

LOCAL AUTONOMY AND INTER - GOVERNMENTAL RELATIONS*

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INTRODUCTION

1. *Historical Antecedents of Intergovernmental Relations*

The historical antecedents of central-local relations in the Philippines is characterized by centralism as the predominant theme in nine (9) distinct eras in Philippine history.

The central government from the Spanish Regime up to the Fourth Philippine Republic (1981-1985) maintained strong control and influence over local governments. Until this day, evidence of such a centralist tendency is manifested in Section 3, Article II of the Provisional Constitution of 1986.

A set pattern of centralism prevailed for more than four (4) centuries.

In this long period of central-local relations, the need to preserve the stability of the central government and the protection of its own interests, appeared to be a common variable throughout history, which led the national leadership to pursue a centralist policy. The Spaniards since their arrival in 1521 were constantly faced with Filipino revolts during their colonial regime until finally, Spain was forced to lose the Philippines to the United States of America in 1898. The First Philippine Republic was too short lived to be able to contribute anything of significance to the cause of local autonomy in 1896 to 1898.

Like the Spanish governor-general before them, the Americans were also not successful in the complete pacification of the islands. Despite American attempts at decentralization, local government administration did not sufficiently take root during the Philippine Commonwealth in 1935. The Filipinos who took over the reins of government did not gamble the future of Philippine Independence by espousing local autonomy which was thought at the time to be divisive for the country. The Japanese came in 1941 but, being conquerors, were never accepted. Shadow local governments were maintained by Filipino guerillas who printed their own emergency curren-

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cies, established their own local laws and continuously harassed Japanese authorities. Since it was wartime, local autonomy as normally perceived in central-local relations was irrelevant.

After the Second World War, the central government governed a country in shambles and economic and social potentials were at its lowest ebb. The Third Republic in 1946 was not only in an economic mess, it was threatened by a communist rebellion. Under the circumstances, when local government administration was in many cases placed at the mercy of the insurgents, the issue of local autonomy virtually became meaningless. The years that followed saw no improvement of the peace and order condition in the country. Local political leadership became inept and the inability of local governments to perform the basic governmental functions put the competence of local officials under question. Martial Law was declared in 1972, and the nature of its own justification was not compatible to a policy of decentralization.

The Fourth Republic was started in 1981 and lasted until 1985. Intergovernmental relation during this time was marked with a phenomenon of dualism. Policy formulation by the central government on intergovernmental relations produced two-fold effects, one contradicting the ultimate objective of the other. Because of this dualistic policy making nature, the net effect in promoting local autonomy was for all intents and purposes largely negated. During this period, national security became an increasingly threatening problem. In February 1986, the Revolutionary Government was established and in the Provisional Constitution, in addition to general supervision, the central government now exercised control over local governments.

Evidently, therefore, from the analysis of this historical trend, what has primarily influenced the central government to formulate its policy towards the local government during the various eras of Philippine history are the following determinants:¹

1. Threat to national security,
2. Personalities of the President of the Philippines,
3. National integration,
4. National development, and
5. Central government perception on local government competencies for more responsibilities.

From the Spanish time up to the Revolutionary Government of 1946, the threat to the national security of the country and those who governed, was a constant variable that guided the central government to keep its strong control over local authorities.

HISTORICAL TREND IN CENTRAL-LOCAL RELATIONS

Trend in Central-Local Relations	Distinct Periods in Philippine History									
	Pre-Hispanic Prior to 1521	Spanish Regime 1571-1896 (325 yrs)	First Republic 1897 (1 yr.)	American Administration 1898-1935 (37 yrs.)	Commonwealth Era 1935-1941 (6 yrs.)	Japanese Occupation 1935-1945 (3 yrs.)	Third Republic 1946-1972 (26 yrs.)	Martial Law 1972-1980 (8 yrs.)	Fourth Republic 1981-1985 (5 yrs.)	Revolutionary Government 1986-19.....
1. Centralism										
2. Decentralization										
Why the Trend	NA	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

- *1. Characterized by a continuous Filipino rebellion throughout its more than 300 years of Colonial Administration.
2. A very short lived republic, no significant contribution in inter-governmental relations.
3. Filipino rebellion continued to a lesser degree. Filipinization of local government administration initiated.
4. Period characterized by a strong President. National unity primordial consideration in preparation for independence negating clamor for local autonomy to background. Pockets of sedition against the Commonwealth government existed.
5. War period. Local autonomy concept irrelevant at the time.
6. Economic rehabilitation top most priority. The Huk Rebellion was in its height and political factionalism was a negating factor

- to local autonomy, thereby promoting centralism.
7. A degree of decentralization was implemented but dualistic in character, a terminal negative effect achieving nothing insofar as the concept of local autonomy was concerned.
8. The dualistic policy making situation prevailing during the Martial Law period continued. National security became a critically threatening problem of the national government. Public pressure against Marcos government significantly increased. Centralism emerged as a requirement for a strong central government.
9. The situation that worsened during the Fourth Republic triggered the establishment of a Revolutionary Government in February, 1986.

¹ See *Policy Analysis: The Case of Local Governments*, (a doctoral dissertation).

During these periods, the cry for national unity and the need for national unification among Filipinos overshadowed the issues affecting central-local relations. The personalities of Philippine Presidents, who under the Constitution had the power of supervision over local governments, has greatly determined the mode of relationship between the executive branch and the local executives. President Manuel L. Quezon of the Commonwealth was a centralist, President Elpidio Quirino and Manuel Roxas apparently had the same centralist tendencies. However, President Ramon Magsaysay can be credited with having spurred a decentralist movement.

In any event, the personalities of those who sit in the Presidency greatly influence central government policies towards local governments. Historically, the President has been traditionally powerful, commanding not only respect but obedience of the central and local bureaucracies. The Philippine Presidency "bears the imprint of the country's historic past, the temperament of the Filipino people, the personality of every man who had held the office, and the influence of contemporary events." Historical observations will bear out that in recent years, local governments have assumed an increasing role in national development.²

Events in this field reveal that local authorities will continue to get more involved in socio-economic development. It is in this regard that the central government raises as an issue the competencies of local authorities to manage their own affairs and contribute more solidly to the achievement of national goals. Until today, it can be said that central government perception on this question is an evolving one.

2. Local Governments: Form and Structure

Local governments have been defined as political subdivisions of the state which are constituted by law, and which have substantial control over local affairs as well as the power to tax. In this context, it refers to *lower level political units or instrumentalities, the peculiar or unique characteristic of which is their subordinate status to the central government*. There are essential elements of local governments which are of immediate relevance to its own definition. These are:

1. Territory
2. Population
3. Continuous organization
4. Separate legal entity
5. Independence from other local government units

² Irene R. Cortes, *The Philippine Presidency* (Quezon City: University of the Philippines Law Center, 1966), p. 3.

6. Governmental powers and functions, and

7. Power to raise revenues.³

These elements, taken singly or in combination, cut across the full spectrum of policy problems in the continuing development of local governments. An analysis of the historical policy antecedents of such development in the Philippines is by itself a focus of the centrality of public policy to the study of politics.

The study of public policy and politics finds meaning when the form and structure of local governments are perceived to be important in the delivery of public services and of inventive structures that promote local efficiency. Suggestions have been made that the role of local governments as an existing institutional structure to some extent determines effective decision-making which gives powers to citizens of a community in relation to the field of the public goods being delivered. The theory also suggests that the type of public good being delivered (e.g., health, agriculture, public safety, and environmental) determines the effective structure of local government.⁴

Form, when applied to local governments, refers to the type of government, (i.e., as a *commission*, where the legislature and executive powers are fused in the commission; as contra-distinguished from the *mayor-council type*, where same powers are separate and distinct in the local chief executive and the members of the council). The commission type is generally resorted to in the governance and administration of large cities or metropolitan areas. The mayor-council variations are exemplified by the weak mayor-council plan, strong mayor-council plan with the chief administrative officer of the council-manager plan or even the parliamentary form of local government as in the English system.

Local government forms are not uniform, but are optional, so that a local community may select the one most suitable to its situation and needs.⁵

Discussion of forms emerged primarily from the relation of politics and administration using the term to mean public policy formulation and execution. It is claimed that the *best form* of local government is one that is most effectively secured against maladministration, and a particular form is more likely to be well-administered when the form observes such general organizational principles as *integration, hierarchy of authority, the relationship between policy and administration, the ballot for election of representatives who determine general policy and appoint*

³ William Anderson, "The Units of Local Government in the United States," *Public Administration Service*, No. 83, 1949.

⁴ Robert Warren and Louis Weschler, "Governing Urban Spaces: Multi-Boundary Politics," *Policy Studies Journal* (Urbana: University of Illinois, Spring 1975), Vol. 3, No. 3, p. 240.

⁵ Pate, James, *Local Government and Administration* (New York: American Book Company, 1954), p. 175.

experts to administer policy, and a provision for planning and for citizen participation in the process of government.

∴ *Structure*, on the other hand, refers to the organizational framework within which local public policy is determined and implemented. Structure not only determines the relationship among local officials/offices (local chief executives, treasurer, assessor, engineer, etc.) and between local and national offices, but also balances opposing values found in local administration. The structure of local governments has an important effect on how decisions are made, coordinated and carried out. Just like any organizational structure, local government structure has both formal and informal structures. The formal structure may be reduced to a set of laws and an organizational chart with diagrams. The informal structure includes other bodies which affect the formal operations of the local government, i.e., private/public associations like political parties or barangay associations.

In describing the structure, authority and power must also be distinguished, and their extent in the overall organization defined. Authority is a more formal static term referring to a legal ability to make decisions. Power is a more informal term, referring to the actual ability to influence the decision-making process.⁶

The meaningful relevance of local government form and structure in intergovernmental relations can best be appreciated in the formulation and implementation of public policies that necessarily requires popular acceptance.

CENTRAL-LOCAL RELATIONS

1. *Constitutional-Legal Basis*

Central-local government relations can primarily be perceived in the context of general supervision, the general theory being that the peculiar or unique characteristic of local governments is their subordinate status to the central government. Since local governments can only be infra-sovereign subdivisions of one sovereign national and in such a system perform a measure of decentralization of the functions of government, then therefore, by definition and function, local governments are subject to central government supervision.

Supervision as defined means to oversee or the power or authority of an office to see that subordinate officers perform their duties. If the latter fail or neglect to fulfill them, the former may take such action or step as prescribed by law to make them perform their duties. (Mondano v. Solvosa, 97 Phil. 148).

⁶Samuel Humes and Eillen M. Martin, *The Structure of Local Governments Throughout the World*, International Union of Local Authorities (IULA), 1961, p. 9.

From this definitional premise, the traditional view of general supervision over local governments has historically manifested itself in the legal perspective basically stemming out of the following provisions of the 1935 Philippine Constitution:

(1) "The President shall exercise general supervision over all local governments as may be provided by law." (Section 10, Article VII, 1935 Constitution);

(2) "The State shall guarantee and promote the autonomy of local government units especially the barrios (barangays) to ensure their fullest development as self-reliant communities." (Section 10, Article XI, 1973 Constitution);

(3) "The incumbent President of the Philippines shall be the Prime Minister and he shall continue to exercise all his powers even after the interim Batasang Pambansa is organized and ready to discharge its functions, and likewise, he shall continue to exercise his powers and prerogatives under the 1935 Constitution and the powers vested in this Constitution." (An amendment of the 1973 Constitution ratified by a majority of the votes cast in the national referendum-plebiscite on October 16, 1976);

(4) "All powers vested in the President of the Philippines under the 1935 Constitution and the laws of the land which are not herein provided for or conferred upon any official shall be deemed and are hereby vested in the President unless the Batasang Pambansa provides otherwise."⁷ (Section 16, Article VII amending Section 16, Article IX of the 1973 Constitution after the June 30, 1981 constitutional amendment).

While the 1935 Constitution and the amendments to the 1973 Constitution vest in the President of the Philippines, the power of general supervision over local governments, there is a specific limitation "as may be provided by law." This qualification has been interpreted to mean that "the supervision of local governments shall be done by the President in accordance with the provisions of statutes on the matter." Moreover, the power of general supervision is not to be equated with power of control, the former being merely to see to it that local governments and hence, local officials perform their duties according to law, whereas the latter includes not only the power of supervision but also the power to perform the functions of the officials and entities under control.⁸

Jurisprudence supportive of this interpretation was established in Supreme Court Decision No. L-24916 dated February 28, 1974 with respect to the autonomy concept and the relevant provisions thereto in the

⁷ Gaudioso C. Sosmeña, Jr., "Local Government Supervision: An Emerging Concept," *Philippine Local Government Journal*, Vol. I, No. 1, 1983, pp. 27-28.

⁸ Cecilio L. Pe., *Fundamentals of the New Constitution* (Manila: University of Santo Tomas Press, 1980), p. 174.

1973 Constitution. A concurring opinion to the same Supreme Court opinion thus stated:

The objective is thus crystal clear and well defined. The goal is the fullest autonomy for local government units consistent with the basic theory of a unitary, not a federal policy. It is the hope that thereby they will attain their fullest development as self-reliant communities. It is more than just the expression of an aspiration as attested by one of the Articles of the Constitution devoted to such a subject. It was not so under the 1935 Constitution.

The same opinion continued and further stressed:

. . . the deliberation of the Constitutional Convention show that the grant of supervisory authority of the chief executive in this regard was in the nature of a compromise resulting from the conflict of views in that body, mainly between the historical view which recognized the right of local self-reliance and the legal theory which sanctions the possession by the state of absolute control over local governments. The result was the recognition of the power of supervision and all its implications and the rejection of what otherwise would be an *imperium in imperio* to the detriment of a strong national government . . . The fundamental law permits him (the President) to wield no more authority than that of checking whether said local governments or officers thereof perform their duties as provided by statutory enactments. Finally, it concluded by saying that:

Equally significant is the stress on the competence of a province, city, municipality or barrio to create its own sources of revenue and to levy taxes subject to such limitations as may be provided by law. The care and circumspection with which the framers saw to the enjoyment of resources is thus manifest. Their intent is unmistakable. Unlike the case under the 1935 Constitution, there is thus a clear manifestation of the presumption now in favor of a local government unit. It is a well nigh complete departure from what was.⁹

However, while the constitutional concept of supervision may have been supportive of self-rule, the historical trend in Philippine jurisprudence governing central-local government relations has not been constantly in favor of local autonomy. The latest manifestation to support this observation is Section 3, Article II of the Provisional Constitution which provides as follows:

"The President shall have control of and exercise general supervision over all local governments."

The consolation in this provision is its temporary nature until a new constitution shall have been ratified which will hopefully guarantee local autonomy. However, it should be considered that the perception of general supervision changes as local governments increasingly enmesh themselves in the process of modernization. And as local government administration becomes more complex, the need to perceive general supervision beyond its traditional legal and historical antecedents becomes imperative in order to give meaning and purpose to central-local government relations.

⁹ See Supreme Court Decision No. L-24916 dated February 28, 1974.

2. *Emerging Concept of General Supervision*

If supervision means the formulation of the direction in the manner and form which local governments shall perform or comply with their mandated responsibilities, then responsive supervisory policies can only evolve from the knowledge of why local governments exist. Not only should this functional interrelationship between the concept of general supervision and local government objectives be comprehensively understood, but the nature of general supervision should be appreciated as well. To accept that the nature of general supervision is not only dynamic but must be responsive and anticipatory is crucial, and therefore, a continuing awareness of the changing roles and environments of local authorities is necessary. Scholars and practitioners have advanced five (5) reasons why local governments exist. These are for:

- (1) interest articulation
- (2) function of democracy
- (3) local autonomy
- (4) efficiency in administration, and
- (5) socio-economic development.

It is a universal argument that a system of local government allows for particular individuals and communities in general; for their needs and aspirations to be brought into the fore of public decision-making processes. And also that local governments can articulate these interests into the stream of national issues and for public policy purposes.

The contention of the Greek philosopher Socrates that communities of men are by nature and inclination political is best exemplified when one considers that a basic function of local government is democracy expressed in a system of political representation. The general view is that whether local authorities are *elected* or *selected*, both are modes of political representation, and there is democratization of the popular will.

Obviously, local government by definition is a translation of self-rule and gives life and breadth to the concept of local autonomy. The functional dimension of local autonomy, however, changes as one reflects more analytically on the function of supervision. Students and practitioners of development have long accepted that neither sustained economic growth nor increasing social equity can be achieved solely by central government fiat. Central authorities, if they are to successfully decentralize program administration, must seriously consider the problem of institutional development and view local governments as vital cogs in the efficiency of public administration.

Finally, local government has long graduated from being merely a traditional provider of protective services like health or police and has since crossed the threshold to become an equal partner of the central government in national development. As local government administration moves into the year 2000, it will become more complicated, and the tools necessary for local government supervision will proportionately become more complex.

However, since local governments are integral parts of the total governmental system of the country and its interest are subordinate to those of the central government, the local governments are not free from central tutelage.

It is argued that central supervision is necessary because of the following considerations:¹⁰

(1) To maintain minimum standards in the performance of services by local authorities;

(2) To maintain standards of administration between and among various levels of government;

(3) To control central expenditures as part of the management and planning of the national economy;

(4) To protect the citizens against the abuse of powers by local authorities; and

(5) To wield and integrate the diverse peoples into a nation.

The Department of Local Government, as one of the primary central instrumentalities for general supervision over local governments maintains a broad policy as it is its philosophy to be service and development oriented. It strives to continuously strengthen local governments so that they can perform their functions under conditions of greater local autonomy with increasing capacity to govern and carry out political, social and economic development programs.

In this respect, the Department perceives its functions of general supervision as both *regulatory* and *assistory*. The regulatory phase sees to it that local governments function according to law, and includes the responsibility to monitor local government compliance of national policies. The formulation of policy frameworks within which local authorities administer their own affairs without losing relevance to established national objectives is one critical regulatory function of department supervision.

Equally important in the formulation of norms and policies for local government administration is to assist local authorities develop their capa-

¹⁰ Raul P. de Guzman and Proserpina D. Tapales, Editors, *Philippine Local Government: Issues, Problems and Prospects* (Manila: Local Government Center, College of Public Administration, University of the Philippines, 1973), pp. 146-147.

bilities to comply effectively with centrally-established rules and regulations. This local capability building effort is the assistory phase of department supervision. This phase is manifested in the department programs of improving the administrative and fiscal capabilities of local governments in order for them to assume greater responsibilities in local development.

As the Department of Local Government performs its general supervisory role in the years ahead, and as local government administration becomes more increasingly complicated, the concept of general supervision will invariably have to change. This change will demand not only sophisticated tools for supervision, but the capacity to perform a multi-dimensional perspective of a general supervision as well.

From out of a wholistic view, general supervision can be perceived in five (5) emerging dimensions vis-a-vis:

- (1) historical-legal
- (2) performance and productivity
- (3) administration-power hierarchy
- (4) developmental, and
- (5) local autonomy.

The historical-legal view has traditionally been the primary benchmark of central-local government relations, from which evolved jurisprudence and the historical antecedents which explain local governments today. This view perceived local autonomy to be a right and a requirement as mandated in the 1973 Constitution and therefore, central supervision over local governments should be exercised in that light.

Moreover, local government productivity analysis provides a rational basis for citizens actions in favor of or against policy decisions. But what is also important in the introduction of the performance concept is the fact that local government administration is increasingly getting complicated and the tools and resources necessary to achieve predetermined goals are fast dwindling amidst competing sectoral demands for scarce local resources. This condition prevailing at the local level underscores the urgency for determining local government performance and productivity. Not only are people irritated by the rising cost of local government operations and declining public services, they are also increasingly unwilling to pay for such services.

For these reasons, general supervision over local governments is critical. The necessary supervisory tools required to effectively perform this responsibility are still continuously being developed.¹¹

¹¹ See *Guidelines on Local Government Productivity and Performance Measurement*, Bureau of Local Government Supervision, Ministry of Local Government, Quezon City, 1982.

Between the Department of Local Government and the local governments is established an inter-bureaucratic linkages through which various degrees of general supervision are being exercised. This network of administrative systems allow the formation of a *power hierarchy* resulting from a policy of administrative decentralization. This includes a system of approval or indorsement of local actions either by regional offices or central ministries. A disciplinary system for local officials is an important component of this administration-power hierarchy dimension. From the Department of Local Government down to the field officers of the department are delegated supervisory powers legalized either by decrees, laws or department circulars, which expedite the required action of the central government on specific aspects of local administration. This administrative scheme aims to promote independence, encourage the assumption of local responsibility, and allows the adoption of local policies and programs.

An important development in this regard is Section 14(2) of the Local Government Code providing as a matter of general policy for the Department of Local Government to exercise its supervisory authority over the municipalities through the provinces, and of barangays through municipalities and cities.

This on one hand, defines the administrative and supervisory power relationship between the department and certain local governments and on the other, among the various tiers of local authorities as well. Furthermore, the *administration-power hierarchy* dimension of general supervision typify what may be called the administrative culture and environment in inter-governmental relations.

The Department of Local Government is continuously shying away from the control-oriented image of the former Department of Interior, and under its broad policy of general supervision continuously maintains a service and development-oriented perspective. Department-administered programs designed to improve the administrative and fiscal capabilities of local governments express the developmental dimension of general supervision. While there is primarily a transfer of technology at the local levels to achieve productivity, there is also a corollary effect in that, by complying with these policies, local government capabilities are constantly being improved. This assistory phase of general supervision also has a multiplier effect in generating local development since local authorities are encouraged to initiate programs and projects in response to local needs. Given these circumstances, there is no better way to validate local developmental capabilities than in the exercise of a form of general supervision that allows the full development of local government capabilities to solve their own local problems.

The local autonomy dimension in general supervision is a long and ticklish issue that confronts central-local government relations. As a con-

tinuing concern among those who formulate local government policies, its central focus is in the realm of power and function allocation between the central government on the one hand and the local governments on the other. The local autonomy consideration, already in long-festering and sensitive issue, is a dimension in general supervision that should be perceived in the light of applicable constitutional provisions.

3. Central Instrumentalities of General Supervision

The 1935 Constitutional provision (also incorporated into the 1973 Constitution and its subsequent amendments) that the President of the Philippines shall exercise general supervision over local governments as may be provided by law has been the basis of the various interpretations on the extent of central supervision and, to a certain degree, control over local authorities. This single provision has likewise been the basis of the presidential power to delegate supervision to the numerous instrumentalities of the central government. There is hardly a government ministry without an office periodically checking on the performance of local governments, either through prior approval or subsequent audit of local actions.

A CONCEPTUALIZATION OF THE EMERGING DIMENSIONS OF LOCAL GOVERNMENT SUPERVISION

Supervision				
To oversee or the power of authority of an office to see that a subordinate performs his duties. If the latter fails or neglects to fulfill them, the former may take such action or step as prescribed by law to make them perform their duties.				
Ministry Concept of Supervision				
The Department of Local Government, in its effort of assessing the President exercise general supervision over local government, shall be service and development-oriented. It shall strive to continuously strengthen local governments so that they can perform their functions under conditions of greater local autonomy with increasing capacity to govern and carry out political, social and economic development programs. Supervision is both				
Regulatory			Assistory	
Emerging Dimensions of Supervision				
Historical-Legal	Performance/Productivity Concept	Administration Power Hierarchy	Developmental	Local Autonomy
2)		3)	4)	
1)	Local Government Administration			5)

- 1) Providing antecedents in local policy formulation and jurisprudence necessary in the exercise of general supervision. Supervisory utility lies in facilitating the understanding of the evolutions of contemporary local governments and its contributions to the formulation of responsive local government policies; this is also used in the disciplinary phase of supervision.

- 2) Measuring performance and productivity of services legally expected of local governments. This dimension promotes the concept of an effective local budget and service adequacy and equity in its delivery.
- 3) System of defining power levels and administrative system necessary in carrying out intergovernmental relations in the administration dimension. This is useful as a medium in carrying out day-to-day transactions between the central and local governments and between local governments themselves.
- 4) Improving administrative and fiscal capabilities for development. This is a capability building effort, a necessary foundation for local autonomy; efforts in this regard are manifested in various ministry programs in development.
- 5) Continues process of analysis of power and function allocation in the long range exercise of general supervision. This seeks to fulfill the ultimate constitutional mandate which is dependent on the appropriate socio-economic and political forces operative in the local government environment.

DEPARTMENT OF LOCAL GOVERNMENT INPUT IN GENERAL SUPERVISION

Supervision				
is primarily delegated by the President to the Department of Local Government and the exercise of the delegated powers by the latter governed by existing laws.				
Department Concept of General Supervision				
Regulatory side		Assistory side		
Legal Service		Special Projects		
Specific Department Inputs in the Implementation of Each of the Five Dimensions of Supervision				
Historical-Legal	Performance Productivity Concept	Power Hierarchy Administration	Developmental	Local Autonomy
3)				
1)	2)	Local Government Administration	4)	5)

- 1) The Department performs historical analysis on the continuing growth of local governments to formulate responsive local policies. It compiles Supreme Court decisions to establish jurisprudence on central-local government relations or on specific powers of local governments as an aid to Department officials. These are sent to the field in the form of research results, manuals, books, etc.
- 2) The Department performs analysis on local government performance and provides local officials feedback of Department supervision on productivity. It will introduce the concept of an effective local budget and formulate for field use manuals on productivity, management of local services and forecasting local service requirements.
- 3) The Department establishes administrative tiers where specific levels of power and authority are lodged to facilitate day-to-day transactions between central and local governments as defined in circulars, manuals or rules and regulations. At the same time, Department personnel and provincial or city executives are delegated certain powers to be exercised over subordinate local government units.
- 4) The Department administers various development-oriented programs either in the administrative or the fiscal phase of local government administration including physical projects as well, i.e., school or road building, administrative or tax codi-

fication, etc. Results with high transferability will be replicated for general application.

- 5) The Department looks at local autonomy in the various steps of general supervision. Ticklish issues in central-local government relation or function and power allocation are constantly being considered, such as: should agriculture or education services be developed to local governments and, if so, what corresponding taxes should local government impose in addition to those within its present taxing powers. The Department is bound to tackle these issues and articulate them in conferences and seminars, hoping they reach the legislative mill where they finally come out as laws supportive of local autonomy.

The central government also exercises control over local governments by imposing some of its prerogatives, like prior approval of plans, programs, appointments, salary administration and disbursements of funds including other mechanism of general supervision over local functions.

Many agencies and departments in the central government are directly charged with overseeing local activities. Besides the Office of the President, there are a dozen departments and offices in the Executive Branch which exercises not only influence but supervision over local government functions. The Department of Local Government is the primary agency that performs executive supervisory powers over local governments. Established under Presidential Decree No. 1 and Letter of Instruction No. 7 signed on November 1, 1972, the Department (then Ministry) assumed the functions of the Local Government and Civil Affairs, Office of the President which was organized after the old Department of Interior was abolished by President Elpidio Quirino in Executive Order No. 383 in 1950. The Ministry was later on reorganized under Executive Order No. 777 on February 28, 1982.¹²

The Department of Local Government is generally and primarily concerned with matters affecting local government administration and with setting standards for the development of effective and responsible local governments' structures.

The Department of Finance, on the other hand, continues to perform its traditional function of overseeing local fiscal administration. In Presidential Decree No. 477,¹³ the Department is assigned to exercise general supervision over the financial affairs of the local governments. Its responsibility includes the formulation and execution of fiscal policies that will promote the financial stability and growth of local governments. The Department of Finance was left the functions of improving local capabilities to revenue and local tax collection.

In Presidential Decree No. 1375,¹⁴ the Office of the Budget and Management took over from the then Ministry of Finance the responsibility

¹² See Executive Order No. 777 dated February 28, 1982, for the specific bureaus and functions of the Ministry of Local Governments as reorganized.

¹³ Presidential Decree No. 477 (Local Fiscal Administration).

¹⁴ Presidential Decree No. 1375 (Transferring to the Budget Commission the functions of local government budget administration) dated May 16, 1978.

of providing local governments with policy guidelines in the preparation and adoption of sound financial plans and the review power over local budgets.

The Joint Commission on Local Government Personnel Administration (Presidential Decree No. 1136) approves the position classification as well as the pay plans of all local governments. The Civil Service Commission in turn gives the final attestation and other documentations necessary to make appointments made by local executives binding and legal. In the Marcos government, the Ministry of Human Settlements organized by virtue of Presidential Decree No. 1396, maintained supervisory powers over local governments more specifically in physical planning, environmental control, and housing programs. On the other hand, the National Economic and Development Authority as the central economic planning body also exerts supervision over the development planning efforts of local governments through the various regional development councils. The Department of National Defense also indirectly supervises local authorities in connection with provision of national security. The Department of Public Works and Highways determines, with a minimum of local participation, priority infrastructure projects and the areas where these projects are to be constructed in cities and provinces.

Finally, the Commission on Audit controls and regulates the disbursement of public funds at the local level. There are other central government agencies which, in one way or another, exercise supervision over local functions. These central agencies have to a point generated administrative frictions and policy issues in intergovernmental relations.

The passage and subsequent approval of Local Government Code on February 10, 1983; to a point, corrected this supervisory lopsidedness and introduced a more meaningful intergovernmental relationship.¹⁵ Pertinent is Section 14 of the Local Government Code which provides:

"(1) The President of the Philippines shall exercise general supervision over local governments to ensure that local affairs are administered according to law. General supervision includes the power to order an investigation of the conduct of local government officials whenever necessary. Such general supervision shall be exercised primarily through the Ministry of Local Governments.

(2) All ministries and national offices having to do with local government administration shall be confined to the setting of uniform standards and guidelines to obviate the need for requiring prior approval or pre-clearance on regular and recurring transactions and other activities normal to local governments. In this regard, the Ministry of Local Government shall establish and maintain appropriate coordinative and consultative arrangements with other ministries and national offices concerned with respect to the monitoring and securing or proper compliance with such standards

¹⁵ See the Local Government Code and its Implementing Rules and Regulations, Bureau of Local Government Supervision, under Ministry of Local Government Circular No. 84-24 dated December 4, 1984, for more related provisions on local government supervision.

and guidelines specially on matters which are highly technical in nature. Moreover, as a matter of general policy and whenever appropriate, the Ministry of Local Government shall exercise its supervisory authority over municipalities through the provinces, and barangays through municipalities and cities.

(3) Where appropriate, ministries and national agencies with project implementation functions other than the Ministry of Local Government, shall coordinate with and secure the desired integration with allied national government functions.

(4) Unless the contrary is provided, the regional offices or appropriate field units of the various ministries and national agencies in the region shall be the major points of contact and liaison between local governments and the national government. For this purpose, the national government shall, as a general policy and as much as practicable, affect the substantial delegation of authority and powers to the regional offices."

This particular provision of the Code if implemented effectively by central departments will achieve the following:

(1) decentralization of authority to the various tiers of local authorities;

(2) strengthening of regional administration with increasing delegation of central ministry functions and powers to the regional offices; and

(3) formulation by central ministries of standards and guidelines for national policies requiring local government compliance which will help improve planning processes and the delivery of services.

It is to be noted that this time, there is an urgent need to review the supervisory roles many departments exercise over local government affairs. The review function should be addressed to what extent this supervision of the central government be maintained or exercised and in what manner will the influence of the central government be minimized with decentralization of government administration and local autonomy as priorities.

LOCAL AUTONOMY

1. *Concept and Definition*

An acceptable interpretation of the concept of local autonomy has always been a universal problem in inter-governmental relations. Central governments argue that by the nature of their sovereign power and of the political philosophy of their being, the interest of the central government shall come first over and above those of any local authorities.

Local governments, on the other hand, contend that the central government has forced them to assume increasing responsibilities without the concomitant authority and capabilities to effectively perform inherent and delegated functions. This "push and pull" in the authority and power issues in intergovernmental relations remains one of the critically sensi-

tive notes between central power and locality affecting almost all phases of local government administration.

Local autonomy has been defined as the state of self-determination of local government and their relative freedom from central government control over local affairs and concerns. Local autonomy presupposes the granting of adequate authority to local units in determining and administering policies concerning local governments, and in the exercise of political powers. One measure of autonomy is the extent of allocation of substantive functions to local units and their participation in making decisions affecting their jurisdiction.¹⁶

At the same time, Abueva defined local autonomy as the measure of the delegated authority, discretion, and participation of the local government in the making of decisions affecting its jurisdiction (the legal-geographic unit) and community (residents). This measure may be regarded as two sides of a single centralization-local autonomy coin: thus, the higher the centralization of authority and decision making for a function, the lower the autonomy of the local government concerned.¹⁷

Harold Alderfer likewise defined local autonomy as the degree of self-determination and self-government enjoyed by local units in their relation with the central government thus implying a measure of independence from national control. It is usually gauged by the allocation of powers and functions between national and local units and the control and supervision exercised by the national government over local units.¹⁸

Mendoza and Lim defined local autonomy as a combination of two elements: first, the right of local entities to administer their own affairs freely in accordance with their own will, and second, the right of the local citizenry to determine that will. Both writers require a delineation of function, a policy of strengthening local finance, and a relaxation of central control. The second element of their definition of local autonomy they called "civic autonomy," which requires that local units constituted by the populace or their representatives, must determine the activities of local entities, and that local government administration is managed and controlled by the local residents and not by the central government. All these definitions definitely have the "home-rule" concept as a commonality.¹⁹

¹⁶ Perfecto Fernandez, *Philippine Political Law: Cases and Materials* (Quezon City: Tala Publishing Services, Copyright 1975).

¹⁷ Jose V. Abueva and Raul P. de Guzman (Publishers), *Handbook of Philippine Public Administration* (Manila: Social Research Associations, Copyright 1967).

¹⁸ Harold Alderfer, *Local Government in Developing Countries* (New York: McGraw Hill, 1964).

¹⁹ H. Mendoza and A. B. Lim, *The New Constitution* (Manila: GIC Enterprises and Co., Inc., 1974), p. 79.

2. Local Autonomy Triangle

Local autonomy as an issue in intergovernmental relations to its most utilitarian form, is perceived in the triad of *administration*, *finance* and *function* or *service*.

(1) *Autonomy in administration* substantially connotes the leeway to manage local affairs and make final decisions. It also means the discretion and freedom to hire and fire personnel in the local bureaucracy.

(2) *Autonomy in finance* in essence means the power to *levy* taxes, *collect* the rates or taxes levied, *retain* the collection and finally, *spend* what is collected. This finds political validity in measuring that the extent by which the principle of shared political power has been put into practice, can be tested by examining firstly the division of the total public revenue among the various governmental levels and secondly, by determining whether each level's share is consonant with its legal and moral responsibilities.

(3) *Autonomy in function* refers to the dichotomy whether a public function purely belongs to local authorities, a *shared* function or definitely a function of the central government because of legal and traditional reasons. Education and health are functions shared by both the central and local governments. Maintenance of local roads and local tax administration are local functions while building of airports or highways are national functions. This particular dimension is important in the allocation of functions.

Whether local autonomy is a myth or a reality in the Philippines, can be validated by analyzing two of its dimensional views, which are the: (a) historical-legal, and (2) political-administrative.

The historical-legal view perceives local autonomy to be a right and a requirement as mandated in the 1973 Constitution. The central government is duty bound to espouse local autonomy which is a constitutional right of local governments. In the same light, local autonomy is viewed to possess considerable political significance and consequence. The historical-legal recognition that local autonomy deserves conforms with the provisions of the 1973 Constitution.

While historical trends indicate that local autonomy has been nonexistent and its absence in intergovernmental relations without constitutional basis, nevertheless the historical-legal view is the primary basis for formulating local government goals in the whole public policy process.

The political administrative view perceives local autonomy, to mean political decentralization. It means a substantial devolution of authority and power and goes beyond the static legal definition of what constitutes authority and view itself in relative terms of objectives and programs which are areas of public policy implementation.

The historical-legal view serves as the policy formulation base and the political administrative view as the policy implementation phase of the continuum of the public policy process. The latter view allows an appraisal of the extent of local autonomy achieved as a result of the decentralization policies implemented by the central government.

3. *Parameters of Local Autonomy*

The traditional concept of local autonomy in its tri-dimensional view can still further undergo analysis critical in the dynamics of intergovernmental relations.

In measuring local autonomy in this context, four (4) variables can be used as parameters. These are: (a) adequacy, (b) efficiency, (c) equity, and (d) central control.

Adequacy as a measurement variable can be centered on the question of adequate authority, power and resources among local governments. Previous discussions and definitions of local autonomy suggest that local governments do not possess enough authority commensurate with their increasing responsibilities. Local executives have no powers to appoint most local functionaries, so that as a result, the coordination of the multi-agency programs to provide public services becomes difficult, ultimately creating gaps between local expectations and local government actual performance.

The lack of power to suspend and discipline local officials are critical questions in the authority realm.

Local government resources are limited, as their income base and local budgets will show. Most local units exist with as high as 50 per cent of their incomes primarily dependent from central grants and subsidies, without which they can not provide even the barest governmental services inherent in their existence. The remaining 50 per cent represents locally generated income which comes from the real property tax (approximately 15 per cent) and other incomes like from public markets, etc. (approximately 10 per cent).

An analysis of local budgets will also indicate that most local units do not really have much financial flexibility to solve their own problems. More than 70 per cent of their total budget goes to mandatory obligations leaving the marginal balance to local governments' discretion, if not "sucked" by the central government through the continued devolution of central responsibilities without the corresponding funding.

Efficiency is a performance variable which introduces the concept of high and low performers among local governments. When applied in measuring the degrees of local autonomy, efficiency specifically refers to

how local governments provide a given local service with the least use of resources. Measuring how local authorities solve local problems on their own initiative and resources, getting community participation as an opportunity for its constituents to get involve in local government is not only a measure of efficiency but also of local autonomy expressed in citizens participation exercising local responsibilities which is an essence of the "home-rule" concept and in the management of its own local affairs.

The use of efficiency as a performance indicator among local governments is new in the Philippines and at present, has very limited application. However, if efficiency is to be applied to measure local autonomy by determining local performance in the delivery of public services, very few local governments will live up to the measure of efficiency. Inadequacy of local government resources, the lack of authority and particularistic local policy making among local authorities, are the primary causes of inefficiency.

The *equity* factor, when used to measure local autonomy, has two dimensions. The central-local government relations aspect which specifically refers to function and power allocation, has already indicated the lopsidedness of intergovernmental relations in favor of the central government. Devolution of central government responsibilities is continuously increasing without the corresponding authority and resources which in the ultimate analysis, negates local autonomy.

The other dimension of equity involves the determination of local government capabilities to provide services and distribute public resources in a manner that is politically acceptable. To what extent are local governments accountable in its performance and how local affairs are administered by those who were elected by the people are valid questions in this dimension of equity. This dimension also connotes local acceptance of political responsibilities as a measureable gauge for local autonomy deliverance.

Devising a methodology that will validate the extent of local acceptance of political responsibilities in the context of the equity variable may yield interesting answers as to the prospects and realities of local autonomy. The Philippine experience in this regard may indicate the cultural, political, and economic constraints that inhibit local authorities to enjoy full autonomy in their continuing growth and development.

Central supervision and control is the last variable proposed to measure local autonomy. The dualism in central-local government relations and the predominant and continuous central intervention in almost all aspects of local government administration readily points out high central control. Central supervision and control are highly visible in:

- a. The presidential power over local officials
- b. Central supervision over local administrative and financial affairs
- c. Central control over development planning
- d. Integration of the police force
- e. Limitations on the use of specific funds and similar restrictions on local government expenditures, and
- f. Centralization of personnel administration.

These parameters will have their optimal utility as the public administration dimension of intergovernmental relation grows more complex and the management of public affairs has no other alternative except become more complicated as governments move to the next century.

PROBLEMS AND PROSPECTS IN GENERAL SUPERVISION

One central focus of viewing intergovernmental relations is policy implementation. This view can well describe and explain the process by which government policies are transformed into public services and programs and provides explanation for the realization or nonrealization of predetermined objectives.

From the seat of the Presidency to the smallest local government unit at the grassroots is a maze of intervening bureaucratic structures which constitutes the dynamics of intergovernmental relations through which the implementation of public policies is being carried out. Through these interrelating agencies are assigned various degrees of governmental powers, with administrators who exhibit different administrative behaviors affecting policy outcomes. The possibilities of diverse factors operating within the context of intergovernmental relations is too great to be ignored. Experiences have shown that more often than not, problems in policy implementation is not in the nature of policy but more in the administration and operationalization of such policies into workable programs implemented by both the central and local governments.

Philippine experience shows that central politics and organization and local power relationships are important in the outcome of policy implementation, and as critical factor in central-local relations. This is relevant in local government reform which often requires commensurate changes in central administrative structures. Such a comprehensive reform program for local governments has to be accepted beforehand by central departments exercising supervisory control over field officers who constitute the bulk of technicians that carry out central functions at the local level before it can be effectively implemented. Experiences in governmental reform initiatives show that central officials generally resist local reforms that will result in a loss of administrative control over their field officers.

Another issue in central-local government relations in the Philippines is an emerging form of local government which is the metropolitan government. This is a timely issue since the Metropolitan Manila area critically needs this forms of local government. The National Capital region is not only a *metropolis* but a *megalopolis* which refers to a city which towers far above in its region in size and in the concentration of wealth and influence it possesses, which is growing in size, which requires administrative and structural changes that will alter existing traditional local government structures in order to be able to provide essential public services. The question of metropolitanization will continue to be a public policy issue as we move towards the next century. Functional efficiency and economy are the primary reasons for the introduction of metropolitan structure which actually finds justification in the argument that by consolidating small cities and municipalities, ineffective and inefficient duplication can be reduced and the economies of scale achieved through the metropolitanization of services.

While metropolitan government remains an unsolved problem, there are very strong reasons for the retention of this type of local government for the Metropolitan Manila area, considering that it is the most highly urbanizing region in the country. Metropolitanization is a function of urbanization. However, for metropolitan governments to be politically acceptable, there must be a balance of metropolitan efficiency and local representation. The fact that government reorganization is a political question, reminds us of this relevant observation.

"When alternatives are made in an existing system of government, the stakes of various individuals and groups are affected in one fashion or another. To some, the prospect of change may hold out inducement and promises of rewards to others, it will appear as a threat to other interest . . . Reshaping the governmental structure of the metropolis directly impringes upon a variety of change resistant interests and clusters of power particularly on the established local public bureaucracy. These interests . . . can be quickly mobilized into an effective opposition through the existing network of relationships among public official and their allied cliques such as political party organizations and leagues of municipalities."²⁰

While the Metropolitan Manila area needs a metrowide governmental authority, formalistic and structural reforms of the existing Metropolitan Manila Commission should consider the following variables:

1. the psychological and cultural norms prevailing over Philippine local governments
2. the legal-constitutional considerations including the political governmental system built in the National Capital Region, and

²⁰ John C. Bollens (ed.), *Exploring the Metropolitan Community* (Berkeley and Los Angeles: University of California Press, 1961), p. 131.

3. the rapidly increasing urbanization of the Metropolitan Manila area.

Another dimension which is generally not accepted but critically important in the full understanding of general supervision is its political dimension. Besides the reference to the spoils system inherent in the workings of a party system, the political dimension is part of the reality of local governments and politics. Political considerations play a major role in shaping jurisprudence in the exercise of general supervision. While questions raised against political decisions hardly prosper, there are occasions when it becomes necessary to analyze where general supervision ends and political decision-making begins.

One function of general supervision is to protect the interests of local governments. There is also an accepted principle in intergovernmental relations which espouses that, in case of conflict of interests between the central government and local governments, the former should prevail. Therefore, for those who perform supervision, determining which of the interests to protect can be a hairline exercise, more so if usual considerations like local autonomy as primordial constitutional mandate is on one side, and on the other, the theory that central and local governments are really mutually reinforcing parts of one governmental system.

Besides knowledge of local governments in all its phases, one single element that is most vital in the exercise of general supervision is anticipatory capability, a crucial determinant in meaningful central-local government relations. Supervision sharpened by analytic capabilities should, as much as possible, be able to foresee local problems before they occur and thereby be able to formulate responsive local government policies.

The practice of passive supervision, which is devoid of policy guidelines providing direction to local government administration is not only insular and archaic but is also a defense mechanism indicative of inaction and indecision. The contrary should hold true: supervision should be a dynamic and innovative process, supportive of the continuing growth of local governments.

The future prospects of local government supervision will not easily point to an immediate realization of a fuller concept of local autonomy. Future prospects in general supervision are likely to evolve along these issues and probabilities:

1. Issues on decentralization and local autonomy will continue inspite of the passage of laws strengthening local governments. This seems to be so, since the central government will continuously exercise strong control in development planning and allocation of governmental resources. Actions of the central government in these instances are likely

justified under conditions where the rational allocation of public resources is an economic imperative.

2. Historical traditions and social values permeating in intergovernmental relations are making it difficult for the present political system to tip the balance in favor of decentralization.

What seem to be required in the future in order to alter this course are new forces that will permit change.

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