of Health Budget (%)	13	8	7
Budget per Person (Peso)	46	31	31
% Shift	2	35	7
CY 1995			
Population	44,908	29,306	49,817
Total Municipal Budget (Peso)	29,347,040	14,381,700	26,500,670
Budget for Health (Peso)	2,588,580	1,299,740	1,777,370
Share of Health Budget (%)	9	9	7
Budget per Person (Peso)	58	44	36
% Shift	29	91	24

The three mayors accorded different levels of priority to health programs which reflected the level of financial support allocated for the devolved unit as illustrated above.

Budgets differed from the centralised model, which allocates funds by programme. The three municipalities prepared the budget for health programs in accordance with the following categories of expenditure: personal services covering salaries, allowances, contributions and benefits; and maintenance and other operating expenditures (MOOE) appropriated for medicines, office supplies, medical supplies, and others. Budgets are not prepared on the basis of health programme needs. Determining the allocation of resources for specific health programs is left to the discretion of the municipal health officer and his staff. It is not clear why this process is followed rather than the process of determining funds by programme needs.

10 Average annual increase in population of the province of Nueva Vizcaya from 1980-1990. This is a little higher than the national average annual increase (2.35%) for the same period. It is assumed that the population beyond 1990 in the three municipalities increases uniformly by 2.4%.

None of the three mayors have baseline data to enable them to compare the health budget under the present devolved system with the old centralised system. However, a rural health physician indicated in an interview that under the old system the rural health unit had a budget ranging from P150,000.00 to P300,000.00 for maintenance and other operating expenditures, but this has more than doubled to P640,000.00 under the new system. While the supply of drugs is still limited in the present system, more than sufficient medical supplies have become available. This suggests that improvements have yet to be done in terms of resource allocation.

Compared to other offices in the municipal governments, the devolved health unit has barely adequate funds. Like former New Zealand Health Minister, Helen Clark, who observed that, "it would be possible to spend almost all of the nation's resources on health care and still not exhaust the possibilities of expenditures...," (cited in McKinlay, 1990b: 116) all three mayors find health very expensive ideally requiring an "open-ended" funding compared to other functions. One mayor cites an example,

> "If the municipal government provides a computer in the treasurer's office, that seems to be the end of the capital outlay. However in health, medical and dental facilities are very expensive and these require upgrading every now and then."

Funds for health programs within the municipal government are not determined by central policy, but based on the budget proposals of the rural health physicians. Budget proposals are considered by the municipal health board. These are submitted to the *sanggunian bayan* for approval. In the budget process, however, municipal governments are constrained by a number of budgetary requirements and limitations[11] which affect the allocation of funds to specific programs including health. There are

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11 Prescribed in the Implementing Rules and Regulations (IRR) for the Local government Code of 1991. Include, among others the following: 1) full provision of statutory and contractual obligations provided debt servicing shall not exceed 20% of the regular income of the LGU concerned; 2) provision of aid of not less than P1,000 per *barangay*; 3) provision of unforeseen expenditures which is 5% of the estimated revenue from regular sources; 4) annual appropriations for personal services not to exceed 45%-55%; and 5) discretionary fund for local chief executive not to exceed 2% of the actual receipts derived from basic real property tax.

also centrally mandated salary increases and benefits that impact on the municipal governments' budgetary appropriations.

The Devolution Process: A Local View

This section discusses the opinion of key local officials about the motivations for devolution. It points out the decisions and authorities actually transferred to the municipal governments and how these are put into practice in terms of planning and policy formulation, policy implementation, monitoring and evaluation. It also summarises the opinion of key officials about the organisational implications of these transfers (Figure 7-6).

Figure 7-6. The Devolution Process: A Local Perspective

Motivations for Devolution

According to the key officials, the primary objective of the reform process was for central government to share some powers, authorities, resources, responsibilities and obligations with the local government units. So in the end, LGUs will be more autonomous, more self-reliant and less dependent on central government. Self-reliance, according to one mayor means,

> "that the municipal government is given the opportunity to design its own destiny based on its own strengths and to become productive in the sense that it could be a complementary community to other communities in the process of development..."

Others think that devolution is aimed at more efficiency in the delivery of basic health services. They perceive that devolution makes health program implementation easier because access to different barangays is made easier. It facilitates decision-making because the decisions are made by the local chief executive or at the point where it is needed, especially in urgent and emergency cases. According to one respondent, because devolution promotes effective delivery of basic health services, they can now be delivered in even the most remote areas.

Others see the encouragement of more participation in managing the affairs of the community as one objective for the reform process. They think that devolution provides people with better access to decisions, making them more actively involved in the development and progress of their communities.

Decisions and Authorities Transferred

The key officials find the degree of autonomy given to the municipal governments substantial. The decision to appoint health personnel is now the exclusive domain of the municipal chief executives, having formerly been the prerogative of the Secretary of Health. The rural health physicians identify positions to be created and filled. Where the mayor adopts a democratic approach, some of the rural physicians participate in the screening and selection process.

The budgetary appropriation for health services is now decided upon in the municipal governments by the *sanggunian bayan* based on budget proposals submitted by the rural health physician. Previously, the central office supplied target expenditures to the peripheral units.

The procurement of needed medicines was formerly centralised in the DOH regional field units without prior consultation with the peripheral units. Now, procurement is done in the municipal governments. Through the rural health physicians the municipal government can pinpoint the medicines to be procured, their quality and quantity. Waste is minimised. However, local autonomy does not guarantee fair competition among private contractors because it is alleged that in some instances medicines are procured, without bidding, by the mayor himself.

Overall administrative supervision over health personnel and decisions to discipline them becomes the responsibility of the municipal executives. In practice, the mayor supervises personnel and the implementation of programs, and monitors outcomes through the rural health physicians. The rural health physicians have strong advisory role. For instance, in one municipality, the rural health physician has difficulty in coordinating with nationally paid personnel of the malaria program when the municipal government needs their services. Because of this, he recommended the realignment of some portion of the health budget for the purchase of a fogging machine. As a result that municipality has its own fogging machine, with the affected *barangays* giving their share in the procurement of medicines needed.

Based on the foregoing discussion, the empowerment brought about by the process of devolution is not limited to mayors, with a degree of authority and discretion also accorded to the rural health physicians.

Planning and Policy Formulation

Some respondents perceive that many innovations has been introduced in planning and policy formulation as a consequence of the devolution of health functions. One respondent says,

> "the municipal government now has substantial leeway to direct health service delivery, not too dependent on what are the wishes of the national government. So, aside from the programs of the national government, the municipal government can add its own health activities that are adaptable and feasible in the locality."

Other officials think that plan formulation has changed. Before devolution, they say,

> "...the rural health unit did not give much attention to health planning, no plans were submitted because the provincial health office made plans using the area-based, need-based planning system. [In such a system], the provincial health office supplied the rural health units their targets."

> "...planning was very unrealistic, [the rural health unit] submitted for compliance purposes. Now it was modified, problematic programs are given more emphasis [without] necessarily [sacrificing] other health programs."

The rural health physicians seem to play the key role in plan and policy formulation, although other health workers are always consulted in setting priorities. Very frequently, the municipal chief executive and the public are consulted in setting priorities, although one respondent claimed the public was never consulted. National plans are likewise referred to for priority setting, very frequently based on the view that the health functions is new for the municipal governments, thus, the help of national government is sought.

Much has been said about improvements in health planning. However, only one of the municipal governments had an annual health plan prepared using a needs-based planning approach. In the plan, the health budget nearly surpassed the annual income of the municipality. Moreover, the plan is a mere listing of medicines, medical supplies and facilities needed per program of the rural health unit.

One respondent conceded that there was no health plan prepared in the municipality, but appropriation for health is included in the annual budget. Others say that a five-year development plan was formulated but there is nothing specific about health, claiming the five-year plan as too broad for such detail.

Some respondents say that plans for improving the facilities of the rural health unit, building a municipal hospital, acquiring a municipal ambulance and employing more health personnel are deliberated upon during health board meetings. However, these are merely documented in the proceedings or become "words of mouth."

Not surprisingly, local autonomy has not yet fully strengthened health planning. The key officials recognise impediments, problems and shortcomings in the process of plan formulation. The most common impediment is budget. Others include the lack of technical know how.

The lack of management information systems containing health data is also recognised as a limitation in plan formulation. One respondent stresses the importance of keeping such system when he says,

> "...[we] could easily formulate plans and remedial measures based on data. Because if a problem arises and we still have to gather data, then it is too late."

Policy Implementation

While local autonomy provided significant power to local officials, the mayors are reluctant to exercise their authority particularly in policy implementation. They say,

> "Once it is a policy adopted by the *sanggunian bayan* as embodied in a resolution or ordinance, it is my ministerial duty to implement it strictly. However, if I would want that policy to be amended to conform with specific problem, then I would suggest. But discretion...I do not think I have this."

> "If there are policies that have to be implemented, I make some orders if I think the different agencies are not needed. If there are technicalities [involved], then I ask their opinion, suggestions and recommendations."

> "...health policies and programs are implemented upon proper study of the same through a meeting with all the members of the health board."

Given their technical expertise as frontline implementors for health programs, the rural health physicians claim they have authority over implementation. As one doctor says,

> "During the past administration, I was given blanket authority and decisions over health matters...Almost always, if I recommended some changes in plans and priorities, the health board never objected...Following my discretion, there were some programs that I could implement even without prior approval by the mayor. For example, in environmental sanitation program of the RHU, before

> we have fogging (spraying) twice a year, now with my discretion, [that] system have changed. [This time], we cordon areas that are affected, [this] way, the municipality can economise..."

Local autonomy, however, does not guarantee smooth implementation of health policies. The respondents say there are impediments, the most common one being budgetary constraints. As one respondent says,

> "...there are a lot of health policies in the *sanggunian* that were never implemented due to financial constraints..."

Another respondent claims that the lack of administrative and legislative support and the lack of political commitment impede health policy implementation. He/She explains,

> "...if there are health programs to be implemented, politicians say they approve, however, when implementation [comes], nothing will happen. For example, if the health program to be implemented will adversely affect some people, like closing down beerhouses and restaurants that do not comply with municipal ordinances, they are not around to implement these. In which case, the MHO and sanitary inspector cannot do anything because [they] do not have the police power."

On this ground, local autonomy does not increase public accountability among local officials. The tendency for local politicians to place priority on their political career rather than the public good through strict implementation of local policies emerge occasionally. They fear losing votes should they implement policies that adversely affect influential people.

Service Delivery

Local autonomy increases responsiveness in health service delivery and it has made health services more attuned to the needs of the community. One mayor illustrates this point with the example of the procurement of medicines,

> "[Before] medicines were procured following the system adopted by central office without prior consultation with the people. Before, the medicines that were brought to the RHU are not needed by the people, so these were wasted... service delivery under the devolved set-up is more attuned in the sense that the direction is already there based on the needs of the people. Then of course, we in the LGU should know better than those in the central office [about] the needs of the people...we are more in frequent contacts with them..."

Another respondent says,

> "...the health services is more attuned because we make the plan in the [RHU] level, not anybody else who does not know the area or the community making the plan. In which case, plans are made according to the needs of the constituents."

Other respondents say that health services are more responsive and attuned because the people are receptive and cooperative to the programs launched. A common strategy among the municipal governments in making the health services more sensitive is to involve the community, and consult with the public through the midwives and barangay health workers in plan formulation.

It had been expected that local autonomy would bring in successes as well as failures in health service delivery. A very marked success according to some respondents is the increase in the number of people coming to the RHU for medical treatment. One respondent explains,

> "Before devolution, I have only about 15-20 patients daily. Now they increase from 40-60...They do not go to the hospital anymore because medicines are not supplied in that level. If they come to the RHU, at least they can be provided..."

There are reported improvements in the health status of the people. Two respondents say,

> "...based from the latest report of the municipal nutrition action officer, the rate of malnutrition in the municipality is decreasing."

> "...in the municipality, infant mortality rate is decreasing and cases of mortality due to diarrheal diseases has decreased. Cases of preventable diseases has also lowered."

There are suggestions that service delivery under the devolved set-up has failed in some specific programs. Two officials say it failed in the expanded program for immunisation because of lack of personnel permanently assigned in some barangays and because health personnel are demoralised.

Some respondents say there are questions about the supply of essential drugs. However, one respondent points out that the supply of drugs became insufficient due to the increase of patients coming to the RHU. In other words, the success of the programs in increasing accessibility has created demand for more resources.

Monitoring and Evaluation

The devolution of health functions to the municipal government made health program monitoring and evaluation problematic. Some respondents say,

> "there is no monitoring within the municipal government except that the mayor through the municipal planning and development coordinator, requires the rural health physician to submit accomplishment report of the RHU to be attached to the annual accomplishment report of the municipal government prepared in accordance with the requirements of the Code."

Others say,

> "...data are gathered about health because the national government requires [them] not the local government requiring."

> "...reports are being submitted to the provincial health office and the regional office regarding health programs implemented in the municipality, the mayor is [merely] given a copy of that report."

Monitoring is still done by the Department of Health, in recognition of the limited technical expertise of local officials. However, according to one respondent,

> "...what is happening now is that the central office is requiring a lot of reports [from the RHU] without knowing what is actually happening in the municipality."

Another respondent says,

> "Monitoring is stricter before than the present set-up. [Before], we never failed to submit performance or accomplishment reports on time but now, we submit when we feel like it...as a result, implementors can be more idle."

Technical and statistical data are collected for monitoring purposes. According to one respondent,

> "all personnel in the RHU submit individual reports. These are collated by the public health nurse and then submitted to the higher ups - provincial health office and regional office. These data become the basis for health planning in the higher ups."

According to another respondent that system has no impact. He/She explains,

> "...we are just depending on our own performance. We review reports that are submitted by the personnel within the RHU. If we have health board meetings, these are presented...then the sanggunian health committee member will report the same to the sanggunian. But when we talk about the higher ups, data collected has no impact...no feedback."

Outcomes are evaluated by measuring actual targets over expected results. A rural health physician cites an example,

> "...last year, we had a strategy to improve a particular health program. We list down all expected results and after implementation, we analysed actual performance with expected targets. Outcomes are measured using the monitoring system from the DOH."

Apart from this, a less formal and independent follow-up is undertaken by some municipal officials, basically by asking the people themselves. This was described by one respondent as crude "but the only way available" for validating outcomes.

Personnel Management

All matters concerning management of health personnel such as hiring and firing, selection and promotion, human resource development, field assignments, personnel evaluation and monetary benefits become the exclusive domain of the municipal chief executives. The informants reported marked innovations concerning health personnel management. Some respondents say that monitoring of personnel by the chief executive is closer and has become stricter. For instance, according to one respondent,

> "...two of the personnel of the RHU has been re-assigned because there were complaints [against them] by [the people in] their former barangay coverages. The mayor required fact finding by the municipal health board even if issues raised were petty. Before, we received complaints but these were never submitted to the higher levels."

Based on this example, devolution has increased people's "voice" against non-performers and hopefully in the end, will improve the commitment of health personnel to their job. In another case, devolution has encouraged diplomacy in resolving personnel-related issues. One respondent says,

> "...during the old set-up, the regional director was the appointing authority. If a complaint, verified and unverified, was submitted to his level, the personnel concerned was in danger. Now, we can discuss it within the RHU and we could verify complaints."

The same respondent reveals that,

> "...firing under the devolved set-up is better, it is even easier to hire. It is easier to recommend [positions in the RHU]. If there is justification that such number of personnel is needed, then the mayor hires the necessary number of personnel."

Some negatives were identified. One respondent says,

> "...when the RHU is still under the national government, automatically vacancies were filled-up. But now, they seem to freeze filling up vacancies..."

Another suggests,

> "...the salary of [newly] hired personnel is patterned with the salary rate of original employees not the national salary grade of a devolved item which is not in conformity with the Magna Carta of Health Workers."

Moreover, local autonomy did not necessarily enhance selection procedures. One respondent alleged that personnel are selected according to the mayor's choice. Others say that the municipal health board, was not consulted for advice. This sort of practice is not universal. Selection may be fair in the sense that political recommendations have no bearing and that the municipal health board and the rural health physician are actively involved in the process setting out criteria for selection. As one respondent says,

> "[d]uring the last meeting [of the municipal health board], it was brought up that some of the applicants are recommendees of politicians...I said it should not be a factor in selecting applicants...Because the beneficiaries are not the politicians but the constituents - the voters."

The Department of Health retains the role of organising training for health personnel. The role of the municipal government is to provide the transportation allowances, necessary for attendance, which has been previously provided by the national agency. Despite this, one respondent claims that training opportunities for long courses are controlled by the mayor. Others claim that training opportunities remain the same as prior to devolution. According to one respondent, "...devolved personnel are very hesitant to attend."

Change Management

Under devolution, the municipal officials have remained dependent on central government. Their initial response to problems with the devolution process is to request assistance from national politicians and government agencies through *sanggunian bayan* resolutions. Alternatively, they wait for national initiatives to address problems, like the amendment of IRA formula.

One mayor has demonstrated creativity in trying to create other revenue sources. He says,

> "...we created other revenue sources. One is the printing machine. We print our own official forms, we provide printing services to private individuals for a fee...Second, we are now building a memorial park...fees and dues will be collected for the memorial park...Third, we can now minimise the cost of infrastructure projects because we have equipments to haul gravel and sand... "

Conclusion

The transfer of health functions, services, personnel and assets was abrupt. The six-month duration required from the implementation of the Code was not sufficient in the selected municipalities, with the required transfers completed about ten months after the deadline.

Nevertheless, devolution has today changed the responsibilities of central and municipal governments in health care management. The National Health Department remains responsible for health policy formulation, national health planning, setting standards, monitoring and program evaluation. The municipal governments have become primarily responsible for delivering health services. They now have a substantial degree of autonomy in setting directions for health service delivery in terms of resources, local policy formulation, program implementation, and personnel matters.

There is no consistent pattern in how these responsibilities have been put into practice between municipalities. The variability of practices among them confirms autonomy enjoyed by the municipalities. However, a question remains as to how far this autonomy is reflected in a more effective front-line service delivery. Officers do claim improvements in the health status of people, and the number of people being treated, although these claims cannot yet be verified by health data.

Chapter 8

OUTCOMES OF DEVOLUTION

"Decentrali[s]ation is more an art than a science. It follows its own aesthetic principles (described in manuals by organization theorists who do not have to administer it), but in practice, reality keeps interfering with its logic. Its complexities multiply as it touches different functions and levels of action. It affects its players in different, even contradictory, ways. Making it 'work' requires balanced judgement and consideration of the needs of many actors."

-John D. Montgomery (1983)

Decentralisation is generally prescribed as a means of achieving a range of objectives like efficiency, effectiveness, participation, local autonomy, and the development of local competence. To determine how far this is correct, opinions on nineteen statements conveying these perspectives were surveyed among elected officials, health personnel and health board members in three Philippine municipalities. Table 8-1 shows the opinions held by the respondents to these statements[12] .

Efficiency

Opinions are polarised on whether devolution has contributed to efficiency. Taking an average accross the efficiency-related statements, a little over half of the respondents (52%) agree, 35% disagree and 13% had no opinion. On the positive side, some respondents may think that devolution has brought government closer to the people, bringing health services close to the public and relevant decisions close to the scene of action. Efficiency arguments raised in the survey focus mainly on the time taken to make decisions, delivery cost, co-ordination, health services delivered, and productivity.

Approximately 61% of the respondents agree that the transfer of health service delivery functions to the municipality has ***sped-up decision-making processes***

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12 The full statements presented to the respondents are contained in Table 5-1.

Table 8-1. Perceived Devolution Outcomes

Objectives	Perceived Outcomes	Percentage Distribution of Responses			Mean
		Disagree	Uncertain	Agree	
Efficiency	Decisions sped-up	33	6	61	3.26
	Cost reduced	36	16	48	3.06
	Co-ordination improved	31	8	61	3.32
	Service duplication eliminated	36	16	48	3.09
	Personnel productivity increased	38	20	42	2.99
	Average	**35**	**13**	**52**	**3.15**
Effectiveness	Community needs accounted for	26	18	56	3.33
	Public understanding improved	36	11	53	3.18
	Health services increased	37	14	49	3.16
	Public access increased	40	15	45	3.06
	Average	**35**	**14**	**51**	**3.18**
Participation	Public say improved	34	15	51	3.25
	Volunteer participation encouraged	24	16	60	3.50
	Public influence enhanced	30	24	46	3.26
	Average	**29**	**18**	**53**	**3.34**
Local Autonomy	Performance more visible	33	15	52	3.26
	Officials less dependent	38	12	50	3.15
	Discretion wider	30	14	56	3.35
	Average	**33**	**14**	**53**	**3.25**
Developing Competencies	Monitoring improved	36	13	51	3.24
	Problem solving capability developed	28	14	58	3.32
	Technical ability developed	23	18	59	3.41
	Needs allocation allowed	23	19	58	3.42
	Average	**28**	**16**	**56**	**3.35**

concerning health issues. This finding reinforces the notion that decentralisation, as a development strategy, speeds up decision-making processes by discouraging red tape, reducing the "steps and stops" in arriving at local decisions (Brillantes, 1994a), minimising the time for information to flow up and decisions down the chain of command (Osborne and Gaebler, 1992), by reducing the "hierarchical levels" involved in excessive centralisation (Metcalfe and Richards, 1990). As one respondent notes,

> "[With devolution], bureaucratic hierarchy is shortened. Before, policies come from central office to the regional office down to the provincial office then [finally] to the RHUs. Now, policies come from the [municipal government] through resolutions or ordinances [adopted] in the *sanggunian bayan* to the RHU. Moreover, decisions are now made at the point where it is needed"

The same number of respondents (61%) agree that the transfer of health service delivery functions to the municipality has ***improved co-ordination*** of health services and other related services delivered by the municipality. The health unit and other

agencies implementing health-related programs such as agriculture, and social welfare now report to only one agency - the municipal government. They are less likely to perform the same functions or undertake the same programs that compete with, rather than complement, each other. One rural health physician did suggest that these devolved units still have overlapping functions:

> "One is nutrition program. The rural health unit conducts monthly operation *timbang* (weighing) and so with the agriculture and social welfare departments. The problem [on] overlapping functions also exist during the old set-up."

Experience shows that prior to 1992, the municipal government and the health sector had little contact with each other. Officers and personnel of the Rural Health Unit reported directly to the Department of Health (DOH), so the municipal officials, specifically the mayor, hardly knew anything about their activities. Although the municipalities subsidised some health programs, collaboration between the two sectors was practically nil. Ironically, the local chief executive was the chairman of the municipal nutrition council[13], but he/she had little involvement in DOH projects.

There is no clear indication whether the ***cost of health service delivery*** has been reduced, as revealed by the strong polarised opinions of respondents (Figure 8-1). Philosophically, some respondents may have considered the *cost of devolution as an added financial responsibility* to the municipal government rather than a reduction in cost. This claim is not without grounds. Local government units across all levels are seen to be augmenting medicines and other supplies to rural health units from their own resources (LDAP, 1994). One respondent notes,

> "The internal revenue allotment (IRA) for devolved agencies including health answers only for salaries. Nothing for maintenance and other operating expenditures (MOOE) and benefits. The local government unit provides them."

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13 Organised in the municipal governments through national government directive. Serves as advisory and co-ordinating body to provide overall policy and direction concerning nutrition programs. It is composed of the mayor as chairman, vice-mayor as vice-chairman, representatives from sectoral agencies like the Department of Education, Culture and Sports, Department of Interior and Local Government, health unit, social welfare and development, agriculture and NGO representatives, as members.

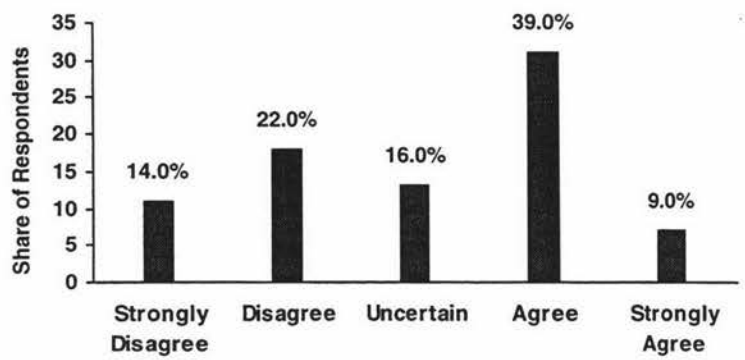
One rural health physician supports this when he claims that,

> "The funds for personal services were not totally devolved, so the municipal government has to give its counterpart. In which case, the personal services of devolved health personnel is an added burden to it. Example, for Magna Carta benefits, 50% comes from the national, 50% from local, next year it will be 25%-75% until maybe 100% will be shouldered by the LGU."

On the other hand, the service delivery functions devolved to the municipality as mandated in the Local Government Code of 1991 carried with it the, "purchase of medicines, medical supplies, and equipment needed to carry out the devolved health services" (Sec. 17(2)iii, RA 7160). Municipal governments presently manage their own purchase of medicines and other medical supplies. In this context, it is possible for some respondents to think that devolution has enhanced the value for money and subsequently reduced the total cost of health service delivery. One mayor acknowledged that,

> "...the beauty of devolution is we can now pinpoint which medicines are truly needed by the people. We minimise waste on expired medicines. Before, procurement are centrali[s]ed in the DOH regional office. They bring medicines to the municipality that are not needed by the people.When I first assumed as Mayor, I happened to be a witness of the RHU bringing cartons of medicines to the garbage truck because they are expired."

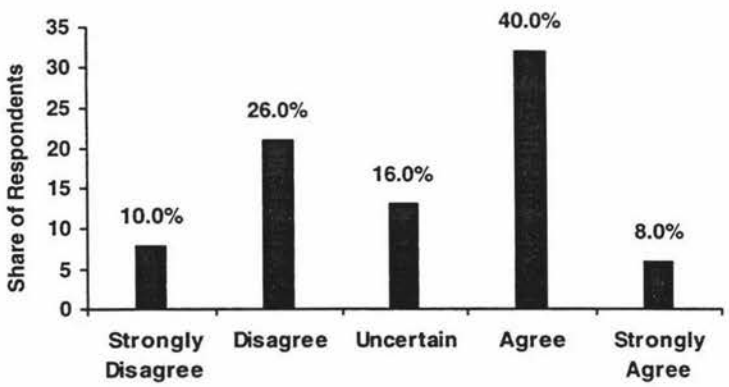
Figure 8-1. Response to the Proposition, "Cost of Health Service Delivery Been Reduced"



There seems to be a confusion about the roles of the Department of Health and the municipal government in the delivery of health services. This is revealed in the polarised opinion of respondents on whether ***duplication of health services*** between central government and the municipal government has been eliminated (48% agree, 36% disagree and 16% uncertain). This finding can be explained by the fact that the Department of Health has identified specific medical and health programs to highlight each month and holds National Immunisation Day each year. The bulk of these programs is extended and implemented by the devolved health workers, in addition to their service delivery functions as stipulated in the Code.

The Department of Health retains responsibility for the formulation, planning, implementation and co-ordination of policies and programs in the area of health (DOH, 1992). More recently, the DOH developed a Comprehensive Health Care Agreement (CHCA) in an attempt to influence the behaviour of the local government officials to maintain health services at least at the pre-devolved level (DOH, n.d.). The CHCA is a mechanism to ensure coherent and effective implementation of national health programs and a vehicle for providing funding and material support for locally-defined health programs (Brillantes, 1995c). However, the CHCA appears biased against national programs (LDAP, 1994).

Figure 8-2. Response to the Proposition, "National-Local Services Duplication Eliminated"

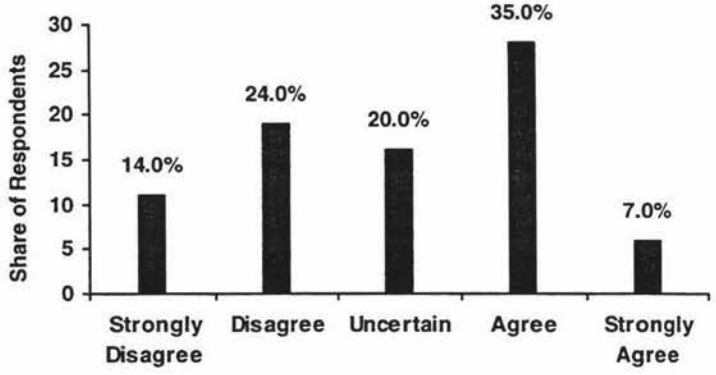


There is no clear indication yet that the transfer of health service delivery functions to the municipality has increased the ***productivity of health personnel*** as reflected in the polarisation of opinions among respondents (Figure 8-3). Productivity is defined as the ratio of outputs to inputs (Salapatas, 1986; Bautista, 1987; Butler, 1986; Uphoff, 1995). While the literature proposes various techniques for productivity improvement, several authors (Osborne and Gaebler,1992; Lawton and Rose, 1994) conclude that decentralisation of decision making generates higher morale, commitment, and greater productivity. This is argued to be particularly true in the knowledge economy:

> "While the rest of society has rushed headlong away from hierarchy...most governments held tight to the reins. Their message to employees has not changed: Follow orders. Don't use your heads, don't think for yourself, don't take independent action...Never, ever take a risk. This message is enormously destructive...
>
> The resulting inertia...waste! But the waste according, to Gifford Pinchot III, is not created by inadequate controls. *It is created by removing the sense and fact of control from the only people close enough to the problem to do something about it* (cited in Osborne and Gaebler, 1992:253-254)."

Devolution has inevitably encouraged the health workers to take part in decision-making and develop a sense of control over their jobs. However, the finding suggests that the impact on productivity of this process, as the perceive impact is not yet unequivocal.

Figure 8-3. Response to the Proposition, "Productivity of Health Personnel has Increased"

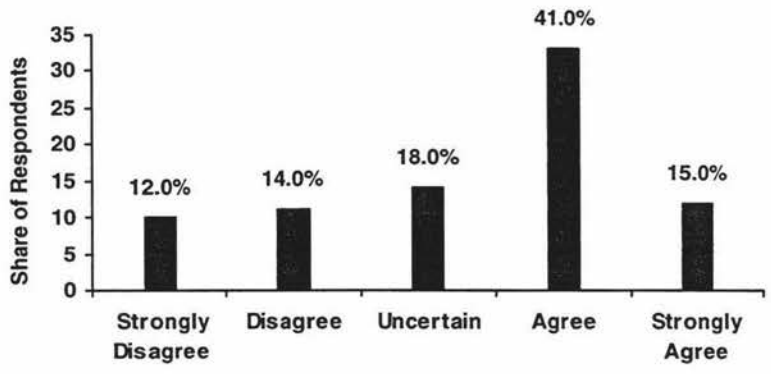


Effectiveness

Opinions are polarised on whether devolution has made health service delivery more effective. Measured accross the four statements denoting effectiveness (Table 8-1) more than a third of the respondents (35%) indicate that devolution did not improve effectiveness in health service delivery, compared with little more than half (51%) indicating that it has. Respondents indicated that devolution has improved the quality of decision making because decisions are now located close to the public. They perceive that local decision makers, who know better the needs of local people, can respond to them more effectively. They also perceive that decisions now take into account the needs of different stakeholders and competing interests. However, a number of concerns about effectiveness were raised in the survey. They include the following: accounting for community needs, improving public understanding, increasing health services and increasing public access.

There is a strong agreement that the transfer of health service delivery functions has led to decisions which take more ***account of community needs*** (Figure 8-4). The participation of field health workers, who know what actually happens day-by-day and hour-by-hour, in the formulation of health plans and programs for the municipality explains this. Possibly, their inputs have made health programs more localised, and better tailored to the needs of the community, from the municipality to the barangay down to the *purok* (small village) level.

Figure 8-4. Response to the Proposition, "Decisions Take More Account of Community Needs"



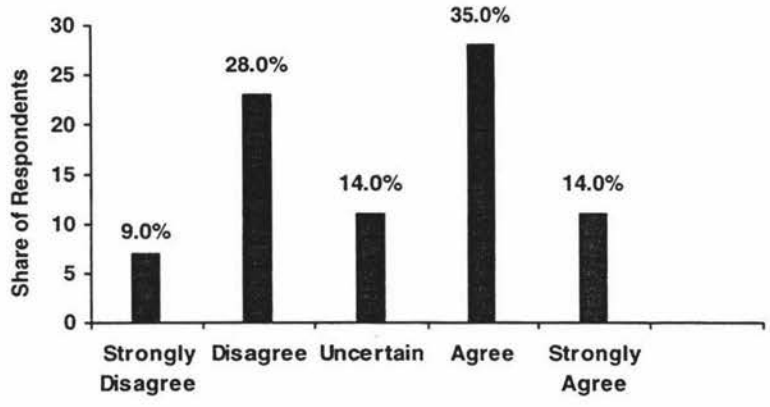
A small majority of respondents (53%) perceive a considerable improvement in the ***public's understanding*** about the health services people are entitled to, although 36% think there has been none. They rather think that the "hand-out" (dole-out) mentality among the people still persists. One mayor complains,

> "...sad to state, people, including the affluent, still think that government should give free medicines, that the RHU is a free pharmacy...I observe that those who own cars even go to the RHU to ask for medicines when it should be for indigents only. I also observe the same persons go there everyday. They tend to be greedy. They ask medicines and try to hoard them for future use."

Nearly half of the respondents think (49%) that the ***number of primary health services*** available for the public has been increased, although about 38% think there was no increase (Figure 8-5). It is possible that respondents think the participation of NGOs in the municipal health board has allowed them to integrate the health programs they implement with that of the municipal government, or *vice versa*. Perhaps some respondents perceive this "services integration" as an increase in health services delivered to the constituents. On the other hand, some respondents feel that devolution is a mere continuation of what the national government had been doing in the area of health. As one respondent explains,

> "Devolution of health services [to the municipality] did not change the services rendered to the constituents..."

Figure 8-5. Response to the Proposition, "Primary Health Services Available for the Public has Increased"



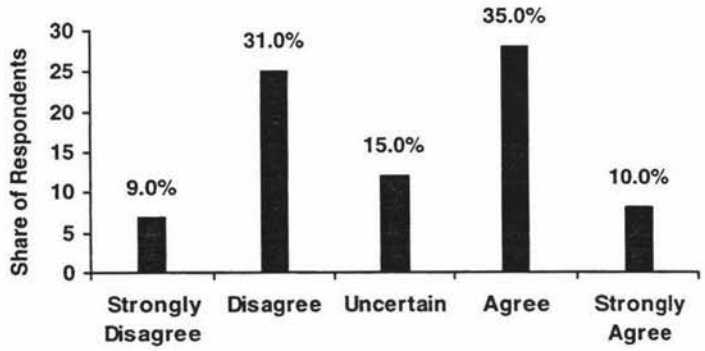
More respondents (45%) believe that the transfer of the health service delivery function has increased ***public access*** to health services (Figure 8-6). They perceive that devolution made available services not otherwise provided. As one respondent notes,

> "Devolution of health service [delivery function to] the municipality played a vital role in bringing the basic service to the remote barangays. [This enabled] the constituents [in those areas] to receive the services they have been longing for."

On the contrary, some respondents (40%) still think that the demands of the public are not yet fully anticipated and accommodated, as explained by the oft-repeated issue raised by the respondents about the inadequate supply of medicines. Their opinion is summarised by the critical comment made by one respondent,

> "After devolution, the dental department felt neglected. No supplies received, instruments old and broken. The people are deprived of the dental services they need."

Figure 8-6. Response to the Proposition, "Public Access to Health Services has Increased"



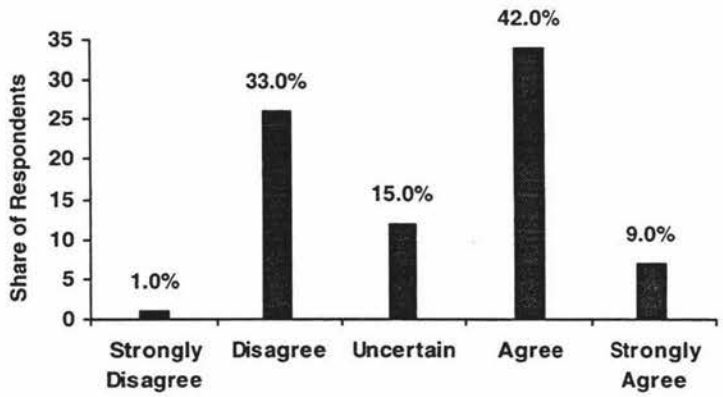
Participation

On average a small majority of respondents (53%) perceive that devolution has encourage people's participation in governance, although some (29%) think it has not (Table 8-1). On the positive side, it is possible for some respondents to think that

devolution has permitted expression of public opinion on health matters. They think that devolution has improved representation of different stakeholders in health policy making and service provision. Participation issues raised in the survey are those related to the public's "voice" in service design, volunteer participation, and public influence over health service provision.

The respondents perceive that the ability of the ***public*** to have a ***say*** in the process of health service design has not yet fully improved. A little over half (51%) of the respondents agree with the proposition, while 34% disagree and 15% are indifferent (Figure 8-7). The Local Government Code of 1991 lays the groundwork for the institutionalisation of the private sector and the participation of non-governmental organisations in the process of local governance (Brillantes, 1995c and 1994d; Clarke, 1994). The incorporation of these key stakeholders into the polity has been operationalised, both at the executive level and legislative body of local government. In one area, they are allocated seats in the local special bodies like the municipal health board. The participation of private sector, non-government organisations and people's organisations in this special body may have triggered some respondents to think that public input into the process of designing for their health services is enhanced. On the other hand, some respondents still feel that public input fails to influence decisions.

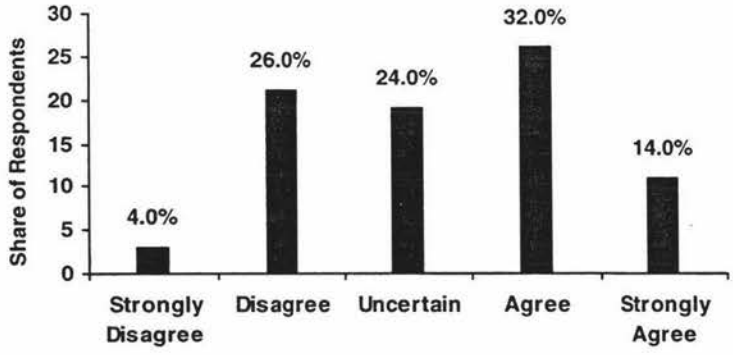
Figure 8-7. Response to the Proposition, "Ability of the Public in Health Service Design has Improved"



Indeed, the survey offers no clear view on whether ***public influence*** over health service delivery has been enhanced, although almost half of the respondents (46%) agreed that it has (Figure 8-8). Arnstein (1969) developed an eight-rung ladder of citizen participation which describes the levels of nonparticipation, tokenism and citizen control, representing increasing degrees of decision making influence (Figure 4-4). The highest rung in the ladder is citizen control where citizens govern a program or an institution, are in full charge of policy and managerial aspects, and can negotiate the conditions under which "outsiders" may change them (Arnstein, 1969). On these grounds, citizen control in health service delivery, has yet to be achieved.

In the context of the GO-NGO collaboration which has become "fashionable" in Philippine local politico-administrative system, the roles and functions of NGOs as "alternative channels for the delivery of public service" (Brillantes, 1990a; De Guzman, 1989; Creencia, 1994) including health has yet to be realised and tested. Moreover, it is possible for some respondents to perceive that local politicians are not ready to share their new-found powers, provided for in the Local Government Code of 1991, further down the grassroots level.

Figure 8-8. Response to the Proposition, "Public Influence over Health Service Delivery Was Enhanced"



Most of the respondents (60%) perceive that devolution has encouraged the active ***participation by volunteers*** from the public in health service delivery. This finding can be attributed to the role of mayor as community mobiliser and his ability to effectively

encourage participation from the public in service delivery. Experience shows that in the Philippines, things move easier if the mayor leads.

Local Autonomy

On average a small majority of respondents (53%) agree that devolution has increased autonomy, so that local government units now have a greater degree of independence from central government control (Table 8-1). They perceive that local units have been allocated substantive powers, functions and resources which will somehow make them more self-governing and self-reliant. Some respondents (33%) still think that local government remains dependent on central government and that insufficient devolution has been implemented to achieve local autonomy.

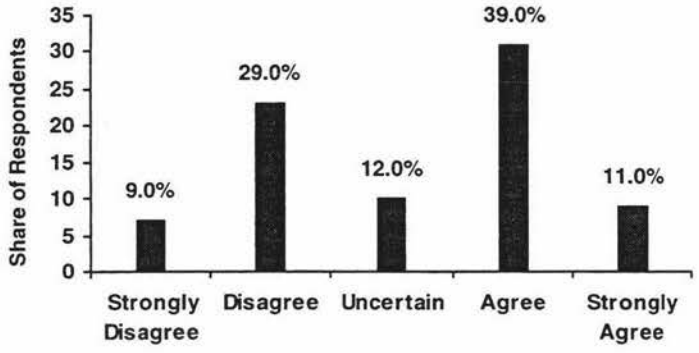
Exactly half (50%) of the respondents agree that the transfer of health service delivery functions to the municipality has led to less ***dependence on central government*** among municipal officials. Over one-third disagree and some of them (12%) had no opinion (Figure 8-9). On the positive side, devolution has provided the municipal officials considerable leeway to make final decisions concerning health, like hiring and firing health personnel. They now have responsibility over services that are classified as "purely local." They have substantial elbowroom to direct and plan health service delivery without too much reliance on national government. On the negative side, respondents see a tendency of municipal officials to depend on central government for financial assistance. Some elected officials admit,

> "...some of the benefits of health personnel are not given. Funds [are] limited for [the] purchase of medicines, [supplies and facilities] needed in the municipal health office...[So], the municipal government [has] to ask assistance from the national [government]."

On top of this, some national policies still favour centralised political and fiscal control. Obvious examples are the Countrywide Development Fund and the Special Purpose Fund. The Countrywide Development Fund finances projects identified by national politicians. Normally, they identify projects which are politically visible, ranging from

waiting sheds to basketball courts to country roads. This practice of channelling development projects through national politicians promotes the dependence of local government, and increases the influence of national officials over local government officials (Briones and Pantaleon, 1994).

Figure 8-9. Response to the Proposition, "Municipal Officials Become Less Dependent on Central Government"



Over half of the respondents think that the ***performance*** of health personnel become ***more visible to the public*** (53%). This improvement may be explained by the transfer of operational control and supervision over health personnel from the national government to the municipal government. It may also be attributed to the closer inter-sectoral co-ordination and collaboration within municipal government, where the health unit works closely with other offices in the provision of health services. However, exactly one-third (33%) of the respondents think that their visibility remains the same.

Half of the respondents (56%) feel that considerable ***discretion to act*** in solving health service problems has been given to the health personnel, compared with less than one third who feel that their discretion has not been enhanced. On the positive side, this indicates that the mayor and other elected officials will respect the technical ability of the health personnel, and share responsibility in resolving issues that arise concerning health. On the other hand, it is possible that some respondents perceive reluctance among local decision makers to share responsibility with health personnel.

Developing Competencies

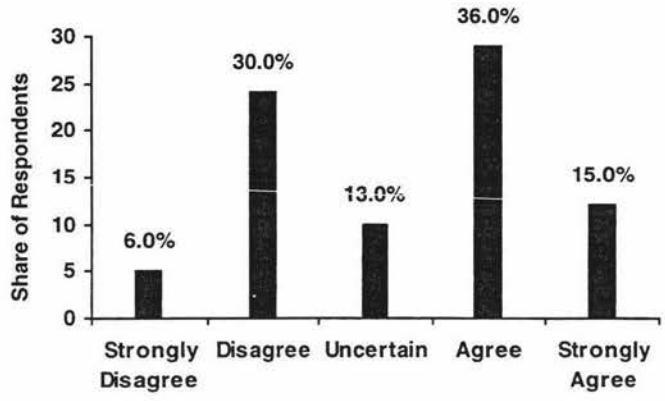
On average, a small majority of respondents (56%) agree that the transfer of the health service delivery functions has increased local competencies. Just over one quarter (28%) disagree.

Opinions differ about whether the transfer of health service delivery has improved the ***monitoring of program implementation***, with 51% agreeing, 36% disagreeing and 13% uncertain (Figure 8-10). On the positive side, it is possible for some respondents to think that monitoring has improved because devolution facilitates close supervision by municipal officials over health program implementation. The municipal health board, established under the Local Government Code (Section 102 (a) 3, RA 7160), serves as the advisory body on health matters mandated to monitor implementation of local health plan, constantly assessing monitoring parameters and performance reports and identifying causes of slippage where necessary (LGAMS, 1993). One of the respondents, who thinks that the monitoring of health program implementation particularly by central government has been reduced, notes,

> "...after devolution, supervision from technical and regional staff is lacking."

Some 58% of the respondents think that the transfer of health service delivery has increased the ***ability to solve health problems*** at the municipal level. However, 29% think that municipal government cannot fully sustain decentralised responsibility because their service delivery functions have become too broad. The key to the devolution process is the financial capacity of municipal government to fully implement the functions and responsibilities devolved to them. Some respondents, specifically the municipal executives, expressed the intention to upgrade rural health unit facilities, augment operational funding for medicine, supplies, and equipment. They also demonstrated the willingness to support nationally mandated salary adjustments. However, their intentions cannot be translated into realities for they are constrained by the lack of funding to support all the devolved functions.

Figure 8-10. Response to the Proposition, "The Transfer of Health Service Delivery Functions has Improved Monitoring of Health Program Implementation"



More than half of the respondents (59%) perceive that the transfer of the health functions have provided the opportunity for municipal officials to develop their ***technical ability*** on health matters, although some (23%) disagree. Evidently, devolution has made municipal officials more informed and more involved on health matters, however, the respondents express reservations that this has absolutely enhanced their technical ability. They perceive that technical ability takes time to be developed.

Close to 60% of the respondents (58%) perceive that the transfer of health service delivery to municipalities has allowed the health personnel to allocate services according to the ***needs of the community***, while about one quarter (24%) feel it has not. This suggests that political interference is still an issue in the allocation of health services.

To summarise, there is no strong consensus that devolution has enhanced efficient and effective delivery of health services although the majority opinion among respondents acknowledges some gains in local autonomy, through increased local responsibilities, competence and public participation. The following discussion indicates where the opinion of respondents concerning these issues vary.

Differences in Perceptions about Devolution Outcomes across Respondent Characteristics

The following discussion of differences according to the characteristics of respondents focuses on those attributes in which differences across categories were significant at the 0.05 probability level.

Differences by Municipality

Differences in perceptions among respondents according to the municipality in which they work are evident on eight of the statements (Table 8-2). Respondents from Bagabag stand out because of the high level of agreement among them regarding the benefits of devolution. For example, very few (13%) think community needs are not accounted for in decisions and that health personnel are not allowed to allocate health services according to the needs of the community. Bagabag respondents are significantly more positive, in general, than respondents from the other municipalities.

Table 8-2. Perceived Outcomes of Devolution, Differences Across Municipality

Outcomes/Statements	Percentage Distribution of Responses								
	Bayombong (N=26)			Solano (N=32)			Bagabag (N=22)		
	Dis-agree	No opinion	Agree	Dis-agree	No opinion	Agree	Dis-agree	No opinion	Agree
Efficiency									
Personnel productivity increased	27	38	35	57	3	40	22	23	55
Effectiveness									
Community needs accounted for	23	35	42	37	13	50	13	5	82
Increased number of services	42	18	40	47	3	50	18	23	59
Local Autonomy									
Performance more visible	27	27	46	41	9	50	27	9	64
Discretion wider	34	23	43	34	9	57	18	9	73
Developing competencies									
Problem solving capability developed	23	27	50	44	6	50	14	9	77
Technical ability developed	19	27	54	31	6	63	18	23	59
Needs allocation allowed	23	27	50	31	16	53	13	14	73

Note: Only statements with significant differences at 5% probability level are included in the Table.

Among respondents from the municipality of Solano, opinions are more mixed. More than half (57%) disagree with the proposition that the transfer of health service

delivery functions has increased productivity of health personnel. However, most (63%) agree that the transfer of health service delivery has provided an opportunity for municipal officials to develop their technical expertise on health matters. They do not show any consistency of opinion over the issue of whether the number of health services available for the public has increased: 50% agree, 47% disagree and 18% are indifferent.

Finally, the overall opinion of respondents from Bayombong is ambivalent. There is no clear view over the propositions that productivity has increased, or that community needs are accounted for in decisions. Opinion is polarised over whether the number of health services has increased, with 40% agreeing, 42% disagreeing and 18% having no opinion. This is consistent with the opinion of respondents from the municipality of Solano.

Several factors may explain the differences in opinions of respondents according to municipal assignments. The first is the leadership of mayor and his commitment to the devolution policy. The mayor of Bagabag is new in the service. Like anybody else who is new to an organization, the mayor appears to be very committed. He may be more likely to respect and lean on the technical expertise of health personnel concerning health matters than longer established collegues. He has had previous work experience in a private firm, hence, he tends to be more aggressive in introducing reforms in local public administration. His experience abroad makes him more supportive of health programs.

Second, the income of a municipality might be expected to provide a measure of its capacity to finance devolved functions. The municipalities have different income class levels: Bayombong is a fourth class municipality with an average annual income of P22.0 M, Solano is third with an average income of P26.0 M, and Bagabag is fifth with an average income of P14.0 M. Clearly, then, the level of acceptance and endorsement of the reforms is not dependent on the level of income, with the poorest of the municipalities recording by far the most positive views. It can be concluded that the ability to solve health problems does not depend on the financial capacity, so much as

local leadership, the commitment of municipal officials and health personnel, and the priority given to health programs. Thus, one respondent from Bagabag made positive comments about the level of support given to health:

> "Municipal officials, especially the mayor, and employees are all accommodating to problems [referred]...cooperative, nice persons."

The municipality of Solano has the highest income among the sample municipalities. However, a lower priority seems to be given to health programs. One respondent explained that:

> "Non-infrastructure projects [including health] has little importance in the municipality. It can be explained that the family is a welfare agent so the government give[s] this problem to the family..."

The third factor which might influence differences in attitudes among municipalities is their different health service requirements. Solano is the "center of commerce" and the "vegetable bowl" of the province of Nueva Vizcaya. The influx of people from different parts of the province and adjacent provinces is substantial. As a result, it can be assumed that the health needs and problems there are more complex than in the other municipalities. In line with this, officials of Solano are called on more to deal with complex health problems. This may also provide greater opportunity to develop their technical ability than the officials from the other two sample municipalities.

Differences by Length of Service

There are significant differences in opinion on fourteen of the 19 propositions according to the length of service of respondents. Those with longer experience tends to agree with the 14 propositions more than those with less experience (Table 8-3).

People with under three years experience in municipal government have no clear opinion over these issues, presumably because they lack practical insights and experiences under the devolved and centralised systems. Respondents with longer experience have considerable understanding about local government operations and

Table 8-3. Perceived Devolution Outcomes, Differences by Experience with the Municipal Government

Perceived Outcomes	Percentage Distribution of Responses						P Value (P < p=0.05)
	Less than 3 years (N=49)			Three years and above (N=31)			
	Disagree	Uncertain	Agree	Disagree	Uncertain	Agree	
Efficiency							
Co-ordination improved	46	10	44	9	3	88	0.003
Service duplication eliminated	53	12	35	12	22	66	0.007
Productivity increased	54	17	29	12	25	63	0.005
Average	**51**	**13**	**36**	**11**	**17**	**72**	
Effectiveness							
Public understanding improved	50	15	35	15	6	79	0.005
Increased number of services	50	15	35	19	12	69	0.042
Public access increased	56	17	27	16	12	72	0.001
Average	**52**	**16**	**32**	**17**	**10**	**73**	
Participation							
Public say improved	48	15	37	13	16	71	0.020
Volunteer participation encouraged	35	15	50	6	19	75	0.038
Public influence enhanced	44	27	29	9	19	72	0.002
Average	**42**	**19**	**39**	**9**	**18**	**73**	
Local Autonomy							
Performance more visible	46	15	39	12	16	72	0.022
Led to less dependence on centre	50	12	38	19	13	68	0.023
Personnel discretion wider	42	10	48	12	19	69	0.048
Average	**46**	**12**	**42**	**14**	**16**	**70**	
Developing Competencies							
Monitoring improved	52	12	36	12	13	75	0.001
Problem solving capability developed	37	17	43	16	9	75	0.045
Average	**45**	**14**	**41**	**14**	**11**	**75**	

processes, the successes and failures of programs and the issues that cause them, in both systems. Possibly, this condition has influenced them to agree that devolution has contributed to the objectives implied in the propositions, and may give more authority to their opinion.

Differences by Position

The position occupied by respondents affects their attitude towards almost all of the statements in Part I of the survey. Elected respondents tend to agree with 18 of the propositions compared with those non-elected, who tend to have more diverse opinions and a bias towards disagreement (Table 8-4).

Table 8-4. Perceived Outcomes of Devolution, Differences by Position

Perceived Outcomes	Percentage Distribution of Responses						P Value (P<p=0.05)
	Elected (N=34)			Non-elected (N=46)			
	Disagree	Uncertain	Agree	Disagree	Uncertain	Agree	
Efficiency							
Decisions sped-up	6	0	94	52	11	37	0
Co-ordination improved	6	3	91	50	11	39	0
Service duplication eliminated	6	8	86	59	22	19	0
Personnel productivity improved	3	20	77	63	20	17	0
Average	**5**	**8**	**87**	**56**	**16**	**28**	
Effectiveness							
Community needs accounted for	0	21	79	46	15	39	0
Public understanding improved	3	12	85	60	11	29	0
Health services increased	11	9	80	57	17	26	0
Public access increased	12	14	74	61	15	24	0
Average	**6**	**14**	**80**	**56**	**14**	**30**	
Participation							
Public say improved	6	12	82	54	17	29	0
Volunteer participation encouraged	0	17	83	41	15	44	0.001
Public influence enhanced	3	21	76	50	26	24	0
Average	**3**	**17**	**80**	**48**	**19**	**33**	
Local autonomy							
Performance more visible	3	9	88	54	20	26	0
Officials less dependent	12	9	79	57	15	28	0
Average	**8**	**9**	**83**	**55**	**18**	**27**	
Developing competencies							
Discretion wider	6	12	82	48	15	37	0.001
Monitoring improved	6	9	85	59	15	26	0
Problem solving capability improved	6	9	85	46	17	37	0.001
Technical ability developed	0	12	88	41	22	37	0
Needs allocation allowed	3	15	82	39	22	39	0.001
Average	**4**	**11**	**84**	**47**	**18**	**35**	

The contrast is not surprising. Elected respondents tend to favour devolution while non-elected respondents, who comprise mainly health personnel (91%), take the opposite stance. Authentic devolution as provided in the Local Government Code of 1991 has long been a "battlecry among local elected officials" (Alunan, 1994b). As a result they tend to be enthusiastic about what they achieved in health service delivery and subsequently more positive in the overall process of development. By contrast, health personnel have been opposed to devolution. As mentioned in Chapter 3, they rallied against devolution immediately after it was implemented. Their resistance led to the introduction of a bill proposing the re-nationalisation of health functions. However, this was vetoed by the President.

The difference in functions and responsibilities held by elected and non-elected respondents may have a bearing on the variation of opinions. Elected respondents are primarily responsible for making decisions concerning local health policies while non-elected respondents either serve as service implementors of that policy, or advisors. Thus, the more direct the involvement in program delivery, the less favourably disposed people may still be to devolution.

Conclusion

The majority of respondents, agree that devolution has contributed to efficiency. Generally, they think that devolution has facilitated decision making, and has improved inter-sectoral co-ordination. However, there is less agreement over whether central-local duplication of health services has been eliminated. Reservations are also evident over whether service delivery costs have been reduced and whether the productivity of health personnel has increased.

Devolution, according to the respondents, has contributed to effectiveness. They perceive that community needs are better accounted for in health service decisions, and that the public's understanding about the services they are entitled to has improved. Whether the number of health services has increased or public access has been enhanced remain contentious.

Respondents perceive that devolution has encouraged people's participation. They perceive that volunteer participation has increased. However, opinions remain divided on whether the public say in the process of health service design has been encouraged and whether public influence over health service delivery has been enhanced.

Respondents perceive that devolution has increased local autonomy. However, they perceive that sufficient devolution has not taken place to achieve meaningful autonomy.

There is strong agreement that devolution has developed local competencies. They perceive that the local ability to solve health problems has developed and that municipal officials have had the chance to improve their technical ability on health matters. However, they acknowledged limitations in monitoring.

Respondents with longer experience perceive that devolution has contributed to efficiency, effectiveness, local autonomy and developed local competencies. Elected respondents also perceive that such objectives have been achieved and consequently favor the devolution process. Health professionals, those involved with implementation, have a less positive views. Finally, respondents in the municipality with stronger leadership and higher support given to health appear most positive about the achievement of devolution objectives.

Chapter 9

FACTORS IMPORTANT IN THE PROCESS OF DEVOLUTION

"The only drawback of this devolution is the inadequacy of municipal funds in the full implementation of health programs..."

-Dr. Felicitas Baylon (1995)
Private Physician

In part II of the questionnaire, respondents were asked first to indicate their opinion regarding the importance of 23 factors to the process of devolution. They were then required to nominate five factors from the list of 23 which in their opinion, were most important to achieving devolution.

Generally, respondents consider all the factors important (Table 9-1). This suggests that each and every factor has an important role to play in the effective implementation of devolution. Based on the distribution of rating scores, the five factors which get the greatest rating are:

1. adequate budgets, funds availability, and training for health personnel;
2. acceptance of municipal officials of their new responsibilities;
3. leadership of chief executive;
4. health personnel acceptance on new ways of doing things, personnel commitment with public; and
5. clear set of guidelines from central government.

When the groups of factors are considered, there is a strong agreement (90%) that financial support is most important in the process of devolution. Next is capability building issues, especially training intervention for health personnel, with 90% of respondents think it is important. Psychological and behavioural factors rank third. The willingness to accept the new responsibilities among elected officials appears to be the key element in this group of factor: 88% of the respondents perceive this as

important. The fourth is administrative and operational support with clear set of guidelines as the primary factor. Political support rated well behind resources and capability building issues. The key element in this group of factors is leadership of municipal chief executive.

Table 9-1. Perceived Change Factors

Factors	Description	Percentage Distribution of Responses			Rank
		Unimportant	Moderate	Important	
Political	Political will of central government	24	18	58	15
	Private sector support	9	25	66	14
	NGO support	6	25	69	13
	Support from intended beneficiaries	5	24	71	12
	Leadership of chief executive	5	8	87	**3**
	Average	**10**	**20**	**70**	
Resources	Adequate municipal budget	5	5	90	**1**
	Funds availability	5	5	90	**1**
	Average	**5**	**5**	**90**	
Psychological and Behavioural	Acceptance of new responsibilities	5	7	88	**2**
	Officials commitment to policy	9	11	80	8
	Personnel commitment to policy	13	9	78	10
	Officials acceptance on new ways	6	10	84	6
	Personnel acceptance on new ways	5	9	86	**4**
	Officials commitment with public	8	11	81	7
	Personnel commitment with public	6	8	86	**4**
	Average	**8**	**9**	**83**	
Administrative and Operational	Central-local communication	5	24	71	12
	Degree of control over funds	10	10	80	8
	Clear set of guidelines	5	10	85	**5**
	Clear set of objectives and policies	5	11	84	6
	Management info systems	7	20	73	11
	Analysis leading to the policy	9	12	79	9
	Quality of the policy itself	13	14	73	11
	Average	**8**	**14**	**78**	
Capability Building	Training for municipal officials	3	16	81	7
	Training for health personnel	3	8	90	**1**
	Average	**2**	**12**	**86**	

Note: Ranking is based on the share of respondents recording "important" answers.

The list of the five most important factors nominated from within the set of 23 factors (Table 9-2) resembles the ordering of the five most important based on the distribution of rating scores. In this case, leadership is clearly first in individual listings, well ahead of the second two factors which deal with resources. Willingness to embrace change are the fourth and fifth factors, although they fall well behind leadership and resources.

Because the respondents were compelled to select the five most important factors, the list in Table 9-2 appears to be more definitive. The discussion that follows explains the importance of these factors.

Table 9-2. Five Factors Nominated As Most Important

Factor	Description/Rank	Total Score	Average Score	Frequency of Occurrence (%)
Political	1. Leadership of chief executive	170	2.13	30
Resources	2. Adequate budget	156	1.95	27
	3. Funds availability	118	1.48	21
Psychological and Behavioural	4. Acceptance of new responsibilities	75	0.94	13
	5. Officials commitment to policy	50	0.63	9
Total		**569**		

Five Most Important Factors

Leadership Quality

The leadership quality of the chief executive is selected as most important among respondents. This can be explained by the positive and negative concerns raised by the respondents in the interviews. The negative concerns relate to the low priority given to health programs by the mayor, and his tendency to appoint personnel to the rural health unit based on his personal preferences without prior consultation with the rural health physician or the municipal health board.

For example, in one of the sample municipalities, the municipal health board had not been reconstituted at the time of the interviews, although the national-local elections of 11 May 1995 had taken place more than two months earlier. It was also alleged that funds for health programs are diverted to finance priority infrastructure projects, thus causing undue delays in the release of salaries, allowances and employment benefits. It was also pointed out that procurement of medicines is done without proper bidding because the mayor himself is taking responsibility for the task. All these concerns reflect directly on how the quality of leadership can affect successful implementation of devolved functions.

Management in the other municipalities appears more positive. One mayor has demonstrated his support for, commitment to and co-operation with health programs. Another has demonstrated his ability to "make things happen" in the municipality by creating additional revenue sources to augment traditional tax collection schemes.

Adequate Budget

The adequacy of funds to finance health programs is deemed important among respondents because of the nagging issues raised about reduction of travelling allowances, limited supply of medicines, inability to upgrade health facilities of the devolved rural health unit, and inability to hire additional health personnel.

One respondent emphasises how scarce resources for health services are,

> "The [annual] budget for supplies and medicines for the first two years since the health functions were transferred to the LGU, [that is] according to the NGO member of the local health board, was only good for two months, considering the population [of the municipality]."

A rural health physician says that not all programs of the rural health unit are not given attention due to lack of funds:

> "There are a lot of programs of the RHU but the medicines procured is good for only one program that we prioritise. Other programs are not given much attention anymore. We usually buy [medicines] prescribed mainly for acute respiratory infection (ARI). There are programs on cardio-vascular disease (CVD) but the LGU cannot afford."

Funds Availability

The timely availability of funds for health services is considered most important because delays in the release of benefits, allowances and salary increases are commonly raised issues. One respondent claims that,

> "Benefits covered under Magna Carta for health workers...are not given on time...It takes 5-6 months to collect their travelling allowance..."

Another respondent reports some "lags" in the release of the IRA share to municipal governments, which adversely affected the realisation of the anticipated monetary benefits.

Acceptance of New Responsibilities

Municipal officials have not yet fully embraced their new responsibilities. The following remark by one respondent supports this observation,

> "...some municipal officials do not accept devolution for [a] single reason relating to the inadequacy of budget for devolved agencies..."

Another suggests that,

> "Local officials are not fully motivated...They thought that health programs is not their work, they thought that it is the responsibility of the [rural health physician]."

Some respondents claim that elected officials as well as the original municipal employees call the transferred personnel "adopted employees" of the municipal government.

Officials' Commitment to Policy

The elected officials' commitment to the devolution policy is identified as important by respondents because of the issues raised concerning appointments and promotion:

> "Selection and promotion in the municipal government is based on the choices of the mayor."

Some respondents indicate that:

> "...the rural health physician and members of the health board are not consulted in the selection of personnel..."

Although one of the operative principles of decentralisation states that, "local officials and employees paid wholly or mainly from local funds shall be appointed...according to merit and fitness by the appropriate appointing authority" (Section 3, RA 7160), the above issues reveal that this operative principle is not strictly observed. This can be attributed to the lack of commitment among elected officials, which is closely tied to the leadership of chief executive, in the devolution policy.

The elected officials lack creativeness and innovativeness in redesigning local revenue collection strategies. Instead, they wait for the approval of central-government initiated measures like the amendment of the IRA formula. Their initial behaviour when problems arise is to ask for financial assistance and logistical support from central government or non-government organisations through *sanggunian bayan* resolutions. This behaviour can be ascribed to the paternalistic nature of Philippine politics which exists even after devolution. The "hand-out" (dole-out) mentality and excessive reliance in politics persist elsewhere.

Differences in Perceptions about Change Factors across Respondent Characteristics.

The perceptions of respondents about change factors vary significantly at 5% probability level according to municipal assignment and status.

Differences by Municipality

There is a significant difference in opinion about the importance of one factor, according to the municipality where respondents work in (Table 9-3). Respondents from Bayombong and Solano agree strongly that political support from the centre is important in the process of devolution. Exactly half of the respondents from Bagabag agree strongly but over a third (36%) are uncertain about it. The difference in opinion maybe explained by the leadership quality and level of support to health functions. Where these factors are positive, respondents appear to consider the support from the centre as secondary.

Table 9-3. Perceived Factors, Differences by Municipality.

Factors	Percentage Distribution of Responses								
	Bayombong (N=26)			Solano (N=32)			Bagabag (N=22)		
	Dis-agree	No Opinion	Agree	Dis-agree	No Opinion	Agree	Dis-agree	No Opinion	Agree
Political									
Political will of the centre	27	7	66	29	12	59	14	36	50

Note: Only statements with significant differences at 5% probability level are included in the Table. Computed p=0.021

Differences by Position

There are significant differences in opinions on a number of propositions according to the position of respondents (Table 9-4).

Table 9-4. Perceived Factors, Differences by Position

Factors	Percentage Distribution of Responses						
	Elected (N=34)			Non-elected (N=46)			P Value (P<p=0.05)
	Dis-agree	No opinion	Agree	Dis-agree	No opinion	Agree	
Political							
Political will of the centre	15	15	70	30	20	50	0.040
Private sector support	0	9	91	15	37	48	0.002
NGO support	0	12	88	11	35	54	0.024
Behavioural/Psychological							
Officials' commitment to policy	0	9	91	15	13	72	0.001
Personnels' commitment to policy	0	12	88	22	6	72	0.005
Officials commitment with public	0	3	97	14	17	69	0.005
Administrative and Operational							
Management info systems	0	9	91	14	28	58	0.017
Capability Building							
Training for municipal officials	0	6	94	4	24	72	0.045

Generally, the opinion of elected officials are very positive with no one disgreeing in almost all statements. For them, the most important factor in implementing devolution reflects on their own commitment in working with the public.

The opinion of non-elected officials is a general push towards agreement, however, a considerable share from this group, either disagree or do not have opinion. For them

people's attitudes towards change and training for elected officials are most important in the process of devolution.

Where the responsibility to manage the decentralised functions lies seems to explain the difference. Very clearly, the elected officials are the "managers." They strongly consider the importance of all types of support in the effective management of decentralised functions. The non-elected officials, who are the "managed," may be more concerned to the important attributes of the "managers" and the organisation, rather than external ones.

Conclusion

In general, the respondents subscribe to the idea that several factors - political, resources, psychological and behavioural factors, administrative and operational practices, and capability building interventions - influence implementation of devolution.

They confirm that the most important factor is the leadership quality of the municipal chief executive, which flows over to the work environment. Respondents who are assigned to a municipality with an unfavourable work environment tend to lean more on central support. Those who work under local leadership committed to devolution and the health sector do not see the political support from the centre as important.

Chapter 10

CHANGES AS A CONSEQUENCE OF DEVOLUTION

"In a world that is rocking with change, we need more than anything else a high capacity for adjustment to changed circumstances, a capacity for innovation...Some people have greatness thrust upon them. Very few have excellence thrust upon them. They achieve it...All excellence involves discipline and tenacity of purpose..."

-John Gardner (1988)

Part III of the questionnaire requested that respondents indicate their opinion regarding what changes - institutional or organisational, behavioural, those relating to program implementation, service delivery and participation - have resulted from devolution. Table 10-1 shows the distribution of responses to the statements raised in this part of the survey.

Table 10-1. Perceived Changes as a Result of Devolution

Changes	Description	Percentage Distribution of Responses			Mean
		Disagree	Uncertain	Agree	
Organisational or Institutional	Longer response time to policy questions	59	19	22	2.52
	More mistakes in decisions	24	6	70	3.55
	Lack of assurance for monetary benefits	61	18	21	2.30
	Central-local communication impeded	31	35	34	2.96
	Administrative supervision improved	36	18	46	3.06
	Technical supervision suffered	44	29	27	2.75
	Promotion for personnel impeded	56	23	21	2.54
	Training opportunities become fewer	53	11	36	2.64
	Increased competition for funding	65	21	14	2.63
	Average	**47**	**20**	**33**	**2.77**
Behavioural	Personnel spend more time in field	18	16	66	3.83
	Officials more accountable for performance	13	14	73	3.64
	Officials more committed with job	14	13	73	3.82
	Personnel report less frequently to centre	31	20	49	3.22
	Personnel enjoy job more	41	23	35	2.86
	Average	**22**	**18**	**60**	**3.47**
Program Implementation and Service Delivery	Increased central-local competition	40	20	40	2.94
	Forced to provide particular service	38	19	43	3.01
	More people educated in health	31	23	46	3.14
	Improved health in population	41	25	34	2.83
	Services less politically influenced	41	23	36	2.95
	Implementation dependent on mayor	68	11	21	2.28
	More people treated	41	14	45	3.00
	Average	**43**	**19**	**38**	**2.88**
Participation	Community groups more active	17	29	54	3.52
	NGO more active	20	31	49	3.35
	Private organisations more active	21	35	43	3.23
	Average	**20**	**32**	**48**	**3.37**

Organisational Changes

The propositions concerning organisation were expressed mainly in the negative. Overall, the opinion of respondents on whether such changes have come about as a consequence of devolution are polarised and biased towards disagreement, meaning that they tend to see positive organisational responses to devolution. They appear to see an increase in the degree of discretion and independence in the way decisions are made at the municipal level as a result of devolution. Issues raised related to organisational changes focus mainly on decisions, policy questions, central-local lines of communication, administrative supervision, promotion, training opportunities, technical supervision and funds allocation.

Nearly 60% of respondents agree that the ***response time*** to policy questions is shorter. This is presumably because the elected officials who make decisions are now more accessible to them. This is particularly important in events such as the outbreak of diseases, as cited by one respondent:

> "...when there was an outbreak of dengue fever in the municipality, the sanitary inspector reported the matter to the mayor. Immediately, the mayor advised the physician to bring out the fogging machine and instructed the municipal treasurer to release funds for the purchase of necessary medicines and other logistics for spraying...In no time at all, a potential epidemic was put under control..."

Some respondents (70%) perceive that health personnel make ***more mistakes*** in their decisions on health issues than in the previously centralised system. Although there is no obvious explanation for this, it is a view which may reflect lack of technical supervision from central government. It raises a question about who makes decisions regarding health issues at the municipal level.

Most respondents are confident that health personnel will still receive the ***monetary benefits*** they are accustomed to, although 21% disagree. Suspended salary increases, delayed salaries, reduced travelling allowances, and salary disparities between the

devolved personnel and the retained personnel were prominent among the issues raised.

A majority of respondents (56%) think that ***promotion for health personnel*** has not been impeded although again, some (21%) disagree. On the positive side, some respondents think that promotion goes beyond promotion itself, and an increase in financial remunerations, to include dimensions like staff development, rewards for performance, and the opportunity to go beyond a traditional role as health service implementors into more managerial functions like planning, priority-setting, problem identification and resolution, and medicines procurement. Some respondents seem to adhere to one issue raised in the position paper on the decentralisation of health services submitted by the Philippine Public Health Association to the House of Representatives:

> "...the massive transfer of some 51,000 health workers from the national to local government units...is both unfair and disadvantageous to the health workers who, [when devolved] to local government units, stand to be deprived of financial remuneration, training and career advancement opportunities, retirement and other benefits that the national government is in a better position to provide" (PPHA, n.d.: 5).

They think that devolution limits their opportunity for growth in the medical profession. With devolution, their geographical area of concern has become greatly circumscribed. Their chances for promotion without a large national bureaucracy such as the DOH appear to be virtually nil, and their opportunities for exchange with health professionals from outside their geographical assignments limited (Borlagdan, et al, 1993). Thus,

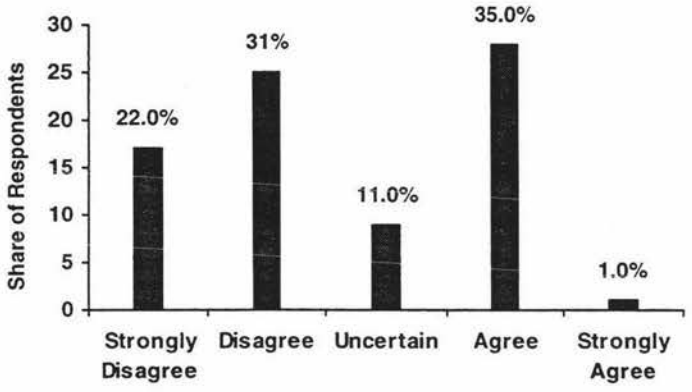
> "...a rural health physician or a municipal health officer who aspires to be an Assistant Secretary may not be able to realise this dream anymore for devolution has detached him from the national government hierarchy specifically the DOH" (Brillantes, 1995a).

While 36% of respondents think that ***skills training opportunities*** for health personnel have become fewer, a small majority (53%) disagree (Figure 10-1). This may be best explained by the comment of one respondent,

"[In actuality] there are [centrally driven skills] training[s] conducted for health personnel but [some personnel] just refuse to attend."

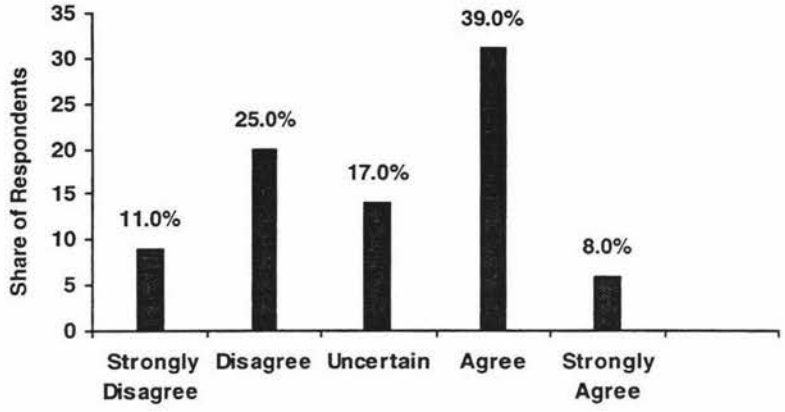
On the other hand, the view of some respondents that they have lost training opportunities may be linked to the financial capacity of local government. It is possible that training invitations from the central office come cascading down, but the local unit cannot fully take advantage of them because of financial constraints. It may also be that while the municipal government recognises the importance of training interventions for the devolved personnel, the number of personnel participating has to be limited and the local unit has to be selective about the type of training to be attended based on priorities and needs.

Figure 10-1. Response to the Proposition, "Skills Training Opportunities Become Fewer"



Opinions are polarised about the idea that ***supervision over health personnel*** has improved, with 46% agreeing, 36% disagreeing and 18% having no opinion (Figure 10-2). This suggests that resistance from local officials to administrative responsibility over health personnel persists. Likewise, some health personnel remain reluctant to be under the control and supervision of local politicians.

Figure 10-2. Response to the Proposition, "Administrative Supervision over Health Personnel has Improved"

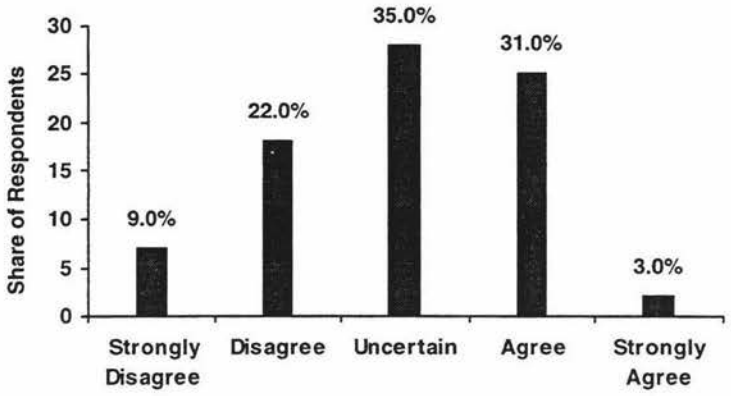


The respondents do not agree that central-local ***lines of communication*** are impeded (Figure 10-3). They seem to recognise the importance of links with central government even though it has shed some of its powers as a result of devolution. One mayor says that the municipal government works as a partner of the national government:

> "...it does not mean to say that now we have all these functions devolved to the LGU, we could do it on our own. We still need the help of national government specially the functions concerning health. It is still new for the LGU...We involve ourselves as a partner..."

The presence of a DOH representative in the municipal health board presumably enhances lines of communication between municipal and central governments . The role of the DOH representative is to advise municipal officials and health personnel on national health policies, standards, plans, program, and projects; and to monitor the compliance of LGUs with DOH guidelines, policies and standards.

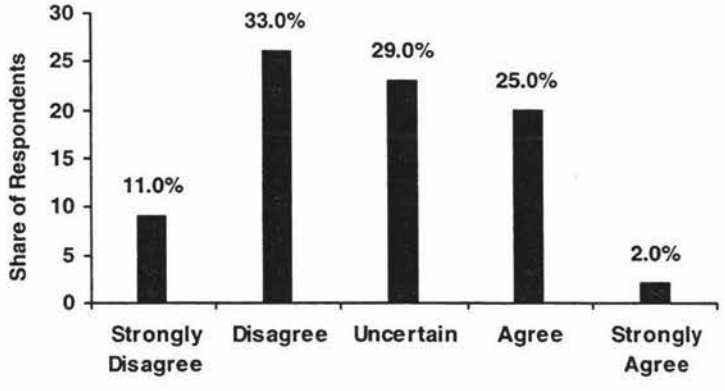
Figure 10-3. Response to the Proposition, "Central-Local Communication Lines Impeded"



More respondents (44%) think ***technical supervision over health programs*** by central government has not suffered (Figure 10-4). Those who think it has perceive that national government has been pre-occupied with national programs which depend on local health officers for successful implementation. Little attention has been paid to providing technical assistance to them (LDAP, 1994). Their opinions can be summarised by the observation made by one respondent,

> "...after devolution, supervision from technical staff from the regional office is lacking."

Figure 10-4. Response to the Proposition, "Technical Supervision over Health Programs Suffered"



Very few respondents (14%) think that devolution has ***increased competition*** within municipal offices over funding allocation. This may be because department heads are required to prepare budget proposals subject to expenditure ceilings set by the local finance committee[14] in any case. Budget proposals are based simply on the functions, activities and projects of each department in the local unit (DBM and COA, 1993). They are subsequently reviewed and budget hearings conducted whereby the department heads are provided the opportunity to defend budget proposals. While it is desirable for each local department to have adequate funding, this process prevents competition. The budget process ignores the fact that competition exists between original municipal employees and devolved personnel concerning salaries and benefits.

Behavioural Shift

On average, there is a strong agreement among respondents (60%) that devolution has changed the behaviour of elected officials and health personnel. They see improvements in the commitment and performance of these people concerned. Only 22% disagree that improvements had occurred.

Most respondents (66%) agree that health personnel spend much more ***time in the field*** since devolution. This could be because of the transfer of administrative supervision to the municipal government through the mayor. Despite this, respondents have mixed opinion on whether health ***personnel enjoy their job more*** (Figure 10-5). The concern of one respondent is worth noting,

> "Devolution...demoted the morale of health personnel because the benefits [they] are supposed to receive are hampered due to lack of LGU funds..."

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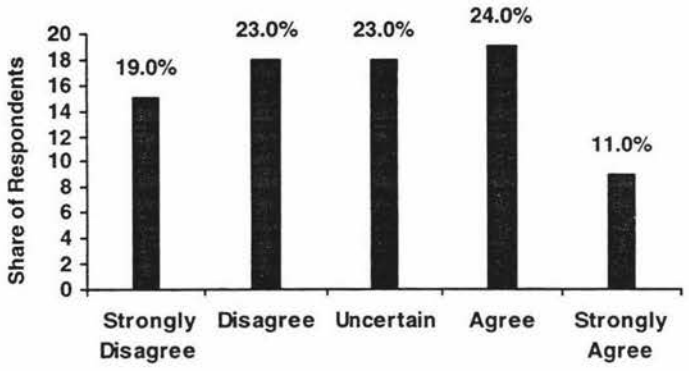
14 A committee organised in the municipal government in pursuance to the provisions of the New Local Government Code. It is composed of the municipal planning and development coordinator, budget officer and treasurer. Its primary function is to determine the income reasonably projected as collectible for the ensuing fiscal year. It also recommends to the mayor the level or ceilings of annual expenditures (Section 316, RA 7160).

Figure 10-5. Response to the Proposition, "Health Personnel Enjoy Their Job More"



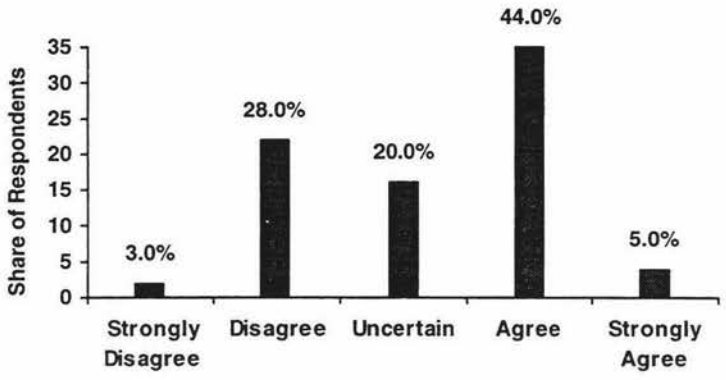
Almost half of the respondents (49%) agree that health personnel ***report*** less frequently to central government for service delivery outcomes, 31% disagree and 20% are uncertain. The agreement of some respondents may be explained by what was stated by one rural health physician,

> "...health programs implemented are monitored and evaluated by the DOH. However, monitoring is much stricter before than in the present set-up because we never failed to submit performance reports on time...now, we submit when we feel like it..."

His comment is supported by another physician when he says outcomes are considered within the RHU level as:

> "...data collected by the DOH has no impact. So, we are just depending on our own performance. We review reports within the RHU. If we have board meetings, performance reports are presented then the *sanggunian bayan* member will report the same to the *sanggunian*."

Figure 10-6. Response to the Proposition, "Health Personnel Report Less to the Centre for Service Delivery Outcomes"



Most respondents think that municipal officials are more ***accountable*** for their performance and more ***committed*** to their job as a consequence of devolution (73% in both cases). This confirms the link between responsibility and accountability. One cannot be accountable to anyone, unless one also has responsibility for doing something (Day and Klein in Lawton and Rose, 1994). It can be pointed out that,

> "Public managers, who are entrusted with resources allocated to policies and programmes, are necessarily involved in the exercise of public authority. But they do not have unfettered discretion in exercising the authority delegated to them. They operate within a framework of accountability which is intended to ensure that authority and resources are properly used (Metcalfe and Richards, 1990: 42)."

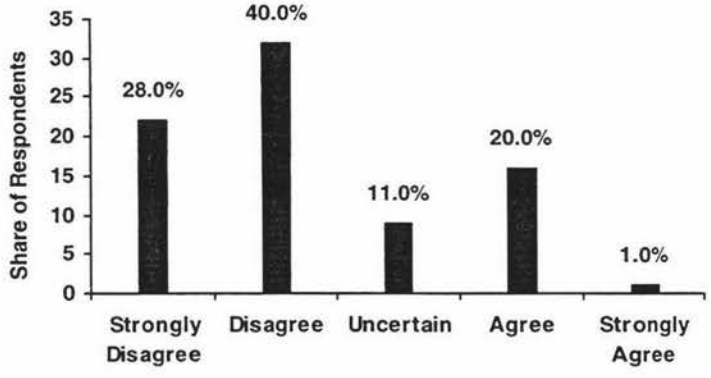
Program Implementation and Service Delivery

On average, mixed views exist on whether devolution has changed the way health services are provided or whether health services provided are producing positive results. About 38% agree, 43% disagree and 19% are indifferent. The issues raised include the nature of improvement, if any, in the health status, the number of people treated, political and central government influence on service delivery.

Successful implementation of a health program is not seem to be highly ***dependent on the mayor's support*** (Figure 10-7). Perhaps they recognise that the management of primary health care is not the sole responsibility of one actor but is highly influenced by the interdependence of several actors, including the mayor, health workers, non-government organisations, the public as well as the national health department. Interdependence is,

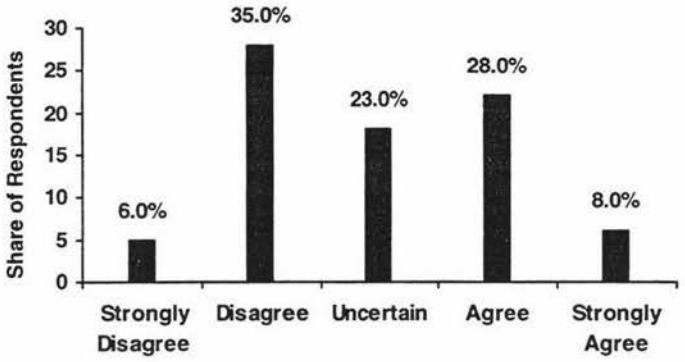
> "...the reason why nothing comes out quite the way one wants it to. Any event that depends on more than a single causal agent is an outcome based on interdependent agents....interdependence exists whenever one actor does not entirely control all of the conditions necessary for the achievement of an action or for obtaining the outcome desired from the action" (Pfeffer, 1992: 38).

Figure 10-7. Response to the Proposition, "Implementation Dependent on Mayor"



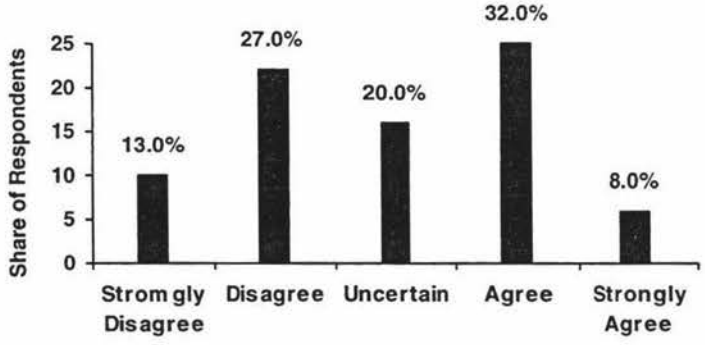
More respondents think that health services will be ***politically influenced*** (41%) than those who (35%) think it will not be. Obviously, a minority have confidence about the power limitations lodged to the local politicians as provided for by the New Local Government Code. As noted in earlier findings, other respondents perceive some political influence in health services. Tapales (1992) and Borlagdan, et al (1993) note that many local chief executives preferred to appoint their own personnel, based not on merit but on political expediency, and did not immediately accept the extension workers of the national government agencies affected by devolution.

Figure 10-8. Response to the Proposition, "Health Services are Less Politically Influenced"



There is no clear indication on whether devolution has ***increased central-local competition*** in the provision of health services (Figure 10-9). Presumably, the respondents see the relationship of central and municipal government as complementary rather than as competitors.

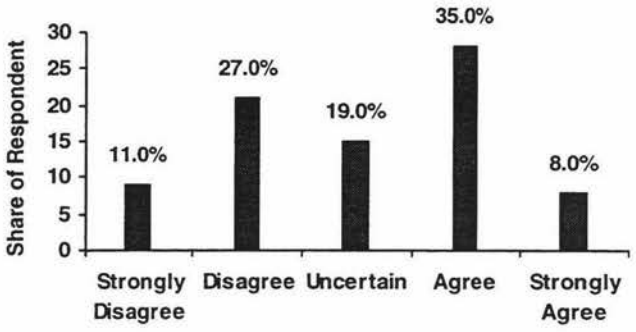
Figure 10-9. Response to the Proposition, "Central-Local Competition Increased"



More (43%) think that the municipal government is ***forced to provide a particular service*** by central directive rather than making a choice based on factors that are important to the municipality than those (38%) who think it is not (Figure 10-10). Again, this suggests a centralist tendency of the National Health Department towards

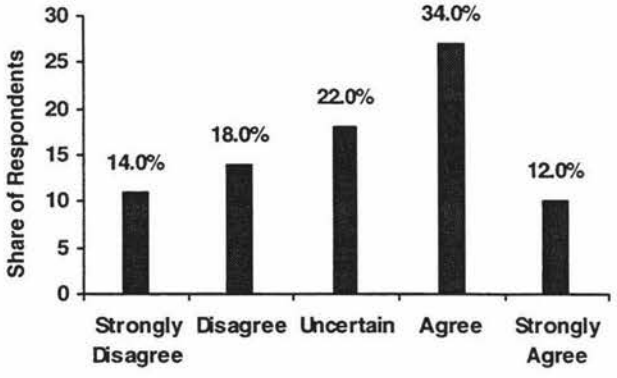
prioritising implementation of national health programs at the expense of local resources presumably through the Comprehensive Health Care Agreement.

Figure 10-10. Response to the Proposition, "Municipal Government Forced to Provide Service by Central Directive



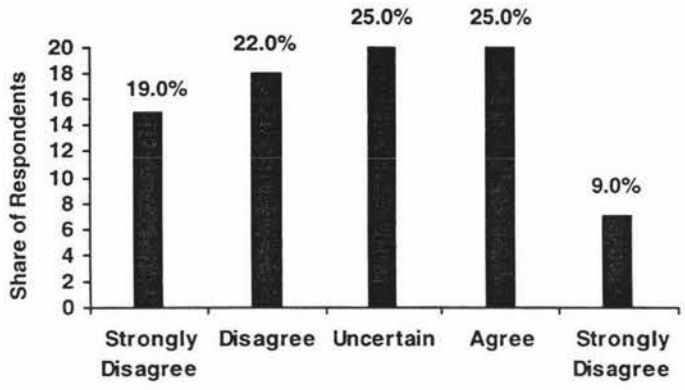
Respondents tend to agree that devolution has led to ***more people being educated*** about health matters (Figure 10-11). However, there is still an uncertainty that devolution has ***improved health in the population***, although 34% of the respondents says there is an improvement (Figure 10-12). The timing of the research could have influenced the opinion of the respondents. The Philippine devolution is only three years old. At this stage, it is producing "mixed and uncertain results" (Doronila,1994). It will be sometime before its expected benefits are realised.

Figure 10-11. Response to the Proposition, "More People Educated on Health"



Thomason, et al (1991b) claim that the primary question of whether decentralisation has improved the health status of the people, is impossible to answer with any degree of certainty, citing the experience of Papua New Guinea. First, no baseline was ever established against which to measure any changes. Second, even if baseline data were available, it would be hard to demonstrate that the changes witnessed were the result of decentralisation alone. Many other influences have acted to change the health situation of the people over the thirteen years that decentralisation has been in place. An examination of health information adds little to the debate.

Figure 10-12. Response to the Proposition, "Health in Population Improved"

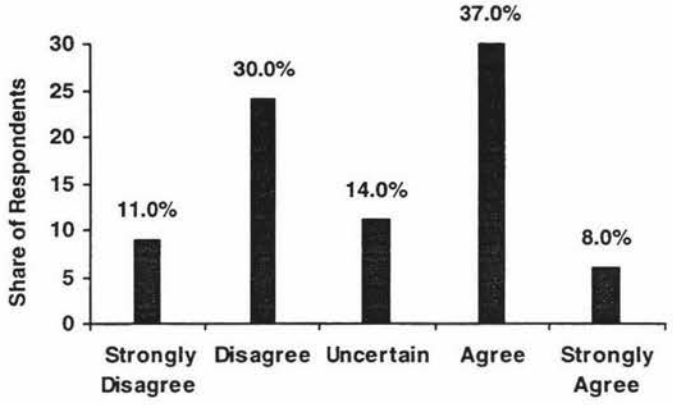


Mixed views even exist over whether devolution has led to ***more people being treated*** (Figure 10-13). Nevertheless, it was suggested by the rural health physicians in the municipalities that patients coming to the rural health unit has increased. One, elaborates this further,

> "Before devolution, I did not need to report to the health center morning and afternoon, nor everyday. However, after devolution, I need to do both because patients coming to the health center have increased in number from 15 to 60. Interestingly, some of the patients come from adjacent municipalities and province. The resultant increase in the number of patients have come about because medicines from hospitals are likewise limited, so they end up to the rural health unit hoping that medicines will be given. Moreover, some patients prefer to consult with the doctors they used to consult, like me..."

This suggests that there are instances where improvement has been achieved, although this observation needs to be verified by concrete health data.

Figure 10-13. Response to the Proposition, "More People Treated"



Participation

In general, respondents expressed reservations on whether devolution has made the participation of community groups, non-government organisations and the private sector in the provision of health services more meaningful and effective. About 48% agree, 20% disagree and 32% are indifferent.

More respondents perceive that ***community groups*** and ***non-governmental organisations*** have become more actively involved with the municipal government in the provision of health services. They seem to be uncertain on whether ***private organisations*** have become more actively involved. The findings show a positive trend toward LGU-NGO-PO partnerships, although the contentious issue of whether to participate or not remains unresolved among NGOs and private organisations. Brillantes (1995d) points out that NGOs have always prided themselves on their independence and autonomy. They are wary of the possibility of compromising their independence by co-opting with government.

The foregoing discussions reveal some changes in the way things are done as a consequence of devolution. Contrary to expectations, respondents remain confident that the monetary benefits of health personnel will be provided. Very few think that competition in funding allocations among municipal offices has increased. Most respondents see positive changes in the way municipal officials and health personnel perform. However, their opinions remain mixed on whether community participation has been enhanced. The discussion that follows points out where the opinion of respondents concerning these issues vary significantly.

Differences in Perceptions about the Consequences of Devolution across Respondent Characteristics

Statistical tests were used to identify those attributes or views across which there are significant variations according to the location, experience, and status of the respondents. There is no significant difference in opinion according to the municipal assignment or location of respondents.

Differences by Length of Service

The respondents' opinions about the consequences of devolution vary according to their experience with the municipal governments (Table 10-2). Generally, respondents with lesser experience tend to be more negative and those with longer experience are more positive about possible improvements resulting from devolution.

Table 10-2. Perceptions on Changes as a Consequence of Devolution, Differences According to Length of Service

Perceived Changes	Percentage Distribution of Responses						P Value
	Less Than 3 Years (N = 49)			3 Years and Above (N = 31)			
	Disagree	Uncertain	Agree	Disagree	Uncertain	Agree	(P<p=0.05)
Organisational							
Lack of assurance for benefits	71	19	10	46	16	38	0.001
Behavioural							
Personnel enjoy job more	58	17	25	16	32	52	0.002
Officials more committed with job	23	17	60	0	6	94	0.021
Program Implementation and Service Delivery							
More people educated on health	44	23	33	12	22	66	0.019
Improved health in population	58	21	21	15	31	54	0.004

Several factors can explain the difference. First is the experience on how benefits are provided in the municipal government. Respondents with lesser experience think that health personnel will receive monetary benefits as a result of devolution. About 40% of those with longer experience disagree. This is because the provision of benefits like salary increases, travel allowances and bonus is always a question of local funds availability. Sometimes, these are partially given or not at all.

Second, the level of interaction with health and elected officials may explain the variation. Respondents with longer experience are uncertain as to whether health personnel enjoy their job more, while those with lesser experience tend to disagree. Both groups of respondents agree that officials are more committed to the job (significant difference exists because the distribution of responses are dissimilar). Respondents with longer experience have had longer dealings with these officials and personnel, hence, it can be assumed that they can identify positive changes in performance of elected and health officials. For those with lesser experience, they may feel three years or less provide insufficient experience on which to judge. Even in three years, officials and personnel are still in the period of transition.

Third, the question of how informed the respondents are about health service delivery under the centralised set-up *vis-a-vis* the existing devolved set-up is clearly important in the appraisal of how successful it has been. Respondents with lesser experience have mixed views on whether devolution has led to more people being treated. They disagree that devolution has improved health in the population. Those with longer experience show strong agreement to these propositions. It is reassuring that those with the longer period of employment tend to be more positive.

Differences by Position

There are more differences in opinion, and they tend to be more pronounced between the elected and non-elected categories of respondents (Table 10-3). The overall opinion of elected officials are far more positive than that of non-elected officials.

Table 10-3. Perceptions on Changes as a Consequence of Devolution, Differences by Appointment Status

Perceived Changes	Percentage Distribution of Responses						P Value
	Elected			Non-Elected			
	Disagree	Uncertain	Agree	Disagree	Uncertain	Agree	(P<p=0.05)
Organisational/Institutional							
Longer response to policy questions	41	26	33	73	13	14	0.020
Lack of assurance for benefits	44	21	35	74	15	11	0.003
Administrative supervision improved	9	15	76	56	20	24	0
Technical supervision suffered	24	26	50	59	30	11	0.002
Promotion for personnel impeded	44	21	35	65	24	11	0.035
Training opportunities become fewer	32	15	53	67	9	24	0.034
Behavioural							
Officials more accountable	0	6	94	23	20	57	0.006
Officials more committed with job	0	6	94	24	18	58	0.007
Personnel enjoy their job more	12	26	62	64	20	16	0
Program Implementation and Service Delivery							
More educated in health	6	21	73	50	24	26	0
Improved health in population	9	23	68	65	26	9	0
Services less politically influenced	29	21	50	51	24	25	0.034
More people treated	20	9	71	57	17	26	0.001
Participation							
Community groups more active	3	21	76	26	36	38	0.007

The differences in opinion may stem from several considerations. First is the role and responsibilities held by respondents. More than a third of the elected officials (35%) express reservations on whether health personnel will have chances to be promoted and on whether the monetary benefits will still be provided. Their role in making local policies for promotion and benefits is presumably significant in this. Surprisingly, non-elected officials, comprising mostly health personnel, are more positive. In the interviews, comments about delays in the release of salaries and allowances, and the suspention or partial implementation of salary increases were raised, yet few confirmed this in the questionnaire.

Another role of elected officials that may explain the differences in opinion is their role in administering local affairs. They agree strongly on the improvement in supervision among health personnel, while non-elected officials disagree.

Elected respondents are also directly concerned in proper handling of public monies. They agree that training opportunities for health personnel has become fewer because they can gauge the fiscal capacity of the municipality, a major determinant in sending

personnel to trainings. As mentioned before, travel expenses required have to be shouldered by the LGU should the mayor send health personnel to participate.

Non-elected personnel are very positive, suggesting that training has not been impeded. This indicates that training is a matter of priority among elected officials. Based on experience, they are inclined to undertake politically-visible projects more than less visible projects like training.

Second, interaction with technical staff from central office concerning program monitoring may also explain the differences in opinion between elected and non-elected officials, who think technical supervision has not suffered. Those elected express reservations about it, and in this they seem to admit their limited knowledge concerning health.

Third, the impact of change to the groups of respondents seem to explain differences in opinion. Non-elected officials disagree strongly that enjoyment in job among health personnel has increased while those elected think it has. This is because they are not experiencing the change and are likely to put the best possible construction.

Fourth, some of the propositions are bound to elicit individually biased answers. For instance, elected officials agree strongly (none of them disagree) that devolution has made them more accountable and committed with their job because the propositions reflect on how they behave. On similar ground, they are unlikely to admit that health services will be politically influenced.

Fifth, the level of involvement in health education seem to explain differences in opinion. There is a strong agreement among elected officials that devolution has led to more people being educated on health. The opinion of those non-elected are mixed, clearly because they have more authority to judge any improvement as they are more involved in the task. Perhaps, they perceive that people are still more oriented on the curative aspect of health rather than preventive.

Indeed, the tendency towards greater optimism among elected officials is pronounce. They agree strongly that devolution has improved health in the population and led to more people being treated. While non-elected officials who are more involved in appraising results and evaluating service outcomes tend to be negative about these results.

Finally, the type of linkage each group of respondents has may explain differences in opinion. Those non-elected, who are mostly frontline health workers, are uncertain on whether community groups are more actively involved in the provision of health services because they appear to be more in frequent contacts with them.

Conclusion

The key officials in the municipal governments perceive both positive and negative consequences of devolution. In terms of organisational changes, they perceive that response time to policy questions is shorter and that training opportunities for health personnel is not fewer. They are confident that health personnel will still receive their monetary benefits and their chances for promotion have been sustained. However, they perceive that health personnel are more inclined to make mistakes in their decisions concerning health issues.

Respondents agree strongly that devolution has changed the behaviour of municipal officials and health personnel. They see improvements in the commitment and accountability of the people concerned. Although, they perceive that reporting system for service delivery outcomes is more relaxed.

Most respondents do not see that the successful implementation of a health program is particularly dependent on the mayor's support. Respondents tend to agree that more people are educated about health matters. However, their opinion remains mixed on whether there has been an improvement in the health status of the people or on whether the number of people being treated has increased. This findings confirms the opinion of key local officials about these propositions (Chapter 7).

Respondents note that the contentious issue of whether to participate or not remains unresolved among private sector, non-government and people's organisations.

A number of respondent characteristics affect their perception towards the impacts of devolution. Elected officials and the respondents with longer experience are more likely to see positive changes as a consequence of devolution, while the non-elected officials and respondents who are new to the service have more mixed opinions.

Part Four

SYNTHESIS AND CONCLUSION

Chapter 11

THE WAY FORWARD

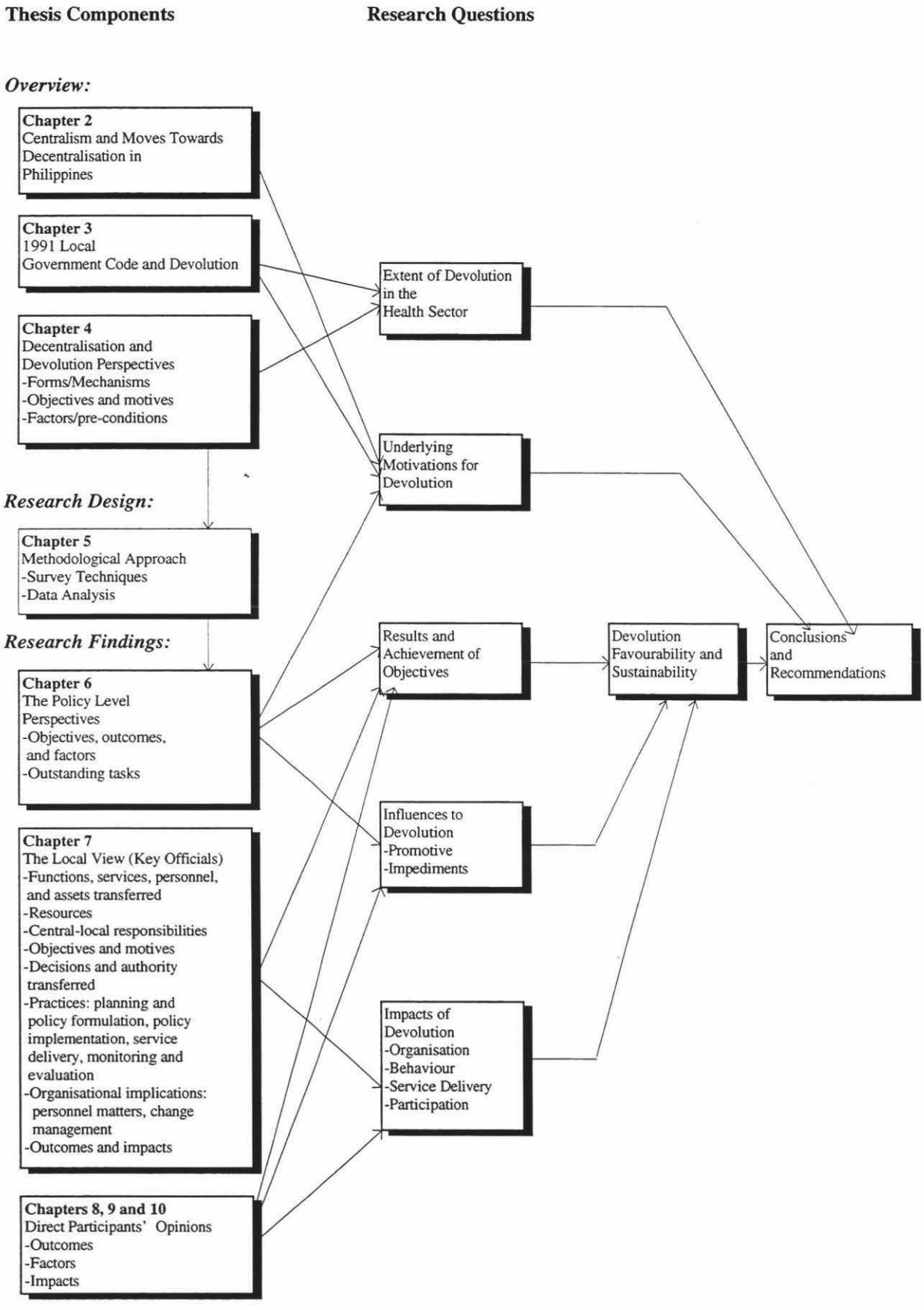
"The ultimate test of success of any innovation in local governance is its sustainability...[S]ustainability is only possible if all sectors - government and non-government alike - continue working together towards a common vision. With all of us working together, we have every reason to be confident that the quiet revolution going on in the countryside launched by local autonomy will indeed succeed, and bring us closer to the attainment of our collective visions, that is, "Philippines 2000."

-President Fidel V. Ramos (1995)
Republic of the Philippines

The questions which the study aims to answer set out at the beginning of this thesis are: To what extent of devolution has taken place in the health sector? What are the underlying motivations for devolution? How far have the objectives been achieved? What factors promote or impede devolution? What changes has been observed as a consequence of devolution? What level of acceptance has decentralisation elicited, and therefore how sustainable is decentralised responsibility?

This chapter reviews the findings from the interviews with policy makers and key local officials, and the opinion survey among direct participants in the devolution process at the municipal level. It attempts to synthesise them into an overall perspective that explains the decentralisation of health services to Philippine municipal governments (Figure 11-1). Recommendations to enhance implementation of decentralisation are then made and areas for further research are presented.

Figure 11-1. Synthesis Towards A Conclusion



Extent of Devolution

The devolution of health sector activity to municipal governments has been dramatic. It includes the transfer of functions, authorities and resources, personnel and other assets. The functions transferred from national government are primary health care, procurement of medicines, and subsequently the maintenance and operation of rural health units and other assets. Thus, municipal governments became primarily responsible for delivering primary health care services.

Resources for health services are transferred through internal revenue allocation. This has given rise to equity concerns over the distribution of IRA among units of local government, particularly over the land area and population criteria for distribution.

The responsibilities for decisions and authority transferred to municipal governments are substantial. These cover decisions to appoint health personnel, budgetary appropriation for health, procurement of medicines, overall administrative supervision and decisions to discipline health personnel. Empowerment is not limited to municipal chief executives. A degree of authority and discretion is also accorded to the rural health physicians, particularly in the identification of positions to be created within the rural health unit, identification of medicines to be procured, health program implementation and monitoring.

Notwithstanding all these transfers, the Department of Health remains as the primary agency for ensuring good health for the entire populace. It is responsible for national health planning and policy formulation, setting guidelines and standards, and monitoring and evaluating program implementation.

Despite this dramatic shift, in the context of the two-fold concept of devolution advanced by Boston (1988), devolution of health sector in the Philippines can be described as partial. This is because the National Health Department, being responsible for maintaining the health for the entire populace, provides overall leadership and direction. It attempts to make local government act consistently with

national policies, plans and standards rather than allowing local government to do necessarily what the local community desires. Moreover, a dual responsibility exists between national and local governments. Local government is responsible for delivering health services, implementing national health policies at the local level, and reporting outcomes to central government. On the other hand, central government is responsible for monitoring and evaluation of the outcomes of services delivered. It is likewise responsible for providing technical and logistics support to local government in delivering health services.

Motivations for Devolution

The decision to devolve in the Philippines was a political one. Having been opposed to devolution, the Department of Health appears to have had no ready or clear objectives in relation to the process. Nevertheless, devolution is broadly aimed at democratising the political system, accelerating development and the attainment of social justice. According to the policy makers and key local officials, devolution is intended to distribute powers of government and promote autonomy among local government units. This should enable the local government units to be self-sufficient, self-reliant, self-governing and ultimately less dependent on national government. Local officials should make the decisions which affect the health services at their level.

Devolution is intended to encourage more public participation in managing the affairs of the community. It is aimed at increasing efficiency and effectiveness, and a more equitable delivery of basic health service.

These motivations echo the objectives of decentralisation that were outlined in the literature review (Chapter 4). The following section reviews the attainment of each of these objectives based on the interview findings.

Results of Devolution

From the point of view of policy makers, power sharing has been achieved in a structural or physical sense. Authorities, functions and resources were transferred to the local government units. Their fiscal capability has been strengthened because their tax shares have been increased. Yet, the national government has still to determine whether the empowerment provided for in the Code has enabled local government units to govern more meaningfully for local development.

The opinion of direct participants in the management of decentralised responsibility (comprising municipal elected officials, devolved personnel and members of the advisory boards) is more positive. They see substantial gains in local autonomy as a result of increased local responsibilities, heightened competence and more public participation. However, they do not yet exhibit strong consensus on whether devolution has contributed to efficiency and effectiveness. These points are illustrated in the discussion that follows.

Local Autonomy

The direct participants agree that devolution has led to less dependence on central government among municipal elected officials. They are now provided with considerable elbowroom to make final decisions concerning health, like hiring and firing of health personnel. They now have responsibility for services that belong to local government units. They have substantial leeway to direct and plan health service delivery, and are not too dependent on the wishes of national government.

Yet, elected officials still depend heavily on central government for finances. The municipal governments' share from IRA, which is a national fund, constitutes the lion's share of their income (Acosta, 1995). In addition, some national policies still favour centralised political and fiscal control. As a result, the initial response to problems with the devolution process has usually been to request assistance from national politicians and bureaucrats, or to wait for central government to redress problems,

through modifying the IRA formula, for example, rather than making things happen at their level.

In other words, sufficient devolution has not yet taken place to achieve meaningful autonomy. In the context of the three-fold concept of local autonomy advanced by Sosmena (1991), local government units now have autonomy in administration and function, but not in finance.

Participation

The direct participants in devolution believe that the process has encouraged public participation in governance. They agree that volunteer participation from the public has been encouraged. But, they have reservations over whether the public say in the process of health service design has improved, since a considerable proportion of respondents think that public inputs fail to influence decisions. Very clearly, the participation of the private sector and non-governmental organisations in the polity has been institutionalised. However, according to the policy makers, the participation of these key stakeholders is only at the level of measurable participation, which is no guarantee of effectiveness.

This finding suggests that public participation remains at the level of placation, a degree of tokenism in the ladder of participation developed by Arnstein (1969). This is consistent with the decentralisation experience of Papua New Guinea (Thomason, et al, 1991b) and the participation case studies undertaken by Morley, et al (cited in Curtis and Taket, 1996). This implies that while the processes for participation are in place, empowerment will require a greater level of awareness, knowledge and commitment in the community. This, in turn, is likely to depend on the public being convinced of the benefits to them of participation.

The survey offers no clear view on whether public influence over health service delivery has yet been enhanced or whether there are benefits to the community from greater involvement. This suggests that the public is not yet fully empowered. Citizen

control, the highest rung in the ladder of participation, over health service delivery has yet to be achieved.

Similarly, in the context of GO-NGO collaboration which has become fashionable in Philippine local government system, the roles of NGOs as alternative channels for delivering public services including health has yet to be realised and tested.

Efficiency

The participants in devolution do not have a strong consensus on whether devolution has contributed to efficiency. Generally, however, they believe that decisions concerning health matters have been sped up and that inter-sectoral co-ordination within the municipality has improved. This is similar to the decentralisation experience of countries like Papua New Guinea (Reilley, 1990), Mexico (Gutierrez, 1990), New Zealand (Malcolm, 1990) and Sri Lanka (Cooray, 1990). Despite this the interview with key local officials suggests the existence of overlapping functions among municipal offices delivering health and related services.

There are reservations over whether service delivery costs have been reduced and on whether the productivity of health personnel has increased. There is less agreement that central-local duplication of health services has been eliminated. This is because the devolved personnel have to implement the bulk of nationally-identified programs in addition to the service delivery functions stipulated in the Code. Moreover, the strategy adopted by the National Health Department to ensure coherent and effective implementation of health programs appears biased against local health priorities. Paton (in Curtis and Taket, 1996) finds similar centralist tendencies in his study about the extent of change in centre-local relations brought about through the process of decentralisation.

Effectiveness

Devolution, according to direct participants in the process, has contributed to effectiveness. They believe that community needs are accounted for in decisions and that public's understanding about the health services they are entitled to has increased considerably. Yet, the "hand-out" (dole-out) mentality among the people still persists. Whether the number of health services has actually increased or public access has been enhanced remain non-conclusive.

Competence Development

The survey indicates that devolution has increased local competencies. The ability to solve health problems at the municipal level has increased. However, it has been noted that municipal governments cannot fully sustain the decentralised responsibility because their service delivery functions have become too broad and their fiscal capacity is inadequate. As revealed in the fourth rapid field appraisal for decentralisation, funding tops the list of constraints, particularly in health service delivery (LDAP, 1994).

Municipal officials are provided with the opportunity to develop their technical ability on health matters and health personnel are allowed to allocate services according to the needs of community. Yet, there are suggestions that political interference is still an issue in the allocation of health services.

Limitations in health program monitoring and evaluation remain. From the interview with key local officials, it appears that monitoring is still done by the National Health Department, but it is undertaken less seriously than before devolution.

Responsiveness

From the interview with local officials, it appears that devolution has made health service delivery more responsive and tuned health services to community needs. This happened because plans are made at the RHU level, not at a level where officials do not know the community for whom they are planning. People are also more receptive and co-operative to the health programs launched. Finally, the medicines procured are more likely to be needed by the people.

Public Accountability

Devolution has not so far increased public accountability among elected officials. Based on the interviews with key local officials, local politicians appear to still give priority to their political career over the public good. They appear reluctant to implement health policies that adversely affect influential people for fear of losing votes.

The effect of devolution in terms of accountability among health personnel themselves is more positive. It has increased the public's "voice" against non-performers.

Influences on Devolution

Several factors influenced the attainment of the benefits expected from devolution. The impediments to devolution, based on the opinion of policy makers are: lack of appreciation among national politicians and bureaucrats; ignorance of the purposes of devolution; inequitable IRA distribution; lack of local government awareness, lack of prioritisation for health services at the local level; low morale of health workers and lack of support for them.

On the other hand, the policy makers identify the following factors as important to achieving devolution: the political will of central government to share power;

responsible local officials; the readiness of formal institutions, processes and mindsets; a strong commitment to devolution; continuous capability building for elected officials and devolved personnel; and adequate funding support for health.

In the survey among direct participants in devolution, the key to the achievement of devolution benefits identified is leadership quality of municipal chief executive. Where leadership is strong and capable, positive results are observed. Where it is weak, management of decentralised responsibility seems problematic. The decentralisation experience of Papua New Guinea reveals similar finding (Reilley, 1990). The contrast in attitudes among respondents according to the municipality may well reflect the influence of different leadership styles and commitment.

Other factors nominated by key local officials are: adequate budget, funds availability, and willingness to embrace change among elected officials.

Impacts of Devolution

The survey reveals positive and negative impacts of devolution in terms of organisation, behaviour, program implementation, service delivery and participation.

Organisational Changes

The respondents tend to see positive organisational responses to devolution. They agree that the response time for answers to policy questions is shorter. However, they see more mistakes in the decisions made by health personnel on issues concerning health. Contrary to expectations, respondents remain confident that the monetary benefits of health personnel will still be provided. This finding does not validate the issues raised concerning suspended salary adjustments, delayed salaries, reduced travelling allowances and salary disparities between devolved and the retained personnel.

Respondents think that training opportunities for health personnel have remained the same. In the interview with key local officials, local government support for training organised by the National Health Department was identified. However, devolved health personnel appear to refuse to attend.

The survey suggests a resistance from local elected officials to administrative responsibility over health personnel, just as health personnel remain reluctant to be under the control and supervision of local politicians. This finding is consistent with the decentralisation experience of Sri Lanka (Mills, 1990) and the results of the fourth rapid field appraisal for decentralisation (LDAP, 1994).

The respondents agree that central-local lines of communication have not been impeded by decentralisation. They see the importance of central government and national bureaucracies in guiding, informing and advising locals about their new responsibilities. They also see the relationship of central and local government as complementary. This supports the observation made by the Legal Administrative Consultative Group (LACG) about the White Paper proposals in New Zealand, particularly concerning central control (Malcolm, 1990).

Contrary to expectations, devolution did not increase competition within municipal offices over funding allocations. This may be because of the budget process followed in the municipality whereby expenditure ceilings are set and budget proposals are carefully studied and justified.

Behavioural Shift

Generally, the survey shows strong agreement that devolution has changed the behaviour of elected officials and health personnel. They see improvements in the commitment and performance of these people concerned. They observe that health personnel report less frequently to the national health department for service delivery outcomes. Based on the interviews with key local officials, evaluation is sometimes done at the rural health unit. It is suggested that monitoring by the national health

department is not effective from the local point of view, and indeed collection is less rigorous than before devolution.

Program Implementation and Service Delivery

There were mixed views on whether devolution has changed the way health services are provided, or whether the health services provided are producing positive results. The respondents recognise the interdependence of several actors in the implementation of a health program, and realise that they are not highly dependent on the mayor's support, for example. Yet, they tend to recognise that health services will be politically influenced.

There is no clear indication on whether devolution has increased central-local competition in the provision of health services. But respondents observe the tendency of central directives to force municipal government to provide particular services which are not necessarily based on factors that are important in the municipality.

The survey shows agreement that devolution has led to more people being educated on health matters. It offers mixed evidence on whether there has been an improvement in the health status of the people, or whether devolution has led to more people being treated. In the interviews with key local officials, some observed that improvements had been achieved, although, these observations remain inconclusive and require further validation.

Participation

The survey reveals a positive trend toward LGU-NGO-PO partnerships. Respondents observe positive involvement of community groups and non-governmental organisation in the provision of health services. Yet, they seem to be uncertain about the participation of the private sector. This finding suggests that the issue of whether or not to participate remains contentious among private sector interests.

Support for Devolution

Unlike non-elected officials, elected officials endorse devolution. The differences in attitudes reveal that they appear optimistic about the results and impacts of the devolution process. Non-elected officials, comprised of health personnel and members of the advisory board who are involved more directly in program delivery, are less favourably inclined to devolution. This finding validates the survey result conducted jointly by the Department of Health and the Senate in June 1994 about the favourability of the process (Sia, 1994; LGAMS, 1994c).

Sustainability of Devolution

It can be argued that the sustainability of devolution can be measured in terms of behavioural factors, economics, and competencies. The survey suggests improvements in the commitment and performance of elected and non-elected officials. The visibility of health personnel and the time spent in the field have both increased. Key local officials have taken initiatives to undertake, monitor, and evaluate program implementation at the municipal level, and adopt participatory techniques to respond to the health needs of the community. In one municipality, the mayor demonstrated innovativeness in creating additional revenue sources.

Some negatives were observed. Not all health personnel enjoy their job, and some are not sufficiently motivated to attend training. The municipality is not yet fully supported by non-government organisations or the private sector.

In economic terms, the survey demonstrates strong confidence that monetary benefits for health personnel can still be provided. Interviews with key local officials suggests that the health budget has doubled since devolution, and that there is positive training support. Yet, not all programs are implemented and additional personnel are not hired due to financial constraints.

In terms of competencies, the technical ability of elected officials concerning health is not fully developed. Local health planning has not been strengthened, a problem compounded by lack of management information systems and the lack of technical skill in plan formulation. There is still some learning required to enhance resource allocation for health.

In summary, the sustainability of devolution remains debatable. There have been marked improvements in the performance and commitment, and enhanced financial support for health, but these are clouded by some negative circumstances. Local competencies, administrative, technical and financial, have yet to be fully developed.

Conclusion

Devolution has put into place the structures necessary for meaningful autonomy. Local authority, responsibility and resources have increased. Non-government organisations, people's organisations and private sector participation has been institutionalised into the polity.

Not only are the structures in place. The survey suggests positive achievement of process objectives in terms of local self-reliance, participation, and competence development. It points to positive results in changing the behaviour of people. Not all objectives have been met, though, nor have the impacts of the process been entirely positive. There is cynicism, mixed and uncertain attitudes. This confirms that by itself, structural change is not enough. It has to be supported by several factors - political, resources, management capability, mindshifts, institutional strengthening, and human resource development.

A number of concerns have been raised along the way. These include lack of appreciation among national politicians and bureaucrats, ignorance of the purpose of devolution among national and local officials, inequitable sharing of internal revenue allotment, lack of prioritisation for health at the local level, low morale of health personnel, inadequate local funds, and some traditional institutions and processes

unresponsive to the call for the reform. These problems do not, by themselves, justify recentralising health functions. They are simply transitional issues which need to be addressed to smooth the way towards meaningful local autonomy.

The process of devolution is not yet complete. The strong will of national leadership as much as the optimism of local government, and the positive results identified seem to provide evidence for the success of the programme. The challenge now is for national and local governments to continue working on the range of factors fundamental to the success of the reform. This will enable government to continue reaping the espoused benefits of the process. Efforts should be focused on refining the role of local leadership in the context of devolution and local autonomy with emphasis on management tasks. Central government needs to maintain its faith in capacities for managing the decentralised responsibility, while acknowledging the need for initiatives to lift that capacity. The following section proposes some steps to be taken.

The Next Steps

1. The Congress, in its mandatory review of the Local Government Code by the year 1997, must address any inequity allocation of internal revenue allotment among local units of government. Considerations should be focused on the land area and population criteria of sharing.

2. National policies that favour centralised political and fiscal control over local officials should be minimised, if not totally eradicated.

3. Local elected officials should be proactive and take full advantage of the powers, authorities and responsibilities that are now in their hands. They should make things happen at their level.

4. The Department of Health should clarify its role relative to that of local government units.

5. The local government units and the Department of Health should work hand in hand in educating the public about health matters, and orienting them to the health services provided. This should be used to promote public participation.

6. The Department of the Interior and Local Government should conduct continuous orientation program for local elected officials, non-government organisations, private sector and health workers about the purposes and objectives of devolution.

7. The Department of Interior and Local Government and Department of Health should undertake integrated capability building programs on local government operations - planning, budgeting, resource mobilisation and other fiscal matters, health care management, service delivery - for elected officials and devolved personnel.

8. The Department of Health should strengthen its monitoring and technical supervisory role over local government units. It should provide a system of monitoring health program implementation at the local government units.

9. A values re-orientation program for elected officials and health workers should be conducted by the Department of Health and Department of Interior and Local Government.

In summary, decentralisation requires training, educating and developing people who take on new tasks and responsibilities. While considerable training has already taken place, this should be seen as a long-term process to sustain decentralised responsibility and to achieve meaningful autonomy. Training remains an area in which resources and efforts should be concentrated.

Areas for Further Research

The thesis has identified positive outcomes and consequences of the reform process. It shows a pattern leading to the acceptability and sustainability of decentralised responsibility. However, several areas for further research have been identified to complement this research in terms of the outcomes of this process. There is a need to survey the impact of devolution in the health status of the people. The study will require a public view of the changes in the performance of health service delivery in terms of efficiency and effectiveness and the establishment of concrete health data. A system of monitoring health program implementation should be put in place at the local level to address these needs. This will enhance local capacity and reinforce the system of monitoring done by central government to ensure a more responsive heath system in the future.

The thesis points to a reluctance of nongovernment organisations and private sector to participate in local government despite processes of participation provided for in the Local Government Code. There is therefore a need to study the impediments to participation and to identify measures to be put in place to provide incentives for nongovernment organisations and the private sector to participate.

The thesis suggests testing alternative channels of health service delivery such as nongovernment organisations and private sector. There is therefore a need to identify the functions and services that are not effectively implemented by local government, but are possibly better administered by alternative decentralised structures.

The thesis has not examined in detail changes in local government administration and management. There is a need to examine the changes in local government practice in critical areas such as planning, policy formulation and implementation, budgeting, resource mobilisation and utilisation. Further study in this area will determine the extent of autonomy enjoyed by local government and will identify best practices

(exemplars of excellence and innovation) as part of any further training and development programs.

Research of this nature will go a long way towards identifying the practical impediments to progress, as well as generating information which can be used to lift local competencies in order to realise the full potential for effective health service delivery created by decentralisation.

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ACRONYMS USED

ARI	-Acute Respiratory Infection
CACD	-Cabinet Action Committee on Decentralisation
CHCA	-Comprehensive Health Care Agreement
COA	-Commission on Audit
CVD	-Cardio-Vascular Disease
DA	-Department of Agriculture
DAR	-Department of Agrarian Reform
DBM	-Department of Budget and Management
DECS	-Department of Education Culture and Sports
DENR	-Department of Environment and Natural Resources
DILG	-Department of Interior and Local Government
DOH	-Department of Health
DOT	-Department of Tourism
DOTC-MO	-Department of Trade and Commerce-Memorandum Order
DPWH	-Department of Public Works and Highways
DSWD	-Department of Social Welfare and Development
FY	-Fiscal Year
HLURB	-Housing and Land Use Regulatory Board
IAMSAS	-Integrated Area Management System for Agricultural Services
IRA	-Internal Revenue Allotment
LACG	-Local Administrative Consultative Group
LDAP	-Local Development Assistance Program
LGA	-Local Government Academy
LGAMS	-Local Government Assistance and Monitoring Systems
LGC	-Local Government Code
LGOO	-Local Government Operations Officer
LGU-NGO-PO	-Local Government Unit-NonGovernment Organisation-People's Organisation

LGUs	-Local Government Units
LHB	-Local Health Board
LTFRB-DOTC	-Land Transporation Franchise Regulatory Board-Department of Transportation and Communication
MAB	-Management Advisory Board
MC	-Memorandum Circular
MIAC	-Management Improvement Advisory Committee
MOA	-Memorandum of Agreement
MOOE	-Maintenance and Other Operating Expenditure
MPWH	-Ministry of Public Works and Highways
MTPDP	-Medium Term Philippine Development Plan
NALGU	-National Assistance to Local Government Units
NGAs	-National Government Agencies
NGOs	-Non-Government Organisations
NMIC-DA	-National Meat Inspection Committee-Department of Agriculture
NZD	-New Zealand Dollar
PC/INP	-Philippine Constabulary/Integrated National Police
PD	-Presidential Decree
PDC	-Provincial Development Council
PDP	-Pilot Decentralisation Project
PGC	-Philippines Games Commission
POs	-People's Organisations
RA	-Republic Act
RHU	-Rural Health Unit
UK	-United Kingdom

APPENDICES

Appendix A. Utilisation of Block Grant in Pilot Provinces, Pilot Decentralisation Project.

Purpose	Amount
Province of Laguna:	
Concreting of various provincial, municipal and barangay roads and bridges	P 89,000,000.00
Construction of Multi-Purpose Sports Complex	14,000,000.00
Construction of Provincial Office Building	7,000,000.00
Livelihood Projects	10,000,000.00
Total	**P120,000,000.00**
Province of Tarlac:	
Construction, repair and maintenance of various provincial, municipal and barangay roads and bridges and Victoria Plazuela	P 30,010,000.00
Construction, repair and maintenance of school buildings/desks/toilets, public market, Tarlac Training Centre, Provincial Guest House, Maria Clara Chest Center, Police Outposts	64,990,000.00
Livelihood projects	25,000,000.00
Total	**P120,000,000.00**
Province of Negros Occidental:	
Construction of provincial jail including site acquisition	P 5,000,000.00
Construction of Ten (10) Community Hope Center	3,000,000.00
Renovation of Mambucal Conference Center	1,000,000.00
Livelihood Dispersal Program	1,600,000.00
Purchase of Radio Communication Equipment	50,000.00
Purchase of Motor Vehicles	4,750,000.00
Special Assistance Center for Refugees	2,500,000.00
Rebel Rehabilitation Project	2,100,000.00
Total	**P120,000,000.00**

Appendix B. Summary of Circulars Issued, Pilot Decentralisation Project

Circular	Issued By	LGUs Covered	Salient Provisions	Remarks
Local Budget Circular No. 33 dated 1 October 1988	Department of Budget and Management	All provinces and cities	Authorising all governors and city mayors throughout the country to declare operative or inoperative, in whole or in part, the annual principal and supplemental budgets of their respective provinces and cities without prior review of the DBM.	Under existing laws, LGUs can immediately implement annual supplemental budgets approved by local councils and chief executive. This circular clarifies 1988 provisions of Sec. 29, (PD 477) as amended by PD 1375.
Memo Circular No. 88-53 dated 14 October 1988	Department of Local Government (DLG)	All provinces, cities and municipalities	Allowing LGUs to implement projects under 20% development fund (PD 144) without prior approval from the Department of Local Government.	The circular amends Section 39 of PD 477; Lessens administrative control over local budget.
Local Budget Circular No. 34 date 1 October 1988	Department of Budget and Management (DBM)	All provinces, cities and municipalities	Authorising provincial governors, city and municipal mayors, to fill up existing vacant positions, hire consultants, contractual and casual employees without prior approval from DBM.	This circular shortens the processing time of papers.
Memo Circular No. 81 dated 21 October 1988	Office of the President	All provinces, cities and municipalities	Authorising LGUs to purchase transport and heavy equipment for their respective local units, provided that such purchases are paid from local funds.	This circular lessens administrative control over local budgets.
Department Order No. 105-88 dated 6 October 1988	Department of Finance (DOF)	All provinces, cities and municipalities	Transferring to LGUs the power to appoint representatives of Market Vendors' Associations in provincial, city and municipal market committees.	New provision.
Memo Circular No. 88-228 dated 1 October 1988	Department of Transportation and Communications (DOTC)	Laguna, Tarlac, Negros Occidental, Davao del Norte (Pilot provinces)	Delegating to the pilot provincial governments the function of rationalisation, planning and allocation of tricycle routes and number per route within municipalities.	New provision.

Appendix C. A Summary of Projects and Activities in Response to the Previous Clamour for Decentralisation and Local Autonomy, 1985 to 1991

Project/ Activity	Objectives	Strategy	Responsible Agency	Expected Outputs/ Accomplishments	Decentralisation Type	Status	Recommendations
1. Pilot Decentralisation Project (PDP) Memorandum Circular No. 63 dated 30 May 1988 • Laguna • Tarlac • Negros Occidental • Davao del Norte • Batanes	The general objectives is to provide the structures, mechanisms and resources to support local autonomy and ensure effective local governments. Through pilot testing, decentralisation measures in the pilot provinces, it aims to: • identify structural and functional limitations of LGUs • study the LGUs functions and responsibilities as against their authority/powers	The CAD strategy is to implement the project into two phases: Promotion of existing laws and issuances and institutions for decentralisation • utilisation of Local Development Councils (LDCs) as vehicles for decentralised decision making • upgrading local administrative and fiscal resources Where existing laws are deficient, broaden the legal interpretation for decentralisation through the issuance of presidential directives or orders. Where gaps in the legal infrastructure exist, devolve new powers through a number of packages: • political reforms • administrative and fiscal reforms • legislative agenda	• Cabinet Assistance Committee on Decentralisation (CACD) • Presidential Management Staff (PMS) • Sectoral Departments	• Report to the President on measures relative to decentralisation that can be adopted by, or of high policy value to the executive branch in effecting a more meaningful decentralisation project.	Perceived as devolution but actually implemented through deconcentration mode or administrative decentralisation.	1. The implementation in the pilot provinces is disjointed due to the absence of a definitive decentralisation framework. 2. No uniformity in the implementation of the pilot decentralisation project. 3. Compartmentalise/ sectoral fragmentation not conducive to a holistic approach. Overtaken by more significant events, the experimentation did not accomplish its major mission.	1. There has to be a continuous monitoring of accomplishments. 2. For agencies concerned to gain lessons that surfaced evolve a policy framework on decentralisation and local autonomy. 3. That the Local Government Decentralisation Committee (LGDC) of the Department of Interior and Local Government (DILG) should be mobilised for the purpose of evolving policy framework suggested. Review whatever lessons can be learned in the project as guide to advocates of decentralisation so that they will not commit the same mistakes.

Project/Activity	Objectives	Strategy	Responsible Agency	Expected Output	Decentralisation Type	Status	Recommendations
		Criteria in the selection of the areas to be decentralised: • front-line services such as health and agriculture extension services; • require immediate presence the use of information and response to local needs and conditions; • allow the use of relatively simple and available technology, procedure and resources; • part of an areas development project within the jurisdiction of the province; and • can easily relate to or match local needs and local resources.					
2. Local Capability Building Project: One of the Pre-Conditions to Effective Decentralisation (Province of Bulacan, first pilot area).	To formulate development strategies that will promote the overall capability enhancement of the pilot provincial government (Bulacan) within the context of increasing decentralisation and local autonomy.	• Improving provincial bureaucracy performance through team building supported by a program training interventions.	• Local Government Development Foundation (LOGODEF) • Konrad Adenauer Foundation (KAF) [supporting agency]	Pilot Province or the participating local government • Enhancement of working relations between and among members of the local bureaucracy thereby strengthening overall role performance to ensure delivery of basic services to the people.	Primarily administrative decentralisation	Project implementation is in accordance with the prescribed project schedule.	The central government primarily the DILG, may take lessons from out of the team building component of the project as implemented in the first pilot area (Bulacan) for possible replication nation-wide.

Project/Activity	Objective	Strategy	Responsible Agency	Expected Output	Decentralisation Type	Status	Recommendations
	Immediate objectives: • To upgrade the administrative, technical and fiscal capabilities of local governments of Bulacan to a level that will allow them to perform their respective roles in local and regional development more efficiently and effectively; • To implement community physical projects in response to identified community needs as well as raise the levels of service delivery that is of significance; • To document project experiences to illuminate lessons learned from the project, including major workable development strategies under Philippine environments for short and long-term values; and • To evolve a Local Government Reform Agenda for consideration of the central government and/or Congress in the continuing attempts to hasten the development of the overall capabilities of local authorities.			• Mobilisation of local initiatives and promotion of citizens' participation, an essence in local capability-building through the implementation of priority community projects that respond to local needs and problems; • Development of strategies/models in capability which have high transferability potentials in other local governments; and • A Local Government Reform Agenda which will allow integrated review of the legislative and policy problems and issues in the continuing development of Philippine local governments.		Periodic evaluations made show accomplishments, including failures and analysis of causes. A Handbook on Local Government Capability-Building evolved out of the effort: not used countrywide, officially endorsed by DILG as one of the approaches to local government capability-building. All local government capability building objectives not fully accomplished.	Results of research studies and project performance evaluation available. Project to end in Bulacan Province after two years of operation (October 1989 to September 1991). Final project evaluation in October 1991 with consultants from Germany. Phase-out plan being worked out; project sustainability being studied. LOGODEF to pursue decentralisation issues in 1992-1993 in Bulacan and other provinces.

Project/Activity	Objectives	Strategy	Responsible Agency	Expected Output	Decentralisation Type	Status	Recommendations
3. Local Development Assistance Project	To support GOP decentralisation reform through the provision of program support, grants and technical services for policy analysis, monitoring, evaluation and auditing. Decentralisation is expected to contribute to improvements in the delivery of basic social services and the provision of basic infrastructures. These contributions should, in turn, help to increase rural productivity and incomes.	Provision of financial assistance to local governments in exchange for policy reforms supportive to decentralisation program of the government.	USAID has identified the National Economic and Development (NEDA) as GOP lead agency.	• Policy reforms that will work under a decentralisation type. • Improvement in the delivery of basic services and the provision of infrastructure at the local level.	Perceived to be devolution through policy reforms via decentralisation through the provision of program support, small support, grants, basic infrastructure and technical services.	The LDAP is undergoing further review and modifications in preparation for a consultative conference with identified GOP agencies. 18 provinces and 4 municipalities in the NCR were selected as pilot areas. Presently, the Technical Committee is in the process of identifying six provinces proposed to be additional pilot areas.	The DILG takes the initiative in project implementation, monitoring and evaluation necessary to support/enhance central government initiatives towards decentralisation and local autonomy.
4. DPWH Basic Strategy for Decentralisation	To devolve powers and financial resources to local governments.	The DPWH executed Memorandum of Agreement with LGUs with the latter assuming delegated responsibilities as implementing units of selected infrastructure projects within their area of jurisdiction. The DPWH initiated an infrastructure Allocation Scheme which has been considered a milestone in the decentralisation efforts. Under this scheme, infrastructure funds are equitably apportioned among the regions on a block allocation basis using certain factors which	Department of Public Works and Highways (DPWH)	Delegated responsibilities to LGUs as implementing units of selected infrastructure projects within their area of jurisdiction.	Administrative decentralisation	The central government still maintains substantial control in the determination of financial resources.	Strengthen the engineering capabilities of local governments through the setting of national standards, approval of the new Local Government Code will facilitate attainment of objectives.

Project/Activity	Objectives	Strategy	Responsible Agency	Expected Output	Decentralisation Type	Status	Recommendations
	greatly favours the more depressed areas. In addition, the DPWH is proposing a basic strategy for decentralisation through a phased program on time targets. Among the indicative hurdle requirements is the effectivity (of the LGU) to be established through a performance review, including cost and time completion reviews.						
5. DA-FAO Project (Executive Order No. 116)	*General:* Streamline and decentralise the structure of the Department of Agriculture with stronger emphasis in planning and policy functions as well as field operations. *Specific:* Seek to help implement the Department's objective of decentralising planning and encouraging greater private sector participation in the process.	• Decentralising DA's organisation and processes • Private sector group participation in the planning process • Multi-level approach to planning	• Department of Agriculture • Food Administration Office	A planning manual to improve the organisation and processes of planning policy analysis and information system in the Department; the manual helps to bring about a planning system that is multi-level as well as decentralised in approach.	Administrative decentralisation	Decentralisation objective under this project has been partly achieved through the following: • Delegation of more administrative and substantive authority from the Secretary to his subordinate officers in the central and regional units; • Granting of greater compensation and status to the provincial and municipal agricultural officers; and • Instituting of popular	1. Fuller articulation of lower-level plans to promote local agricultural development; 2. Greater latitude for planners at lower levels to developing their own option and make their own choices, including decisions that may deviate or depart from the priorities and standard of higher-level authorities; and 3. Local use of lower level plans should be formulated and approved primarily to serve the

Project/Activity	Objectives	Strategy	Responsible Agency	Expected Output	Decentralisation Type	Status	Recommendations
						participation in DA planning and policy infrastructure.	purpose of guiding the implementation of locally-determined programs/projects in their own jurisdiction.
6. Provincial Development Assistance Project (PDAP)	To strengthen the administrative capability of the provincial government through the provision of direct technical and commodity assistance that will improve their capacity to foster and sustain economic development.	1. Organisational and Leadership Strategy: • Review of the provincial government internal structure • Review of the capacity of key officials and staff of the provincial government to generate and mobilise political, administrative and clientele support for development programs. 2. Program Strategy • Agricultural Development Program • Financial Development Program • Infrastructure Development Public Works and Facilities and Equipment Management 3. Technical Assistance		1. Conceptualisation, creation and institutionalisation of the provincial planning and development office. 2. Introduction of the concept of Fixed Amount Reimbursement (FAR) which calls for reimbursement upon completion of the project. This is a cash flow for fiscal capability. 3. Development of planning instruments to key management. 4. Implementation of two (2) successful infrastructure projects (roads	Administrative decentralisation	To date, this project has been implemented in 61 provinces and 28 cities throughout the country. The project, however, has not substantially accomplished its objectives due to the following observations: 1. Disjointed and non-holistic strategy emphasising only on short-term impact projects but sacrificing long-term policy reforms necessary as the solid foundation of any effective decentralisation scheme. 2. Program strategies and technologies were too expensive for the co-operating local governments to sustain after external program assistance is long gone and withdrawn. 3. Local government bureaucracies failed	Review the experience of PDAP with the view to elicit lessons which can be refined in the filed of decentralisation and local autonomy: • DILG should take initiative of extracting valuable experiences for dissemination to other provinces for them to learn. • Project Policy Committee should review and reappraise what should be its optimal program objectives.

Project/Activity	Objectives	Strategy	Responsible Agency	Expected Output	Decentralisation Type	Status	Recommendations
		4. Training Programs		and bridges)		to understand their roles and obligations in the notion of decentralisation and local autonomy. 4. Funding for the project stopped and recently revived. 5. Project currently involved with the United Nations Food for Work Program.	
7. Development Academy of the Philippines (DAP) Administrative Decentralisation Study	To assess the extent of administrative decentralisation undertaken by selected agencies of the government in two provinces and two component municipalities within selected regions.	1. Empirical Studies to assess past and present efforts relative to administrative decentralisation principally utilising document analysis and survey research; and 2. Framework Development to include the formulation of a strategy and policy framework with a monitoring and evaluation components on administrative decentralisation based on the results of the empirical studies and insights provided by experts.	• Development Academy of the Philippines (DAP) • National Economic and Development Authority (NEDA)	Strategy and monitoring framework and policy inputs relative to administrative decentralisation.	Administrative decentralisation	Implementation of training module component is being constrained by delayed release of project budget. Project completed.	Project results can be instructive to the effort of energising the bureaucracy and preparing governmental institutions for the next century under Panibagong Sigla 2000.

Project/Activity	Objective	Strategy	Responsible Agency	Expected Output	Decentralisation Type	Status	Recommendations
8. Urban Facilities Development for Local Towns Project	The project calls for the establishment of rural growth centers in selected local cities in the country, on a pilot project basis. The basic objective of the center is to spur balanced development at the barangay level. The objectives are: • To stimulate growth in the countryside through the development of rural growth centers, on a pilot basis, in selected local cities. • To provide the necessary facilities and support to improve as well as widen the coverage of the delivery of local government services in the rural areas; • To enhance the institutional capability of local cities in promoting and managing the growth of the rural barangay; and • To assess the impact and contributions of the rural growth centers to the	1. Development Study - to formulate overall strategic plan on the infrastructure development and management of local cities in the country. 2. Pilot projects to implement model projects to strengthen their capabilities on infrastructure development and management through the implementation of the projects. 3. Training Programs- to strengthen the planning, implementation and management capabilities of officials and citizens of local cities and barangays through various trainings which will be undertaken simultaneously with item one and two above in five years. 4. Advisory and Seminar - to monitor implementation of	• DILG • NEDA • Japan International Cooperation Agency (JICA)	Established rural growth centers through developed strategy, capability-building system m.	Administrative decentralisation	For implementation starting last quarter of 1991, initially in the cities of Cabanatuan, Tagbilaran and Iligan. The project was actually postponed until 1992.	Project scheduled for five-year implementation in some forty-two cities. DILG with NEDA and JICA representatives to review JICA project priority country assistance in 1992.

Project/Activity	Objectives	Strategy	Responsible Agency	Expected Output	Decentralisation Type	Status	Recommendations
	development of the pilot cities with a view to assessing the need for and feasibility of expanding the scope of the centers to other cities nation-wide.	items one, two and three. 5. Phase-out -to assess the assistance at the end of the period to ensure the replicability of the programs by the DILG.					
9. Preparing Local Government for Decentralisation and Local Autonomy with Special Reference on Financial Management	Ensure the development of a more responsive and accountable local governments through decentralisation and local autonomy. Specific: • Formulate policy guidelines with national applicability for decentralisation and local autonomy including a national decentralisation and local autonomy policy and concomitant adjustments in organisational and budgetary procedures; and • Draft implementing rules and formats of manual of operations to cover the different decentralisation systems, based on the approved guidelines.	conduct of research studies to backstop policy decisions required in the project.	Department of Finance (DOF)	Alternative models embodying recommended policies and schemes on the following areas: • Regionalisation of national programs and services; • Integrating the administration of regionalised projects into the structure and system of local finance administration; • Definition and delimitations of the control and supervision of the national government over programs and projects that will be regionalised, including supervision and compensation.	Perceived as devolution but with deconcentration as initial mode of implementation.	Project fund of $50 M has been approved by the United States Agency for International Development (USAID); administrative and other preliminary activities were completed.	

Project/Activity	Objectives	Strategy	Responsible Agency	Expected Output	Decentralisation Type	Status	Recommendations
10. Decentralisation Watch Project	1. To monitor and assess the implementation of decentralisation policies of the government; and 2. To inform the government and private institutions, including the general public on the extent of implementation of decentralisation initiatives.	Information dissemination networking and information management	Jaime V. Ongpin Institute of Business and Government	• Awareness on decentralisation efforts • Continuing decentralisation advocacy to establish a network of system for decentralisation advocacy.		Submitted to NEDA and the Senate for comments. Project terminated.	No further action recommended.
11. Decentralisation Project of the Local Alternative Development Foundation (LADF)	To study/validate three provisions of the proposed Local Government Code relative to: • recall • delivery of basic services • tax reforms	Simulation techniques	Local Alternative Development Foundation (LADF)	Policy Reforms and Legislative proposals/recommendations	Deconcentration	Terminate; overtaken by events.	
12. Research study on the Social Soundness Analysis of Decentralisation	To determine the success of decentralisation project of the government under prevailing social conditions.	Conduct of research study on the following areas: • graft and corruption • accountability including commitment of different national agencies (eg DILG,DBM, etc.)	University of the Philippines College of Social Work and Development Foundation	An extensive review and analysis of the successes and failures of decentralisation efforts in the context of prevailing social conditions of the country.	Policy research	Completed.	

Project/Activity	Objectives	Strategy	Responsible Agency	Expected Output	Decentralisation Type	Status	Recommendations
13. ERAP Foundation's Study on Decentralisation	To generate issues and problems pertaining to decentralisation	• Roundtable discussions • Consultations/dialogues	ERAP Foundation	Compendium of decentralisation issues and problems		On-going as of 15 April 1990 overtaken by events. Project terminated.	
14. Salonga Study on Decentralisation	To imbibe the constitutional mandate of decentralisation and local autonomy as a possible platform of the Liberal Party	Policy discussions through conferences/consultations/public hearings	Office of the Senate President			On-going as of 15 April 1990; overtaken by events. Project discontinued.	

Source: Sosmena, 1991

Appendix D. Summary of Major Decentralisation Issues and Problems in the Philippines, 1985 to 1991

Decentralisation Issues	Problem Focus	Manifestations	Implications	Relevant Decentralisation Principle
1. Conflicting decentralisation perceptions	Questionable theoretical and policy framework of past projects. Mismatch of objectives vis-à-vis objectives strategies. No commonality in the understanding of decentralisation among and between central and local governments.	Disjointed and fragmented compartmentalised approaches in competing decentralisation schemes. Non-functional linkages between and among projects, researches and other decentralisation efforts of both government and private sectors.	Not cost effective moves resulting in dysfunction in intergovernmental relations and service delivery. Non-use or underutilisation of previous and other decentralisation studies. Policy and administrative overlaps exist.	Effective decentralisation schemes attainable only through an integrated, holistic and mutually reinforcing strategies that is interdisciplinary in character.
2. Political will is weak to effect meaningful decentralisation	Inability and hesitation of past Congress to support fully decentralisation advocacy. Perceived indifference of the Cabinet to view decentralisation as an effective mechanism for national development.	Non-approval of genuine Local Government Code that will truly operationalise the constitutional mandate of "home rule". Apparent reluctance of Cabinet members to share power with their subordinates or the filed units of their respective departments. Nebulous understanding of the decentralisation issues involved among various sectors of society exist that a genuine interest on the subject is not widespread.	Highly centralised management of government continues. Local authorities continue to raise the issues of local autonomy, others have proposed radical alternatives by opting for federalism.	Since decentralisation is primarily a political decisions, it requires, therefore, a purposive and governmental action and initiative. Given the existing socio-cultural and political setting in the Philippines, the concept of decentralisation may only have to be indigenised but should be formulated or packaged in a manner that it will not be threatening to the central government.
3. Decentralisation schemes previously implemented did not have an acceptable standards of measurement to determine the attainment of decentralisation objectives.	Absence of evaluation standards and measuring instruments as project implementation were being monitored.	Monitoring reports did not indicate project success or failure.	Project progress tracking difficult Analysis of decentralisation project success/failure difficult. Monitoring and evaluation results not adequate to support policy and program review.	Effective decentralisation schemes should be evaluated whether or not the following are achieved: 1. Promotion of broad political objectives; 2. Enhancement of the notion of public accountability; 3. Improvement of administrative and other competencies; and 4. Attainment of self-determination and self-reliance (people empowerment).

Decentralisation Issues	Problem Focus	Manifestations	Implications	Relevant Decentralisation Principle
4. Central government perception of local government capabilities to assume greater responsibilities is low or minimal.	Central government reluctance to decentralise power. Structural deficiencies of local authorities that stifle effective decentralisation of services will have to be evaluated and periodically re-examined.	Over centralisation Manila complex dependency syndrome continues. Access to government and public services is limited and bureaucratically unresponsive. Continuous articulation of issues that local authorities not performing still prevalent.	The hesitancy of the central government to allow local authorities to commit mistakes stifle development of self-reliance and self- determination on the part of local government.	The preconditions to effective decentralisation revolve around the concept of accountability, competencies and the ability to formulate policies and to use information effectively for management. Unless the lower levels of the government or those who are to exercise decentralisation powers are allowed to make mistakes, local capability-building may not be attained as fast as contemplated.
5. Involvement of the local government bureaucracy in the piloting or implementation of decentralisation schemes.	Local participation is limited to sectoral agencies directly involved in decentralised projects.	The majority of the members of the local bureaucracy are not participants in the project process, leading to compartmentalisation.	Majority of the members of the local bureaucracy are primarily "decentralisation watchers" with no involvement whatsoever in project implementation.	Decentralisation schemes require not only a holistic perception which is interdisciplinary in character but also participative involvement of those who are to delegate powers and functions as well as those who are to exercise them in a decentralised manner.
6. The required network support system in the polity is not mobilised.	Limited participation is observed in the deliberation of issues in the society as a whole.	Only national officials, academicians and local government officials are primarily visible in their involvement in the issue.	Unless the general public will support decentralisation advocacy, its attainment will be difficult.	Decentralisation advocacy requires an integrated support system in a polity that is pluralistic and where the dynamics of interest groups play an important role in the public decision-making processes.

Source: Sosmena, 1991

Appendix E. Devolved Functions and Services

Health and Medical Services			
Barangay	**Municipality**	**Province**	**City**
• maintenance of barangay health and day-care centers; • provision of services and facilities related to general hygiene and sanitation; • solid waste collection	• implementation of programs and projects on primary health, maternal and child care; control of communicable and non-communicable diseases; • facilitation of access to secondary and tertiary health services; • provision of facilities related to general hygiene and sanitation; • undertaking of nutrition programs; • solid waste disposal	• provision of tertiary health services; • maintenance of hospitals	• all services and functions devolved to the municipality and the province.
Agriculture Services			
• production and dispersal of planting materials; • operation of buying stations for farm produce; • system of farm produce collection	• extension and on-site research services and facilities related to: dispersal of livestock and poultry and other aqua-culture seeding materials; palay, corn and vegetable seed farms; medicinal plant gardens; seedling nurseries and demonstration farms; • extension services on the improvement and development of local distribution channels for agricultural facilities; • assistance on the utilization of water and soil resources; • enforcement of fishing laws and municipal waters.	• on-site research agricultural extension and provision of facilities on the prevention and control of plant and animal pests and diseases; • maintenance of demonstration farms and animal breeding stations, livestock markets, artificial insemination centers; • assistance in the organization of farmers' and fishermen's cooperatives; • promotion of agricultural technology transfer.	• all services and functions devolved to the municipality and the province

Public Works Services			
Barangay	**Municipality**	**Province**	**City**
• maintenance of barangay roads and bridges; • construction and maintenance of a multi-purpose barangay hall, pavement, plaza, sports center and other similar infrastructure facilities; • putting up and maintenance of satellite and public markets	• construction and maintenance of school buildings for public elementary and secondary schools; • construction and maintenance of municipal roads and bridges; • construction and maintenance of public parks, playgrounds, health clinics, sports centers; • construction and maintenance of commercial irrigation systems, fish ports, artesian wells, dikes, drainage and sewerage and flood control systems, and water supply facilities; • other infrastructure facilities intended primarily for the residents of the municipality and funded out of municipal funds.	• construction and maintenance of provincial buildings, provincial jails, freedom parks and assembly places; • construction and maintenance of provincial roads and bridges, inter-municipal waterworks, drainage and sewerage, flood control and irrigation systems; • other infrastructure facilities intended for the residents of the province and which are funded out of provincial funds; • undertaking of reclamation projects.	• all services and functions devolved to the municipality and the province
Social Welfare Services			
• maintenance of day-care centers; • putting up and maintenance of a sports center.	• undertaking of projects on child and youth welfare, family and community welfare, women's welfare, welfare of the disabled and elderly persons; • undertaking of rehabilitation programs for vagrants, beggars, juvenile delinquents, drug victims; • undertaking of livelihood and other pro-poor projects; • promotion of family planning	• undertaking of programs for rebel returnees and evacuees; • undertaking of relief operations and population development services.	• all functions and services devolved to the province and municipality.

Environmental and Natural Resource Services			
Barangay	**Municipality**	**Province**	**City**
•	• implementation of community-based forestry projects which include integrated social programs and related projects; • management and control of commercial forest with an area not exceeding fifty square kilometers; • establishment of tree parks, greenbelts and similar forest development projects.	• enforcement of laws on community-based forestry projects, pollution control, small-scale and other laws on the protection of the environment; • undertaking of min-hydro electric projects for local purposes.	• all services and functions devolved to the municipality and the province.
Other Devolved Services			
• maintenance of katarungang pambarangay; • establishment of information and reading centers.	• provision of tourism facilities and development of tourist attraction in the locality; • setting up information systems on marketing; investments, job placement and taxation; • maintenance of a public library; • provision of sites for police and fire station and municipal jail; • establishment of public markets, slaughter-houses and other local public enterprises; • maintenance of public cemetery	• industrial research and development services; • transfer of appropriate technology; undertaking of projects on low-cost housing and mass dwellings; • provision of investment services including access to credit financing; • modernization of tax information and collection services; • management of inter-municipal telecommunications; • tourism development	

Appendix F. Taxing and Revenue Raising Powers of Local Governments

Provinces (Article 223-230, IRR of RA 7160):

- Real property tax
- Tax on transfer of real property ownership
- Tax on business on printing and publication
- Franchise tax
- Tax on sand, gravel and other quarry resources
- Professional tax
- Tax on peddlers
- Amusement tax
- Annual fixed tax for every delivery truck or van of manufacturers or producers, wholesalers of, dealers or retailers in certain products
- Rental fee for the use of log ponds

Municipalities (Article 231-235, IRR of RA 7160):

- Real property tax, with the same rate as in the provincial levy
- Tax on business:
  - -on manufacturers, assemblers, repackers, processors, brewers, distillers, rectifiers, and compounders of liquors, distilled spirits and wines;
  - -on wholesalers, distributors, or dealers in any article of commerce of whatever kind or nature;
  - -on exporters, and on manufacturers, millers, producers, wholesalers, distributors, dealers or retailers of essential commodities;
  - -on retailers;
  - -on contractors and other independent contractors;
  - -on banks and other financial institutions;
  - -on peddlers
  - -on any other business;
- Fees and charges
- Fees for sealing and licensing of weights and measures
- Fishery rentals, fees, and charges

Cities (Article 237, IRR of RA 7160):

Impose and collect taxes, fees and charges that the province and municipality levy and collect.

Barangays (Article 240, IRR of RA 7160):

- Taxes on stores or retailers with fixed business establishments
- Service fees and charges for services rendered in connection with the use of barangay-owned properties or service
- Barangay clearance fees
- Other fees and charges on:
  - -commercial breeding of fighting cocks
  - -cockfights and cockpits
  - -places of recreation which charge admission fees
  - -billboards, signboards, neon signs, and outdoor advertisements

Appendix G. The Questionnaire

Massey University

DEPARTMENT OF PLANNING

01 August 1995

Dear Respondent,

I am an employee of the Department of Interior and Local Government (DILG) currently doing a masterate degree in resource and environmental planning at Massey University, Palmerston North, New Zealand. At present, I am writing my thesis, entitled "Devolution of Health Sector: An Implementation Analysis in Three Philippine Municipalities." I am specifically interested in exploring the impacts and analysing the progress of devolution in the Philippines. For this purpose, I have prepared a questionnaire which seeks people's opinion about the outcomes of devolution, factors promoting devolution and changes in the way things are done as a consequence of devolution.

I would be grateful if you could take the time to fill in a copy of the questionnaire for me. Please be assured that your responses will be treated confidentially. I will make a time to discuss and pick up the questionnaire.

Thank you very much.

Sincerely yours,

ELSA A. CAILIN

Devolution of Health Sector: An Implementation Analysis

OPINION SURVEY

PART ONE -- *WHAT HAVE BEEN THE EFFECTS OF DEVOLUTION ON THE WAY THINGS ARE DONE?*

How far do you think the following outcomes of devolution have been achieved in your municipality? Please indicate your opinion by circling the appropriate score on the scale provided.

1- Strongly Disagree
2- Disagree
3- Uncertain
4- Agree
5- Strongly Agree

The transfer of health service delivery functions to municipalities has:	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
a. Sped-up decision making processes pertaining to health issues.	1	2	3	4	5
b. Led to decisions which take more account of community needs.	1	2	3	4	5
c. Reduced the cost of delivery of health services.	1	2	3	4	5
d. Improved co-ordination of health services and other related services delivered by the municipality.	1	2	3	4	5
e. Increased the number of primary health care services available for the public.	1	2	3	4	5
f. Eliminated the duplication of health services delivered between central government and the municipal government.	1	2	3	4	5
g. Improved the understanding of the public about the health services they are entitled to.	1	2	3	4	5

The transfer of health service delivery functions to municipalities has:	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
h. Improved the ability of the public to have a say in the process of health service design.	1	2	3	4	5
i. Increased access to health services by the public.	1	2	3	4	5
j. Encouraged active participation by volunteers from the public in health service delivery.	1	2	3	4	5
k. Enhanced public influence over health service delivery.	1	2	3	4	5
l. Made the performance of health personnel more visible to the public.	1	2	3	4	5
m. Improved monitoring of health program implementation.	1	2	3	4	5
n. Led to less dependence on central government among municipal officials.	1	2	3	4	5
o. Developed the capability to solve health problems at the municipal level.	1	2	3	4	5
p. Provided the opportunity for municipal officials to develop their technical ability on health matters.	1	2	3	4	5
q. Allowed health personnel to allocate health services according to the needs of the communities.	1	2	3	4	5
r. Provided wider latitude for health personnel to act with discretion in solving health service problems.	1	2	3	4	5
s. Increased the productivity of health personnel.	1	2	3	4	5

PART TWO -- *WHAT ARE THE FACTORS WHICH ARE IMPORTANT TO ACHIEVING DEVOLUTION?*

2-I. Based on your experience, how important have the following factors been in promoting the devolution of health services in your municipality? Please indicate your opinion by circling the appropriate score on the scale provided.

1- Totally Unimportant
2- Somewhat Important
3- Moderately Important
4- Very Important
5- Totally Important

	Totally Unimportant		Moderately Important		Totally Important
A. The nature of communication between the municipality and central government.	1	2	3	4	5
B. The political will of central government to devolve authority to local governments.	1	2	3	4	5
C. The nature of support from the private sector.	1	2	3	4	5
D. The nature of support from non-government organisations.	1	2	3	4	5
E. The nature of support from intended health service beneficiaries.	1	2	3	4	5
F. The leadership of the municipal chief executive.	1	2	3	4	5
G. Adequacy of the municipal budget available to perform devolved functions.	1	2	3	4	5
H. The degree to which the municipality has control over funds.	1	2	3	4	5
I. The acceptance by municipal officials of their new responsibilities.	1	2	3	4	5

	Totally Unimportant		Moderately Important		Totally Important
J. The commitment to the devolution policy among municipal officials.	1	2	3	4	5
K. The commitment to the devolution policy among health personnel.	1	2	3	4	5
L. Willingness of municipal officials to accept new ways of doing things.	1	2	3	4	5
M. Willingness of health personnel to accept new ways of doing things.	1	2	3	4	5
N. Commitment to working with the public among municipal officials.	1	2	3	4	5
O. Commitment to working with the public among health personnel.	1	2	3	4	5
P. Timely availability of funds for health services.	1	2	3	4	5
Q. Clear set of guidelines from central government.	1	2	3	4	5
R. Clear set of objectives and policies from central government.	1	2	3	4	5
S. Training for municipal officials.	1	2	3	4	5
T. Training for health personnel.	1	2	3	4	5
U. Adequate management information systems for central government to monitor performance.	1	2	3	4	5
V. The quality of analysis leading to the devolution policy.	1	2	3	4	5
W. The quality of the devolution policy itself.	1	2	3	4	5
X. Others *(please specify)*					
_____	1	2	3	4	5
_____	1	2	3	4	5
_____	1	2	3	4	5
_____	1	2	3	4	5

2-II. Most Important Factors.

From the list of factors above (Section 2-I, A through to X) please identify the five you think are *most* important in promoting the devolution of health services in your municipality. Write these factors below, down from the most important to the least important of the five.

1. _____ (Most Important)
2. _____
3. _____
4. _____
5. _____ (Less Important)

PART THREE--*WHAT HAS HAPPENED AS A RESULT OF DEVOLUTION?*

Thinking about your experience, how far do you agree that the following changes have come about as a consequence of devolution? Please indicate your opinion by circling the appropriate score on the scale provided.

1- Strongly Disagree
2- Disagree
3- Uncertain
4- Agree
5- Strongly Agree

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
a. Municipal officials are more accountable for their performance.	1	2	3	4	5
b. Health personnel spend much more time in the field.	1	2	3	4	5
c. Municipal officials are more committed with their job.	1	2	3	4	5
d. Community groups work more actively with the municipal government in the provision of health services.	1	2	3	4	5
e. Non-government organisations work more actively with the municipal government in the provision of health services.	1	2	3	4	5
f. Private organisations work more actively with the municipal government in the provision of health services.	1	2	3	4	5
g. Devolution increases competition between the central government and the municipality in health service delivery.	1	2	3	4	5

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
h. The municipal government is forced to provide a particular service by central agency directive rather than making a choice based on factors that are important to the municipality.	1	2	3	4	5
i. Response times to policy questions are longer due to lack of technical expertise among municipal officials.	1	2	3	4	5
j. Health personnel make more mistakes in their decisions on health issues.	1	2	3	4	5
k. There is lack of assurance that health personnel will receive the monetary benefits they are accustomed to.	1	2	3	4	5
l. Devolution has led to more people educated about health matters.	1	2	3	4	5
m. Devolution has improved health in the population.	1	2	3	4	5
n. Health services are less subject to political influence.	1	2	3	4	5
o. Health personnel report less frequently to the central government for service delivery outcomes.	1	2	3	4	5
p. Health personnel enjoy their job more.	1	2	3	4	5
q. Lines of communication between central government and local governments are impeded.	1	2	3	4	5
r. Successful implementation of health programs is highly dependent on the mayor's support.	1	2	3	4	5
s. Administrative supervision over health personnel has improved.	1	2	3	4	5
t. Technical supervision over health programs by central government suffered.	1	2	3	4	5

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
u. Promotion for health personnel is impeded.	1	2	3	4	5
v. Skills training opportunities for health personnel have become fewer.	1	2	3	4	5
w. Devolution has increased competition within municipal offices in funding allocations.	1	2	3	4	5
x. Devolution has led to more people being treated for medical conditions.	1	2	3	4	5

PART FOUR-- *YOUR COMMENTS*

Do you have further comments about the devolution of health services in your municipality? Please feel free to write them down in the space provided.

PART FIVE -- *YOUR PERSONAL DETAILS*

Some background information about individual respondent is necessary for descriptive purposes. Individual responses will be placed on a confidential data base. Please complete the following questions.

1. Your name *(optional):* _____

2. Gender *(please check appropriate box):* / / Male / / Female

3. In which age group do you belong to? *(Please check appropriate response).*

   _____ below 25 years
   _____ 25 - 34
   _____ 35 - 44
   _____ 45 - 54
   _____ 55 and above

4. Highest educational attainment *(please check appropriate response):*

   _____ Elementary/High School
   _____ College Degree/ Vocational
   _____ Masteral Degree /Doctoral Degree
   _____ Others *(please specify)*

5. Health/Medical Training *(please check appropriate response):*

   _____ Nursing
   _____ Doctor of Medicine
   _____ Paramedical
   _____ Others *(please specify)*

6. What is your designation in the municipality? _____

7. When did you join the municipal government? _____

8. What is your annual gross income?

   _____ Less than P20,000.00
   _____ P20,000.00 - P39,999.00
   _____ P40,000.00 - P59,999.00
   _____ P60,000.00 - P79,999.00
   _____ P80,000.00 +

8. Do you have any previous employment? / / Yes / / No

If *yes*, please state the name of agency you worked with: _____

How long have you worked for that agency? _____ years

Devolution of Health Sector: An Implementation Analysis

SURVEY ON DEVOLUTION PROCESS

PART ONE-- HEALTH SERVICES DEVOLVED TO THE MUNICIPALITY

(To be completed by the Municipal Health Officer)

This part of the questionnaire seeks to identify, among others, the health services and functions actually devolved to the municipality.

1. When was the municipal health function actually transferred to the local unit?

   _____

2. Was there a Memorandum of Agreement (MOA) signed between the municipality and the Department of Health (DOH)?

   _____ Yes

   _____ No

   If *yes*, when was it signed? _____

3. What health programs have been transferred to the municipality under the provisions of the New Local Government Code? Please check those transferred.

		Transferred?	
		Yes	No
a. Implementation of programs and projects on primary health care, maternal and child care, and communicable and non-communicable diseases control services.			
b. Access to secondary and tertiary health services.			
c. Purchase of medicines, medical supplies, and equipment needed to carry out the devolved health services.			
d. Others *(please specify):*			

4. What are the specific services transferred to implement these programs? Please check those transferred.

		Transferred?	
		Yes	No
a. Health Education			
b. Expanded program of immunisation (against tuberculosis, polio, measles, diphtheria, whooping cough and tetanus)			
c. Maternal and child care and family planning			
d. Environmental sanitation and provision of safe water supply			
e. Nutrition			
f. Treatment of common diseases			
g. Supply of essential drugs			
h. *Others (please specify)*			

5. How many health personnel were transferred to the municipality?

Position/Designation	Number of Personnel

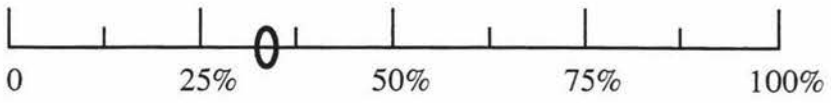
6. Aside from the personnel, what other resources/services (e.g. buildings, equipment and other assets) have been transferred?

Type of Resource/Assets	Value in Peso

7. Please indicate the extent to which the following prescribed transfers had been implemented in your municipality by 31 July 1995.

Example:

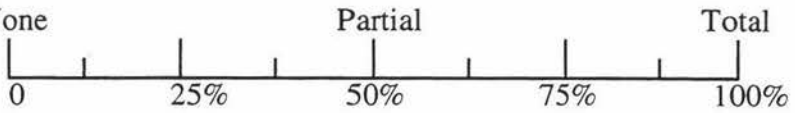
a. Inventory



This shows that the inventory function is about 30% transferred.

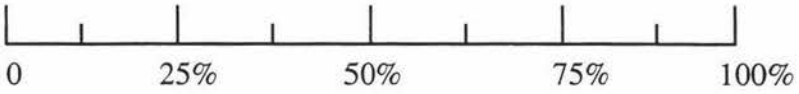
Level of Implementation

a. Personnel

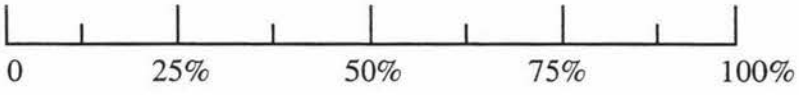


b. Finance

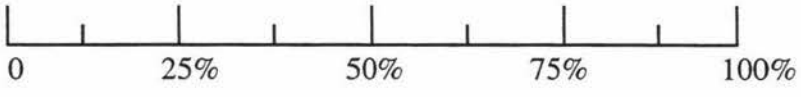
c. Equipment



d. Functions

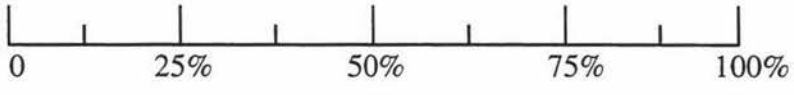


e. Assets



f. Others (please specify)

_____



_____

PART TWO -- RESOURCES FOR HEALTH PROGRAMS

(To be completed by the Municipal Chief Executive)

This part of the survey seeks to determine the resources available for health programs. Please answer the following questions as accurately as possible.

1. What is the average annual budget of the municipality? _____ pesos

2. Approximately, what percentage of the municipality's annual budget is provided for health programs? _____%

3. How much is allocated for health programs in terms of the following services?

Services Transferred	Budgetary Allocation, FY 1995
a. Health Education	
b. Control of locally endemic diseases such as malaria, dengue, schistosomiasis	
c. Expanded program of immunisation (against tuberculosis, polio, measles, diphtheria, whooping cough and tetanus)	
d. Maternal and child health and family planning	
e. Environmental sanitation and provision of safe water supply	
f. Nutrition	
g. Treatment of common diseases	
h. Supply of essential drugs	
i. Personnel services	
j. Others *(please specify)*	
TOTALS	

4. Is allocation of funds for health programs in the municipality determined by central policy? Please check appropriate response.

/ / Yes / / No

If *yes*,

a. To what extent are funds allocated according to central policy?

_____
_____
_____
_____
_____

b. What are the rules for allocation?

_____
_____
_____
_____

If *no*,

a. Who determines funds allocation?

_____
_____
_____
_____

b. To what extent are funds allocated by this authority?

_____
_____
_____
_____

c. What are the rules concerning funds allocation by this authority?

_____
_____
_____
_____

5. In your opinion, are the resources provided by the municipality for health functions compared with other offices adequate? Please check the appropriate response.

/ / Very Adequate / / Barely Adequate / / Not Adequate

Please justify your answer or provide examples.

_____
_____
_____
_____
_____

6. Are the resources provided for specific health programs adequate?

/ / Very Adequate / / Barely Adequate / / Not Adequate

Have they changed since devolution?

/ / Yes / / No

Please justify your answer or provide examples.

_____
_____
_____
_____
_____

Devolution of Health Sector: An Implementation Analysis

SURVEY ON THE EXTENT OF DEVOLUTION

PART ONE -- THE MUNICIPAL HEALTH OFFICER PERSPECTIVE

A. General Questions:

1. In your view, what were the motivations for the government's initiative for devolution?

2. To what degree has decision-making been pushed down to your level?

   Can you provide examples?

3. a) What authority or decisions are now devolved that were not previously?

   b) Do you actually practice these authority or decisions devolved to your level?

   Who do you confer with?

   Who else gets involved? Why?

B. Specific Questions:

Structural Changes:

4. As mandated by the Code, what institutions have been established in your municipality to enhance delivery of devolved health services?

   What are the functions and roles of these institutions?

   To what extent have these roles been performed?

   How do these institutions relate?

Planning and Policy Formulation:

5. Does the municipal government have an Annual Health Plan?

   What role do you play in plan formulation?

   How has plan formulation been changed since devolution?

How often do you ask information from the following to guide you in setting priorities for health programs?

	Never	Rarely	Sometimes	Very Frequently	Always
Central Government/National Health Plan	1	2	3	4	5
Municipal Chief Executive (Mayor)	1	2	3	4	5
Health Workers/Staff	1	2	3	4	5
Public/Community	1	2	3	4	5

What is stopping you having a plan?

What are the impediments to developing the plan?

What are the shortcomings in the process of plan formulation?

What are the problems in plan formulation?

What would you like to improve?

Policy Implementation:

6. What are the discretionary powers given to you as far as policy implementation is concerned?

How do you practice these powers?

What are the impediments?

Program Delivery:

7. Do you think health services delivered are more attuned to community needs now that they are devolved to the municipality?

Why? In what way?

How is this done?

Is health service delivery under the devolved set-up more responsive to community needs?

In what way?

Where has health service delivery failed?

Where has health service delivery been successful?

Monitoring and Evaluation:

8. Does the municipality has a monitoring and evaluation system for health program implementation?

   What data are collected, for whom and by whom?

   How is the information used?

   How are outcomes evaluated?

   How do you appraise results?

Personnel Matters:

9. What changes has been made in the management of health personnel in terms of the following areas since devolution?

   - Hiring and Firing
   - Selection and Promotion
   - Monetary Benefits
   - Human Resource Development
   - Field Assignments
   - Personnel Evaluation

   What part do you play in those areas?

Budgeting:

10. To what degree can the municipality finance health programs transferred?

    Was there an increase in fund allotment for health services? How much?

    What part do you play in setting budgets for health programs?

    What part do you play in managing spending within the budget?

    What degree of expenditure decisions is allowed in your level without reference to the municipal executive?

Linkages:

11. With what agencies/institutions/organisations do you link up to?

    In what instances/case do you link up with them?

How often?

Who do you not link up to? Why?

Change Management:

12. What problems have you encountered pertaining to devolution?

What have you done about them?

What else needs to be done?

PART TWO -- THE MUNICIPAL CHIEF EXECUTIVE PERSPECTIVE

A. General Questions:

1. In your view, what were the motivations for the government's initiative for devolution?

2. To what degree has decision-making been pushed down to your level?

   Can you provide examples?

3. a) What authority or decisions are now devolved that were not previously?

   b) Do you actually practice these authority or decisions devolved to your level?

   Who do you confer with? Anyone else?

   Who else gets involved? Why?

B. Specific Questions:

Structural Changes:

4. As mandated by the Code, what institutions have been established in your municipality to enhance delivery of devolved health services?

   What are the functions and roles of these institutions?

   To what extent have these roles been performed?

   How do these institutions relate?

Planning and Policy Formulation:

5. Does the municipal government have an Annual Health Plan?

   What role do you play in plan formulation?

   How has plan formulation been changed since devolution?

How often do you ask information from the following to guide you in setting priorities for health programs?

	Never	Rarely	Sometimes	Very Frequently	Always
Central Government/National Health Plan	1	2	3	4	5
Health Workers/Staff	1	2	3	4	5
Public/Community	1	2	3	4	5

What is stopping you having a plan?

What are the impediments to developing the plan?

What are the shortcomings in the process of plan formulation?

What are the problems in plan formulation?

What would you like to improve?

Policy Implementation:

6. What are the discretionary powers given to you as far as policy implementation is concerned?

How do you practice these powers?

What are the impediments?

Program Delivery:

7. Do you think health services delivered are more attuned to community needs now that they are devolved to the municipality?

Why? In what way?

How is this done?

Is health service delivery under the devolved set-up more responsive to community needs?

In what way?

Where has health service delivery failed?

Where has health service delivery been successful?

Monitoring and Evaluation:

8. Does the municipality has a monitoring and evaluation system for health program implementation?

   What data are collected, for whom and by whom?

   How is the information used?

   How are outcomes evaluated?

   How do you appraise results?

Personnel Matters:

9. What changes has been made in the management of health personnel in terms of the following areas since devolution?

   - Hiring and Firing
   - Selection and Promotion
   - Monetary Benefits
   - Human Resource Development
   - Field Assignments
   - Personnel Evaluation

   What part do you play in those areas?

Budgeting:

10. To what degree can the municipality finance health programs transferred?

    Was there an increase in fund allotment for health services? How much?

    What part do you play in setting budgets for health programs?

    What part do you play in managing spending within the budget?

    What degree of expenditure decisions is allowed in your level without reference to the municipal executive?

Linkages:

11. With what agencies/institutions/organisations do you link up to?

    In what instances/case do you link up with them?

How often?

Who do you not link up to? Why?

Change Management:

12. What problems have you encountered pertaining to devolution?

What have you done about them?

What else needs to be done?

PART THREE -- THE ADVISORY BOARD PERSPECTIVE

General questions:

1. In your view, what were the motivations for the government's initiative for devolution?

Specific Questions:

The Role of Advisory Board:

2. What is the role of the municipal health board?

   To what extent has this role been performed?

   What stops you from performing your roles?

   What are the facilitative mechanisms?

   How does the local health board relate to the health committee of the municipal council?

Representation:

3. What sector do you represent in the board?

   What is your specific responsibility?

   How do you perform this?

   To what extent has the interest of your sector been heard by the board?

Planning:

4. Are you aware of any Health Plan being formulated by the local government?

   What is your role in plan formulation?

   How do you perform this role?

Policy Implementation:

5. What is your role in the implementation of policies set out in the plan?

   How do you perform this role?

Budgets:

6. Do you have any idea about the budget allocation for health programs?

   Who do you get information from about budgets? When do receive information about budgets?

   What is your role in managing spending within the budgets?

Human Resources:

7. Are you aware of the number of health personnel devolved to the municipality?

   Do you think the health personnel is adequate for the efficient delivery of devolved health services? Why do you say so?

   What functions do they perform?

   Have your observed any changes in the management of health personnel since devolution?

   What role do you play in this respect?

   How do you perform this role?

Programs:

8. What are the health programs of the municipality?

   How are these prioritised?

   Are these programs responsive to the needs of the community?

Structures:

9. What changes in the local government structure have you observed since devolution?

   What are the institutions established within the local government to enhance delivery of devolved health services?

   What are their roles?

   To what extent has this role been performed?

Appendix H. Map of the Province of Nueva Vizcaya