

THE ECONOMICS OF DEVELOPMENT IN AUTONOMOUS REGIONS

ULBERT ULAMA TUGUNG

Known to all, and it is candid to admit it at the outset, there is very limited empirical data to support an exposition on the topic, The Economics of Development in Autonomous Regions.

The process of development which involves not only economic, but more importantly, social development, is a very long process. The transformation of the consciousness and faculties of a society, which the process of development aims to achieve, transcends a lifetime, but we know that even then, it is never fully completed.

In contrast, the steps towards development that the autonomous region has taken only date back to its creation, which is only a couple of months ago. However, while we realize that the process of development would take time, we are conscious that we do not have that much time in our hands. The experiment in regional autonomy must show tangible results as soon as possible, if it is to deserve the continued faith and confidence of the people who have opted for it.

During the brief period then that the autonomous government has been in existence, we have tried to vigorously pursue steps towards the development of the region. Our experience, which is the basis of my talk this morning (afternoon), can be better understood in the context of Presidential Decree 1618.

Since the objective of this convention is to provide a formal venue that will lead to the clarification of the different aspects associated with regional autonomy, my role here is to impart to the participants some knowledge and understanding regarding our experience in the development of the autonomous region. The contents in this report, aside from part one, will elucidate and explain the following topics which are provided for in P.D. 1618. The topics concerned play a very important role in our experience in the pursuit of development so that it will be first presented as it is stated in the P.D. What will follow are the

discussions regarding its contributions, significance and advantages to the growth and development of the autonomous region.

I. The Events That Led To The Creation Of The Autonomous Government

The creation of a regional autonomous government and its two corollary bodies, the Lupon Tagapaganap ng Pook and the Sangguniang Pampook, may be considered as the culminating point in the evolution of a truly responsive government administrative machinery to handle the peculiar needs and situations obtaining in the south.

The principal determinant in the establishment of this kind of government was the overwhelming approval by the people during the plebiscite/referendum on April 17, 1977. Likewise, this was affected because the national government had to respond to the people's desire for a government capable of immediately acting on their needs and to comply with their demand and aspirations as reflected in the national plan and to attain development goals in the regional level.

The basis for the final decision to hold this plebiscite/referendum, in turn, were the series of proclamations made by the President and other referenda held in response to the demand of the situation prevalent at that time — a certain degree of self-government.

Furthermore, the creation of an autonomous government is constitutional since it is provided for in paragraph two (2), section four (4), article eleven (11) of the Constitution of the Republic of the Philippines which states that, "Local government units may group themselves, or consolidate or coordinate their efforts, services and resources for purposes commonly beneficial to them."

II. Scope of Internal Autonomy

The autonomous regions should undertake all internal administrative matters for their respective regions. They shall not act on matters which are within the jurisdiction and competence of the national government which include, but are not limited to, the following:

1. National defense and security

2. Foreign relations
3. Foreign trade
4. Currency, monetary affairs, foreign exchange, banking and quasi-banking, and external borrowing
5. Disposition, exploration, development, exploitation or utilization of all natural resources
6. Air and sea transport
7. Postal matters and telecommunications
8. Customs and quarantine
9. Immigration and deportation
10. Citizenship and naturalization
11. National, economic, social and educational planning; and
12. General auditing

The concept of autonomy will tend to contribute to the dispersion of power which in turn will strengthen the bases of political and personal freedom. For those who make the decisions, their work will be more satisfying, their sense of responsibility and independence will be tightened, initiative and resourcefulness will be promoted and will contribute to the mature discharge of democratic responsibilities.

Furthermore, the economic justification for autonomy are the shorter channels of communication; hence, lower cost, greater speed, and less risk of distortion in handling information. Most important consideration is the adaptation to changing conditions and the speed of response. The people themselves can decide on many social and economic problems inherent in the autonomous area much better and faster than can anybody in the higher levels of government. We can cite as an example, the Soviet economy with its long lines of communication — that kind of adaptation, flexibility and speed of response which tend to perform quite poorly.

But we must not, however, consider that all these advantages lie on the side of autonomy. The need to safeguard or promote public interest and priorities demand a uniform kind of government control. A very closely related instance is the use of direct measures by central authorities to effect a quick and large-scale transfer of resources from one use to another, as in the case of mobilization of men and productive capacity in war time or for rapid industrialization under very adverse conditions.

It is based on these considerations that the twelve above mentioned matters were not extended for the autonomous government to act upon. But it should be noted that there were no clear provisions that were given to the autonomous government as to the particular internal administrative matter that it should undertake. This was left largely to the discharge of the same government. This may bring about confusion as to the scope and direction of internal autonomy.

III. Powers of the Sangguniang Pampook and the Lupong Tagapagpaganap ng Pook

The Sangguniang Pampook (SP) shall exercise local legislative powers over regional affairs within the framework of national development plans, policies and goals in the following areas:

1. Organization of regional administrative system
2. Economic, social and cultural development of the autonomous region
3. Agricultural, commercial and industrial programs for the autonomous region
4. Urban and rural planning for the autonomous region
5. Infrastructure development for the autonomous region
6. Taxation and other revenue raising measures as provided for by P.D. 1618
7. Maintenance, operation and administration of schools established by the autonomous government
8. Establishment, operation and maintenance of health, welfare and other social services, programs and facilities
9. Preservation and development of customs, traditions, languages and culture indigenous to the autonomous regions; and
10. Such other matters as may be authorized by law, including the enactment of such measures as may be necessary for the promotion of the general welfare of the people in the autonomous region.

The Lupong Tagapagpaganap ng Pook (LTP) is the executive unit of the region. It implements or supervises the implementation of policies, programs and legislations enacted by the Sangguniang Pampook.

Every legislative enactment of the Sangguniang Pampook is subject to either approval or veto by the Lupon Chairman within thirty days upon receipt thereof, otherwise it shall become a law as if it has been duly approved. In case of a veto, the Lupon Chairman shall return the legislative enactment together with his objections to the Sangguniang Pampook which may override thereto by two thirds vote of all its members.

The above mentioned powers of both the SP and the LTP is a must and should be inherent in an autonomous government. As mentioned earlier, the speed of response to any problem that may arise which have regional implications is very important for a faster and better solution. Without this kind of powers that are vested in the autonomous government, autonomy will cease to exist.

This quick response to problems that have regional implications is very vital to economic development for to leave it unresolved for a certain period of time will only compound them or add other related problems. To support this, we can cite one example that has some regional implications especially common to the two regional autonomous governments of Regions IX and XII. At present, there is an immediate need among the rebel returnees in particular, and the cultural communities, in general, for a fairer share of the regional incomes and other social benefits which the Old Society has neglected to consider. We all know that these people concerned have a very high illiteracy rate and incidence of malnutrition, low labor productivity and other related problems. These social and economic conditions contributed much to the political unrest now prevalent. But due to some governmental interventions, one of which is the creation of the autonomous governments, the people involved in the armed struggle for economic and social justice are starting to come back to the folds of the law.

Since some important responsibilities were entrusted to the autonomous government to resolve the aforementioned matter, the immediate need is to find ways and means to incorporate these people back into the mainstream of society. If this will be left unresolved for a certain degree of time, these same people will resort to other unlawful activities thus aggravating the situation at hand.

Since the creation of the autonomous government in Region IX, confusions have cropped up with regards to the clear delineation of powers between the two corollary bodies, namely, the SP and the LTP. If these go on unresolved, it will affect the efficiency of the same and hinder the quick response to the needs of the people in the region. At present, the people concerned in the region are trying to determine this delineation of powers and this effort should be supported by the people in the national government in order to make this innovation a success.

IV. Income and Taxation

Aside from these, the autonomous government has been granted the power to tax the area of its jurisdiction. Enumerated below are the sources of income of the entity:

1. Taxes, fees and charges;
2. Appropriation and grants-in-aid from the national government;
3. Amounts realized from commercial, industrial and agricultural projects owned and/or controlled by the autonomous region in accordance with national plans and policies;
4. Amounts realized from the operations of public utilities owned and operated by the autonomous region;
5. Contributions from the local governments comprising the autonomous region as may be provided by law;
6. A percentage of the national income from mines and mineral resources from within the region as provided by law;
7. Transfer of the proceeds of certain national and local taxes as may be prescribed by law; and
8. Donations, endowments, and other forms of aid from individuals, organizations or government in accordance with national policy.

Right now, the staff of the autonomous government in Region IX are working on the ways and means to implement the above provisions on taxation. An autonomous government will truly be autonomous if it will have the funds needed to implement its programs/projects. This will also help motivate other government entities to work in the direction set by the

said government.

Programs/projects proposed by these government entities that may have been cancelled by their respective mother agencies due to budgetary constraints can still be supported by the funds of the autonomous government, thus, accelerating the growth and development of the area.

One other area where the autonomous government can be more responsive and very useful is in the intensification and institution of programs and projects which have immediate impact on the people and areas affected. The level of income of the autonomous region will, in a way, contribute in determining the extent of the effects or benefits it will have on the people of the area.

V. Relationship with National and Local Governments and other Entities

Relationship with the National Government

The Lupong Tagapagpaganap ng Pook was tasked to make a regular report directly to the President of the Philippines on the status of development programs in the region and the performance of the local government officials. Based on these reports and other matters aside from this report, the chairman can make recommendations on any actions that should be taken by the national government to accelerate development efforts in the region.

Since the Lupong chairman is at the same time the chairman of the Regional Development Council, all matters affecting the region can be passed through the LTP for the direct consideration of the President, thereby giving them a higher degree of success of being considered for implementation or necessary action.

It is only in the enactment of regional laws that the autonomous government seems to be a little bit constrained because the national laws are supreme vis-a-vis the regional laws enacted by the Sangguniang Pampook such that deviations from national policies are strictly limited.

As to the supervision of the autonomous regions, the President has the direct power of general supervision and control. The MLGCD is given the responsibility to assist the President in his exercise of supervision, particularly in matters

relating to the administration of the region and its relationship to the local government entities.

Relationship with certain regional line agencies

In the implementation of projects that are fully funded from the coffers of the autonomous government, the LTP has full authority in its supervision and control. This is one advantage that the autonomous regions have over other non-autonomous ones. Aside from having a more persuasive recommendatory power for proposed projects intended for national funding, the autonomous government can further proceed in implementing the projects not approved by the national government but are seen in the regional level as a necessity and a priority, based on the regional development plan. Furthermore, the goals and objectives in the plan can further be realized with the development by the LTP of supportive projects that may not have been included in the original proposal of the region due to some budgetary constraints of the national agencies.

The agencies mentioned in P.D. 1618 wherein the LTP has some special relations are enumerated hereunder:

1. Ministry of Health
2. Ministry of Education and Culture
3. Ministry of Public Highways
4. Ministry of Agriculture
5. Ministry of Social Services and Development
6. Ministry of Public Works
7. Ministry of Human Settlements
8. Ministry of Industry
9. Ministry of Youth and Sports Development

All these agencies can be called priority agencies since their activities are directly related to the priority sectors as identified in the Regional Development Plan of Western Mindanao. P.D. 1618 has assigned the LTP to oversee the activities and performance of these agencies. This power to oversee includes the identification, planning, programming, prioritization and implementation of the agencies' respective programs/projects funded out of national funds as well as the evaluation thereof in accordance with the identified plan of the region.

One advantage we can cite is that the agencies concerned will not be highly dependent on their respective ministries which are geographically distant from the region. The regional government can act, in behalf of the agencies, to relate to their respective ministries through the President of the Philippines which is deemed a more effective way in threshing out and solving the problems that may arise in connection with the implementation of the projects.

Also, to supplement the statement above, the LTP was given the authority through P.D. 1618 to "institute or recommend as appropriate the necessary corrective measures through the ministries concerned to overcome such obstacles based on the causes so identified, and if necessary, seek the intervention of the President to expedite the attainment of regional development objectives."

Relationship with the Regional Development Council (RDC)

Since the chairman of the LTP was designated, by virtue of P.D. 1618, as the ex officio chairman of the RDC in the autonomous region, the coordination of activities with the regional line agencies will be further expanded to include particular agencies not mentioned in the previous topic and other government agencies which are not members of the RDC.

The significance of this is that, the line agencies that have offices in the autonomous region will collectively have more bargaining power in regards to their developmental activities due to the relationship of the autonomous government with the national government. As have been stipulated in the preceding topic, "Relationship with the Regional Line Agencies," the regional line agencies through the RDC can make representations regarding the problems and difficulties they may encounter in implementing their respective responsibilities with the autonomous government in endorsing to their respective ministries.

Furthermore, since it would be the Sangguniang Pampook who will determine the development goals and objectives for the autonomous region, the result would be more responsive to the needs of the populace since the composition of the members of the SP are elected representatives of all the areas of the region.

These development goals and objectives will be the bases for the formulation of the Regional Development Plan which shall be primarily the responsibility of the RDC.

VI. The Task of Development

The Regional Development Plan shall be the basic document that will guide our development efforts. Alternative strategies will be formulated to achieve the objectives and goals set out in the plan. Programs and projects will likewise be developed to pursue these strategies. We will also devise impact and progress indicators in order to measure from time to time the effects of the programs and projects on the lives of our people and in the development of the region.

While the Regional Plan is our basic document, we will not be constrained to revise strategies/programs/projects as long as the desired goal of socio-economic development of the region is achieved. In fact, we will regularly review the implementation of the plan in order to determine its strengths and weaknesses and make the necessary revisions.

Finally, pursuant to the basic philosophy of the New Society that the people are both the object and subject of development, we will regularly undertake consultations with them in order to involve them in the development process as active participants and not merely passive beneficiaries.