

# Centralization by Stealth

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## The Empowerment of the Local

Decentralization is a state-led development initiative that transfers authority, responsibility, and resources from the central to the lower levels of government.<sup>2</sup> It is simply the legal and political process of empowering the local.

This development concept arose from a period in history when there was an almost universal disillusionment over the system of centralized governance. During the 1970s, many national governments failed miserably to efficiently deliver the services the public required. Furthermore, the growing economic challenges of the day exposed the insufficiency of the centralized approach to economic development planning.<sup>3</sup> In response, struggling nation-states shifted, albeit cautiously, to a decentralized system of governance. The common belief at that time was that devolving certain functions to local governments and agencies would ease the gridlock in the delivery of basic services and would accelerate economic development as well.<sup>4</sup> Significantly, decentralization

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<sup>2</sup> G. Shabbir Cheema and Dennis A. Rondinelli, 'From Government Decentralization to Decentralized Governance' in G. Shabbir Cheema and Dennis A. Rondinelli (eds), *Decentralizing Governance Emerging Concepts and Practices* (Brookings Institution Press, 2007) p 1.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

was actually touted as a sure-fire “cure” for a host of socio-political maladies in developing countries.<sup>5</sup>

Indeed, decentralization has found a prominent place in international development. In 2007, the United Nations Human Settlements Programme or the UN-HABITAT released the International Guidelines on Decentralisation and the Strengthening of Local Authorities (hereafter referred to as Guidelines), which now functions as a *soft law* measure on matters pertaining to decentralization.

This international legal document was the result of an extensive global research on the application of decentralization in both developed and developing countries. Needless to say, decentralization has become a core prescription of international development organizations to ensure sustainable economic, political and social development.<sup>6</sup>

The notion of local empowerment resulting from the process of decentralization can be manifested in three ways according to Falleti<sup>7</sup>: (1) *Administrative decentralization* is the set of policies designed to transfer the administration and delivery of social services such as education, health, social welfare, or housing to the local governments; (2) *Fiscal decentralization* is the set of policies designed to increase the revenues or fiscal autonomy of the local governments; and (3) *Political decentralization* is the set of constitutional amendments and electoral reforms designed to give substantial representation in the national sphere to local polities. Falleti maintains that these are the three main phases through which decentralization is usually established in nation-states, particularly in Latin America.<sup>8</sup> The sequencing of these stages will vary depending on the specific political and economic circumstance of the nation-state adopting decentralization.<sup>9</sup>

It is not difficult to understand why many nation-states were drawn to decentralization. According to the Decentralization Theorem, the local

<sup>5</sup> Daniel Treisman, *The Architecture of Government Rethinking Political Decentralization* (Cambridge University Press, 2007) p. 1.  
<sup>6</sup> Above n 3 p. 10.  
<sup>7</sup> Tulia G. Falleti, ‘A Sequential Theory of Decentralization: Latin American Cases in Comparative Perspective’ (2005) 99(3) *American Political Science Review*, p. 329.  
<sup>8</sup> *Ibid.*  
<sup>9</sup> *Ibid.*

government should be given the authority and the appropriate resources to meet the needs of the local community because it is presumed to know the needs of the people better than the central government and is thus able to respond more swiftly and correctly.<sup>10</sup>

Now, there is nothing controversial with this logic. On the contrary, it is quite axiomatic such that even opponents of decentralization would be hard-pressed to contest it. The Guidelines is even more forthright in explaining this rationale for decentralization— “public responsibilities should be exercised by those elected authorities, which are closest to the citizens.”<sup>11</sup> Decentralization prescribes a government that is, in the truest sense, established by the people and for the people. Moreover, the Guidelines has made it abundantly clear that decentralization must be instituted by the state either through legislation or via constitutional fiat.<sup>12</sup> Meaning, this program should not be a mere fleeting item in political campaigns or advocacies. On the contrary, it is a politico-legal proposition that must be embedded within the political structure of the state.

But regardless of how it came to be set up, there is one solid truth about decentralization that Eslava puts so succinctly, “The decentralization process does not mark the end of the state, nor its national form.”<sup>13</sup> This means that the adoption of decentralization does not revert the nation-state to the Greek *polis* model wherein there is practically no central authority but merely a loose amalgamation of several autonomous localities. There is still a central state authority in a decentralized system of government. The nation-state as we know it now persists even if the central state machinery is being challenged by the empowerment of the local.

Nonetheless, decentralization has triggered a reformation of the governance infrastructure within the nation-state. Before

<sup>10</sup> Anwar Shah and Sana Shah, ‘The New Vision of Local Governance’ in Anwar Shah (ed), *Local Governance in Developing Countries* (The World Bank, 2006) 4.  
<sup>11</sup> *International Guidelines on Decentralisation and the Strengthening of Local Authorities* (2007), United Nations Human Settlements Programme (UN-HABITAT). See Section B, No. 1, p.7.  
<sup>12</sup> *Ibid* p. 9.  
<sup>13</sup> Luis Eslava, ‘Decentralization of Development and Nation-Building Today: Reconstructing Colombia from the Margins of Bogotá’ (2009) Volume 2, Issue 1, *The Law and Development Review*, 283-366.

decentralization, there was only one source of state authority, the central government. Obviously, the other side of local empowerment is the diminution of central power. There is now a delicate reconfiguration of state power between the center and the local.

Under the Guidelines, the local government's power, whatever its specifics may be, cannot be "undermined, limited or impeded" except only by express legislation.<sup>14</sup> The Guidelines further adds, "National principles relating to decentralization should ensure that the national or regional government may intervene in local government affairs only when the local government fails to fulfil its defined functions." Pertinently, the Guidelines also mandates that the "burden of justifying an intervention" falls on the central government.<sup>15</sup>

### A Pioneering Effort

One of the groundbreaking provisions of the 1987 Constitution commands that all of the nation's "territorial and political subdivisions shall enjoy local autonomy."<sup>16</sup> In the Philippine context, the principle of local autonomy essentially means decentralization.<sup>17</sup> Thus, decentralization in the Philippines is mandated foremost by constitutional edict. However, there was no provision on local autonomy or decentralization in the 1935 Constitution since the country at this time was still officially a colony of the United States (US).

It was the 1973 that had a specific provision relating to decentralization. "The State shall guarantee and promote the autonomy of local government units... to ensure their fullest development as self-reliant communities."<sup>18</sup> Not surprisingly, in spite of this clear command in the supreme law of the land, a decentralized system of governance was never established during the two decades of the Marcos regime.

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<sup>14</sup> Above n 12.

<sup>15</sup> Above n 12.

<sup>16</sup> Section 2 of Article X of the Constitution of the Philippines (1987).

<sup>17</sup> *Humberto Basco, et al vs. Philippine Amusements and Gaming Corporation*, G.R. No. 91649 May 14, 1991.

<sup>18</sup> Section 10 of Article II and Section 5 of Article XI of the Constitution of the Philippines (1973).

A system of decentralized governance was officially adopted in the Philippines on October 10, 1991 when then President Corazon C. Aquino signed Republic Act No. 7160 or the Local Government Code of 1991 (LGC). The bold vision for the Philippines with the enactment of the LGC was to have a "more responsive and accountable local government structure instituted through a system of decentralization."<sup>19</sup> The goal is to enable the local government "to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals."<sup>20</sup> Simply put, the main purpose of decentralization in the Philippines is to achieve local development through local empowerment with the broader aim of national development.

Thus, it can be said that decentralization in the Philippines is instituted both by legislation and constitutional decree. This fact is not without significance. Another look at the Constitutional prescription shows that the command is for all local government units to "enjoy local autonomy." Section 2 of the LGC adds on to this mandate by directing that local government units shall "enjoy genuine and meaningful local autonomy." According to the principal author of the LGC, Aquilino Q. Pimentel, the addition of the words *genuine* and *meaningful* was purposely done to emphasize the importance of decentralization for the country's development.<sup>21</sup> This deliberate qualification of local autonomy was seen as necessary because many of those in government at that time were not particularly supportive of decentralization. Pimentel intimated later on in his book about the LGC that the passage of the bill (which eventually became the LGC) encountered stiff opposition from some members of the Aquino Cabinet and from the legislature.<sup>22</sup> In fact, these public officials expressed major reservations in letting go of substantial central government powers to the local governments questioning the

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<sup>19</sup> Section 2 of the LGC.

<sup>20</sup> *Rodolfo T. Ganzon vs. Court of Appeals and Luis T. Santos*, G. R. No. 93252 November 8, 1991.

<sup>21</sup> Aquilino Q. Pimentel, *The Local Government Code of 1991: The key to national development* (Cacho Publishing House, 1993).

<sup>22</sup> *Ibid*.

readiness of local leaders to assume such power and responsibilities.<sup>23</sup> The scuttlebutt in the halls of Congress though, was that these government officers were afraid of political rivals gaining a foothold in their respective bailiwicks.<sup>24</sup> It was, in essence, a case of the ruling elite of the day trying to prolong its status any way it can.

**Unsure About the Local**

Under these tense circumstances, the national leaders of the nation met decentralization with guarded optimism. Pimentel expressed this combined feeling of anticipation and apprehension, stating, “The political umbilical cord that attached them to the central or national government through a system of patronage and dependence has been cut, to some extent, so that they can now more or less chart the course of their own development.”<sup>25</sup> He had some misgivings about the future of decentralization in the Philippines. The crippling bond of dependency on the center has been severed, but only *to some extent*. In light of their newfound autonomy, local governments can determine their own development path, *more or less*. His words reveal an anxiety on the capacity of local governments themselves in dealing with this new power. Post 1986, there was certainly a strong clamor for a diminution of state power but empowering the local seemed to be a disproportionate alternative. Apparently, Pimentel himself concedes that there were serious doubts as to whether the local leaders can see themselves as independent having been subservient to the central authority for so long.

As a former local chief executive during the Marcos years, Pimentel is actually the best person to raise the gravity of a “culture of dependence” that was still very evident among many of the local leaders back then. During his term as Mayor of Cagayan de Oro City in the 1970s, there was an instance that he could not even purchase for his constituents two ambulances without first securing the written permission of the Prime Minister.<sup>26</sup> To put this

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<sup>23</sup> Ibid.  
<sup>24</sup> Ibid.  
<sup>25</sup> Ibid.  
<sup>26</sup> I worked as a legal researcher for the second edition of his book on the LGC. And he told me

picture in perspective, Pimentel was the mayor of a city situated more than a thousand miles away from the seat of the central government in Manila. It is thus very poignant that he describes this connection between the local to the center as the “*political umbilical cord*” symbolizing how the local heavily relied on the center for survival.

Interestingly, decentralization was established in the Philippines not in the sequential way similar to Falleti’s description of the experiences of nations in Latin America. As illustrated above, the system of decentralized governance was instituted with a single legislative stroke. There was no trial phase for the local leadership of the state. The decentralization process commenced in full at precisely the moment the LGC became law thus entrenching all the three powers (political, administrative and fiscal)<sup>27</sup> in the local government apparatus simultaneously.

This peculiar fact is extremely crucial in our discussion of Philippine decentralization. According to Falleti’s Sequential Theory of Decentralization<sup>28</sup>, “Political and fiscal decentralization policies that take place early in the sequence tend to increase the power of governors and mayors, whereas early administrative decentralization reforms tend to negatively affect their power.” Obviously, the case of the Philippines does not really fall squarely within the parameters of this theory but it does elucidate an internal problem in Philippine decentralization.

Pursuant to Falleti’s theory, if administrative decentralization comes before political and fiscal decentralization, local governments will not be able to fully and properly exercise the additional powers transferred to them through decentralization. The local government will be predictably overwhelmed by the burden of delivering public services of which it is not accustomed to. Without any political and fiscal power to boost the local treasury, the local chief executive will be practically powerless to bring any public goods to his constituents.

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this story on one the many personal conferences we had over the course of the writing of his book. See *The Local Government Code Revisited* (Central Book Supply, 2011).  
<sup>27</sup> See Section 16 and 17 of the LGC for political and administrative decentralization. For fiscal decentralization see Section 5 and 6 of Article X of the Constitution and Book II of the LGC.  
<sup>28</sup> Above n 8 p. 330.

The other side of the theory posits that if political and fiscal decentralization comes first, the “capacities of subnational politicians and public officials” will be enhanced and thus making them more ready for the next phase which is administrative decentralization. This sequence will in the long run give a better chance for the decentralization process to be successful.

The situation of decentralization in the Philippines falls to some extent in the first category. Local leaders in the country did not have the chance to learn the ins and outs of decentralization during a trial period. They were immediately thrust into a position of power and responsibility without absolutely any preparation. It is worthy to note that at the time of the enactment of LGC, the Philippines was only 5 years removed from a 20-year dictatorship. Many Filipino leaders at this time, both local and national, were still recovering from years of subservience and dependence on an extremely powerful central authority. At that moment, there truly was a prevailing “culture of dependence” in the state’s political consciousness.

The evaluation of the current administration of the implementation of the LGC has highlighted a feature of decentralization in the Philippines that can potentially lead to its unravelling, to wit:

Despite almost two decades of implementation of the 1991 Local Government Code (LGC), however, local governments still face various challenges in the exercise of their devolved service delivery functions.... A majority of the local governments still lack the ability or the will to raise adequate local revenues. LGUs have become unduly dependent on Internal Revenue Allotment (IRA) transfers from the national government and have failed to manage their financial resources effectively and sustainably.... Owing to loopholes in the LGC, as well as the lack of capacities of local governments in assuming devolved functions, national government agencies (NGAs) continue to deliver certain services despite the transfer of these services to the local governments. The confused and overlapping performance of functions compromises the lines of accountability for local services.<sup>29</sup>

<sup>29</sup> National Economic Development Authority, *Philippine Development Plan 2011-2017*,

## The Culture of Dependence

The administration of Noynoy Aquino’s unfavourable assessment of the LGC leads to a natural critique of decentralization in the Philippines that it has failed to fulfil the vision of a “more responsive and accountable local government”. Evidently, local empowerment has not overcome the “culture of dependence” ailing the local governments in the country. The assessment pertaining to *the lack of capacities of local governments in assuming devolved functions* can be partially explained by Falleti’s Sequential Theory. The reality is the LGC never gave the local leadership a chance to build their capabilities for governance. Essentially, during the past two decades, the local chief executives of the state have been learning the ropes, so to speak. However, the observation that local governments *still lack the ability or the will to raise adequate local revenues* and that they are *unduly dependent on Internal Revenue Allotment (IRA) transfers from the national government* is a different story. This critical point is indicative of a deficiency with deeper implications on the entire system of decentralization in state.

The fiscal autonomy for the local government is firmly established in both the LGC and the Constitution. Hence, there should be no doubt that the local government now has the power to create its own source of revenue which is to accrue exclusively to its own coffers.<sup>30</sup> Additionally, both the LGC and the Constitution also mandate that local governments shall have a just share in the national taxes and the same must be automatically released to them without delay.<sup>31</sup> The IRA to the local governments is in the nature of a “bloc grant” and absolutely no condition is attached for its remittance to the local governments. Furthermore,

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<<http://devplan.neda.gov.ph/>>

<sup>30</sup> The power to create its own source of revenue is found in Section 5 of Article X, to wit: “Each local government unit shall have the power to create its own sources of revenues and to levy taxes, fees, and charges subject to such guidelines and limitations as the Congress may provide, consistent with the basic policy of local autonomy. Such taxes, fees, and charges shall accrue exclusively to local governments.” On the other hand, local government taxation and other fiscal matters are contained in Book II of the LGC.

<sup>31</sup> The right to a share in the national taxes is found in Section 6 of Article X, to wit: “Local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them.” The specific mechanism as regards the local government’s share in the national taxes is provided in Section 290 of the LGC.

the disposition of this fund is totally within the discretion of the local government unit and in theory, utterly free from any kind of influence from the central government. Lastly, the IRA is released automatically every fiscal year to the local governments. All of these factors considered, it is clear why instead of exercising their wide-ranging and far-reaching power to raise revenues, local governments would prefer to just wait for the IRA to come to them.

Santos correctly asserts that the IRA system breeds a “dole-out mentality” among the local executives.<sup>32</sup> In fact, a majority of the local government in the country units has become highly dependent on the IRA as their primary source of revenue.<sup>33</sup> Hence, contrary to Falletti’s calculation that with fiscal autonomy established at the first instance, the capability of the local officials could be enhanced, the Philippine experience is exactly the opposite. Fiscal autonomy has actually made local chief executives more dependent on the central government.<sup>34</sup> However, it would be too simplistic to solely blame this overreliance on the IRA system for the continued existence of the “culture of dependence” as the present central government would suggest. Although admittedly this system has indeed cultivated mendicancy in the minds of many local leaders, the other party to this dependency relationship warrants scrutiny, too. For sure, the central government cannot be absolved from the perpetuation of this “culture of dependence”.

It must be said, however, that there are efforts being made by the central government to lift up the governance capabilities of local chief executives.<sup>35</sup> The academe and some political institutions have also made great contributions to this endeavour.<sup>36</sup> Despite these positive efforts, there is still an overriding force that continues to hinder the political maturity of the local leadership in the state. Jurisprudence on

the LGC illustrates this point clearly. For example, in a case wherein the main issue was whether the President could withhold a portion of the IRA, the Supreme Court was explicit that he could not as this was proscribed by the Constitution and the LGC. Yet, whilst there was an overt admission of the benefits of local empowerment *vis a vis* national development, the Supreme Court proffered a swift caveat, opining that “to enable the country to develop as a whole, the programs and policies effected locally must be integrated and coordinated towards a common national goal. Thus, policy-setting for the entire country still lies in the President and Congress.”<sup>37</sup>

The Supreme Court essentially reiterates the primacy of the central authority over the local. Even if the law and the Constitution allow the local to set its own development programs and policies, the same must be consistent with the development policy of the central authority. Moreover, the tenor of the Supreme Court in its ruling seems to suggest that the central government can legitimately impose its policy upon the local government. This shows a bias towards central state control despite the fact that the case arose from a dispute under the LGC.<sup>38</sup>

The irony is the LGC and the Constitution may have, albeit inadvertently, given a legal platform for this perspective to persist. As the Chief Executive of the state, the President is essentially the head of the entire administrative bureaucracy comprised of the central and local government. The difference lies in the degree of control the President has over the two levels of government. He exercises full and absolute control over the central government but both the LGC and the Constitution provide that the President exercises “general supervision” only over the local governments, and only to “ensure that local affairs are administered according to law.”

<sup>32</sup> Romeo Raymond C. Santos (APRIL 2011), *The Internal Revenue Allotment: A REVIEW OF LEGISLATIVE, EXECUTIVE AND JUDICIAL DECISIONS*, *The IBP Journal*, VOLUME 36 NUMBER 1, p 21.

<sup>33</sup> *Ibid* p. 22.

<sup>34</sup> *Ibid* p. 22.

<sup>35</sup> See <http://www.dilg.gov.ph/pcf/index.php> and <http://www.lga.gov.ph/>

<sup>36</sup> See [http://www.asg.ateneo.edu/focus\\_leadership.php](http://www.asg.ateneo.edu/focus_leadership.php) and <http://www.pimentelinstitute.org/>

<sup>37</sup> *Aquilino Q. Pimentel Jr. v. Hon. Alexander Aguirre et al.*, G.R. No. 132988. July 19, 2000.

<sup>38</sup> Section 5 of the LGC - “In the interpretation of the provisions of this Code, the following rules shall apply: (a) Any provision on a power of a local government unit shall be liberally interpreted in its favor, and in case of doubt, any question thereon shall be resolved in favor of devolution of powers and of the lower local government unit. Any fair and reasonable doubt as to the existence of the power shall be interpreted in favor of the local government unit concerned; xxx”

In general, the power of general supervision means basically the authority to see that the subordinate perform their duties as prescribed by law. If the subordinate fails to fulfil his duty, the superior official may take such action or steps as prescribed by law to make him perform the duty. In this situation, the President's power of general supervision means no more than the power of ensuring that laws are faithfully executed. He has no control over any local chief executive who is acting within the bounds of the law.<sup>39</sup> Nonetheless, jurisprudence has once more qualified the President's power of supervision over the local government as "not a meaningless thing" but actually "an active power" which he wields as the Chief Executive of the state.<sup>40</sup>

Pertinently, this understanding of supervision over local elected officials actually differs substantially to the standard prescribed by the Guidelines. Supervision under the latter must be "confined to *a posteriori* verification of the legality of the acts and should respect the autonomy of the local authority."<sup>41</sup> Obviously, as a matter of law the authority of the President over the central government is vastly different from his authority over the local governments. But even if the letter of law says that they are not equal, those interpreting the law have given the President wider latitude in exercising the power of general supervision that for all intents and purposes, he may exercise control over the local government if he chooses to do so. Thus, the *policy setting for the entire country* still lies in the President, which of course can include how this "active power" is applied. In a subtle way, this clause on general supervision has allowed the central government, through the office of the Chief Executive, to maintain its dominant stature over the local. And the more troubling effect is that the local leaders of this era have accepted the convention to be constantly deferential to the President. Hence, decentralization in the Philippines is presently characterized by the confluence of two realities thriving within the framework instituted by the LGC. There is the continued lack

<sup>39</sup> *Eduardo Nonato Josen v. Executive Secretary Ruben D. Torres, et al.*, G.R. No. 131255 May 20, 1998.

<sup>40</sup> *Carmen Planas vs. Jose Gil*, G.R. No. L-46440 January 18, 1939.

<sup>41</sup> Above n 12 p. 10.

of independence on the part of the local and the other, the persistent claim for supremacy on the part of the center. Although writing mainly about the IRA, Santos accurately points out this "symbiotic relationship" between the center and the local.<sup>42</sup> With the former unwilling to loosen its grip on old powers and with the latter willing to oblige for as long as it can count on the IRA to come on time. Together, these two realities sustain the "culture of dependence" which decentralization was designed to eliminate in the first place.

So perhaps decentralization in the Philippines is a case of reality not reflecting the intent of the law. Thus, instead of a "more responsive and accountable local government", the current reality is exactly the opposite. And if the present government is to be believed, it is the law itself that must be blamed. There is a degree of credence to this claim but this seemingly conflicting trend within Philippine decentralization calls for an investigation that goes beyond the letter of the law.

### The Foundation of the Strong Center

Wurfel posits that the contemporary political culture of the Philippines has its roots in the country's history.<sup>43</sup> Therefore, given this latent contradiction within the decentralization process in the country, it would be apposite to review the evolution of the relations between the center and the local through the eyes of Philippine political history. Significantly, the concept of a decentralized system of governance is not actually alien to the Philippines. In fact, one characteristic observed by the first Spaniards to set foot in the islands during the 16<sup>th</sup> century was the presence of a system of highly localized government.<sup>44</sup> Historical accounts verify that the communities of pre-Hispanic Philippines enjoyed local sovereignty.<sup>45</sup> The historian Francia has so poignantly expressed the point that "Until the

<sup>42</sup> Above n 33 p. 22.

<sup>43</sup> David Wurfel, *Filipino Politics Development and Decay* (Cornell University Press, 1988) p 24.

<sup>44</sup> William Henry Scott, *Barangay Sixteenth-Century Philippine Culture and Society* (Ateneo De Manila University Press, 2004) p. 5.

<sup>45</sup> Ledivina V. Cariño, —Devolution toward Democracy: Lessons for Theory and Practice from the Philippines— in G. Shabbir Cheema and Dennis A. Rondinelli (eds), *Decentralizing Governance Emerging Concepts and Practices* (Brookings Institution Press, 2007) p. 92.

Spanish appeared on the horizon, no nation-state existed, only a far-flung collection of islands untroubled by the notion of a center.<sup>46</sup>

Notably, it was also acutely observed that among the many tribes spread out across the thousands of islands in the newly discovered territory, there was no supremely powerful chieftain in the mold of Tokugawa in Japan or Genghis Khan in Mongolia, who doggedly fought for the unification of all clans in the realm.<sup>47</sup> This fact is very pertinent because it gave Spain the opportunity to step into this role. The Spanish colonial government was the first central state authority of the Philippines. The head of the colonial government was the Spanish Governor-General standing as the representative of the King of Spain.<sup>48</sup>

### The Roots of Patronage Politics

The mechanism by which control from the center was exercised was through the *encomienda* system. This is the governance scheme employed by the colonial government wherein the *encomendero* was given charge over a particular area in the colony. His mandate was primarily to collect tribute or taxes from the natives. The critical feature of the *encomienda* system is that it was also a reward system for those loyal Spanish subjects who had served the throne in the colonization of the islands.<sup>49</sup> Under this arrangement, the local (the *encomendero*) was completely beholden and under the control of the center. As the colonial years rolled on, the *encomienda* system eventually led to the creation of a new social class of natives just beneath the Spanish colonizers. These were the *principalia* composed of the incumbent and former *gobernadorcillo* and *cabeza de barangay*. By and large, these persons were the descendants of the pre-Hispanic nobility recruited by the colonial government as their indigenous representatives.<sup>50</sup>

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<sup>46</sup> Luis H. Francia, *A History of the Philippines From Indios Bravos to Filipinos* (The Overlook Press, New York, 2010) p. 27.

<sup>47</sup> Ibid.

<sup>48</sup> Above n 47 p. 63.

<sup>49</sup> Above n 47 p. 65.

<sup>50</sup> Fr. Jose S. Arcilla, S.J., *Rizal and the Emergence of the Philippine Nation* (Office of Research and Publications, Ateneo de Manila University, 1991) p. 132.

The truth is, the colonial government utilized the former tribal ruling class as their lackeys. As rewards for their loyal servitude, this distinct sector of pre-colonial society eventually evolved to become the core of the new indigenous elite during the colonial period. And as an intricate part of the Spanish colonial administration, the local leaders always acquiesce to the whims and commands of the central government.

Ironically, the creation of the *indio* elite also led to the formation of the revolutionary movement that advocated the ouster of Spain in the Philippines. We celebrate our nation's independence on June 12, 1898. However, this is only a symbolic gesture because we know that on the 10<sup>th</sup> of December of the same year, Spain and the United States ended their own hostilities with the signing of the Treaty of Paris whereby Spain ceded the Philippines to the US in exchange for \$20 million.<sup>51</sup>

The US was quick to claim though that they were a different type of colonizer. They had benevolent intentions for the Philippines. Rudyard Kipling expressed these motives so well in his political masterpiece, "The White Man's Burden".<sup>52</sup> As it turned out though, the Americans approached governance over the Philippines in much the same way as the Spanish did. In 1902, the Organic Act of the Philippine Islands was passed by the US Congress setting up the legal framework of the colonial administration over the Philippines with the Governor-General as the head of the central government.<sup>53</sup> Although there were pockets of armed resistance in the countryside, there was little political resistance from the Filipino elites against the new colonizers. They immediately and willingly collaborated with the Americans that one of the earliest dilemmas of the new colonial power was how to devise an effective means of filling the critical positions in the new colonial government with qualified men while at the same time rewarding loyal *Americanistas*.<sup>54</sup>

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<sup>51</sup> Fr. Horacio de la Costa, SJ, *Readings in Philippine History* (Office of Research and Publications, Ateneo de Manila University, 1991) p. 211.

<sup>52</sup> See <http://historymatters.gmu.edu/d/5478/>

<sup>53</sup> Above n 47 p. 166.

<sup>54</sup> Michael Cullinane, *Ilustrado Politics Filipino Elite Responses to American Rule, 1898-1908* (Ateneo De Manila University Press, 2003) p 66.

After the end of WWII, the US fulfilled its promise to give the Philippines its independence on July 4, 1946. The fact that the Philippine flag was now flying free did not automatically mean the US had relinquished control over the state affairs. The political elite who fought for independence became neo-colonizers with the US as their puppet masters.<sup>55</sup> Nevertheless, this generation of Filipino elites became more politically savvy. As in many other modernizing nation-states after independence, the central government bureaucracy grew rapidly faster than its governance capability. The Filipino rulers of the young nation did not depart radically from their colonial predecessors. Apart from the bloated administrative machinery, they also fixed supreme government authority at the center. Unfortunately, the political elite that presided over this post-colonial rehabilitation was made up of wealthy rural landowners.<sup>56</sup> Thus, it is not surprising that the interests of the local elites were given premium over the needs of the masses. In fact, a common sentiment among the rural poor during the years after independence is that the government in distant Manila seemed to care for them only during elections.<sup>57</sup>

At this point, the relationship between the center and the local assumed a new appearance. The old version was between a colonial power and a select group of Filipino elites. The Filipino elites are now in the position of the strong center. So instead of the central power being diffused to the local, the face of the center just changed. There is now a new ruling class in the center comprised of Filipino elites still exercising domination over the local.

The independence of the Philippines came to a stunning halt in September 21, 1972 when then President Marcos declared Martial Law.<sup>58</sup> This is the point where the power of the center reached its highest and the significance of the local falling to its lowest. During the Marcos regime, the government was so centralized that local governments could not move without the say-so of the dictator himself.

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<sup>55</sup> Above n 47 p. 192.

<sup>56</sup> Above n 44 pp. 13-14.

<sup>57</sup> Above n 47 p. 207.

<sup>58</sup> Proclamation No. 1081 (Proclaiming a State of Martial Law in the Philippines).

## The Inculturation of Dependence

During the 20-year reign of Marcos, many of the state's local officials, as with many elected officials, became his cronies. This is the point where the total subservience of the local to the center became cemented. This is the culmination of the "culture of dependence". Truth be told, the local chief executives during the Marcos regime were so deeply entrenched in the dictatorship apparatus that immediately after the 1986 People Power Revolution, Aquino exercising emergency powers, removed all elected local officials. And following the tradition of central supremacy, she put in people loyal to her. In fairness to Aquino, local elections were held forthwith and expectedly many of her local allies won.

Wurfel keenly observes that the governing structure in the Philippines has always been dominated by "an oligarchy that was buttressed by patronage."<sup>59</sup> Under the Spanish administration a merit system for the recruitment or promotion in the bureaucracy was never put in place. Placement in a government position is usually the result of *quid pro quo* bartering.<sup>60</sup> This kind of arrangement appears too during the American colonial period when government posts were "rewarded" to loyal *Americanistas*. This was a common practice likewise during the brief period of independence wherein choice positions were handed to the landed gentry. Marcos was the ultimate practitioner of this political scheme. He appointed law school classmates in the Supreme Court. He appointed relatives in the military. And people who kowtowed to him were placed in various government posts or were elected to office without opposition.

Of course, patronage is a two-way relationship. The local leadership, too, have played a role in propping up central authority. While it is true that there are a select few that oppose the domination of a strong center, the predominant reaction though from the local leadership is to align with the powers-that-be as this would increase their access to gain concessions from the center.<sup>61</sup> Additionally, this political haggling does not occur only during the incumbency of a Chief Executive. This political

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<sup>59</sup> Above n 44 p 325.

<sup>60</sup> Above n 58 p 37.

<sup>61</sup> Above n 46 p. 104.

courtship between the center and the local commences even before the identity of the incumbent is officially determined. In the news recently, the most viable Presidential candidate for 2016 has been reported to have “secured” the commitment of support from the heads of two strong political clans in the Visayas and in Luzon.<sup>62</sup> One can only surmise the terms and conditions of this alleged power alliance. But certainly, the actuations of the local in this regard do not manifest independence or autonomy from the center.

The plain fact is patronage politics has been embedded deep in the political culture of the Philippines. Nowhere was this more evident than in a meeting held inside the halls of Malacañang Palace last October 11 2007.<sup>63</sup> This practice of distributing “cash gifts” to local leaders is objectionable because of the informal manner it is conducted. There is a blatant absence of accountability on the part of the giver (President) and the recipient (local government official). This apparent “generosity” of the central government certainly perpetuates the “culture of dependence”. Clearly, the pattern of a supremely powerful center and a subservient local has pervaded throughout the political history of the Philippines. From the *encomienda* system to the present, state power has been preserved in the central authority. On the same breath, the dependence of the local to the center has been nurtured by the politics of patronage. Thus, local chief executives are constantly deferential to the central government, particularly to the Chief Executive. No doubt the “culture of dependence”, which has been the main *animus* of the state governance structure, is a legacy of colonization.

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<sup>62</sup> Eyeing the presidency in 2016, Vice President Jejomar Binay has recruited to his party the governor of the Philippines’ most vote-rich province, Cebu Governor Gwen Garcia. In the 2010 elections, a strategy that worked for him was a “highly personalistic approach” toward local officials, according to the best-selling book *Ambition Destiny Victory: Stories from a Presidential Election*, “Binay had been socializing with local officials for years, and these were not just local officials but ground-mover local officials. His relationship with them was (that of) *pare* (buddies),” Along with Garcia, Binay also recruited to political party another prominent politician in the local scene – Zambales Rep Milagros “Mitos” Magsaysay. See <http://www.rappler.com/nation/politics/elections-2013/6017-cebu-gov-boosts-binay-machinery>

<sup>63</sup> See <http://www.philstar.com/Article.aspx?articleId=23109>

## The Internal Breakdown

Accordingly, the political history of the Philippines unravelled the decentralized framework instituted by the LGC. Patently, the radically re-defined power sharing structure of the center and the local envisaged by decentralization has not come to fruition. In fact, the opposite happened. The political culture of the country has allowed the continuation of the colonial relationship of the center and the local through the very decentralization mechanisms institutionalized by the law and the Constitution. The IRA and the power of general supervision have become instruments used by the central authority to retain its status as the premier wielder of state power. By some odd twist of fate, Philippine decentralization has actually sustained the very cancer it was supposed to destroy, the “culture of dependence”.

Steffensen asserts, “[L]ocal governments that are highly dependent on the central government are especially vulnerable to central government control.”<sup>64</sup> This assertion is certainly true in the case of the Philippines. The peculiar aspect of central control now is that its source is found outside the letter of the law. It is the political culture that has nourished the capacity and propensity of the center to control the local. Consequently, the presence of a highly centralized system of governance subsists almost unnoticeable.

Notably, this centralized governance arrangement is most manifest in the quest for national development. Recall that the thrust of decentralization in this regard is local development through local empowerment with an ultimate view towards national development. With this directive, the acceptable response of local governments would be to formulate their respective development plans. It is only reasonable to expect that by this point in the LGC’s life, local development plans would be in high gear already. Alas, this is not the case at all for somehow the component of local empowerment has been replaced by the traditional central control.

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<sup>64</sup> Jesper Steffensen, ‘Local Government Organization and Finance: Uganda’ in Anwar Shah (ed), *Local Governance in Developing Countries* (The World Bank, 2006) p 129.

At this point, I bring to the fore again the jurisprudence<sup>65</sup> cited earlier which concluded that “to enable the country to develop as a whole, the programs and policies effected locally must be integrated and coordinated towards a common national goal” and that these development programs and policies must originate from the President. This has been the direction of local development in the Philippines. Contrary to the spirit of the LGC, the state has actually adopted the top-down approach to national development. This is so evident in the development plan for Mindanao, a region that has been battling with social, economic and political strife for so long.

One of the first development initiatives of President Aquino was the Mindanao Strategic Development Framework 2010-2020<sup>66</sup>, which outlines the development policy of the central government for the whole of Mindanao. Obviously, this development plan was the initiative of the National Economic Development Agency (NEDA) with, according to them, extensive inputs from the local government units in the region. Curiously, the various local governments in Mindanao have yielded to this development plan by not coming up with their own local plans.<sup>67</sup> Even the local government that should benefit the most from decentralization, the Autonomous Region of Muslim Mindanao (ARMM), opted to fall within the ambit of central planning.

This situation is very disturbing because the perception of local chief executives on development has been limited by the prescriptions of the central authority. The long term designing of the local economy has practically been taken off their portfolio. They have become essentially mere executors of central development policies. And this is ostensibly contrary to the thrust of decentralization. Section 13 of Article X of the Constitution clearly provides that “Local government units may

<sup>65</sup> *Aquilino Q. Pimentel Jr. v. Hon. Alexander Aguirre et al*, G.R. No. 132988. July 19, 2000.

<sup>66</sup> National Economic Development Authority, *Mindanao Strategic Development Framework 2010-2020*, <[http://www.neda.gov.ph/Plans\\_and\\_Reports/Development\\_Frameworks/MSDF\\_finalforweb\\_2010-2020.pdf](http://www.neda.gov.ph/Plans_and_Reports/Development_Frameworks/MSDF_finalforweb_2010-2020.pdf)>

<sup>67</sup> See the following websites of provinces and cities in Mindanao: <http://armm.gov.ph/home.php>; <http://www.cagayandeoro.gov.ph/index.php>; <http://www.sarangani.gov.ph/>; <http://www.surigaodelsur.ph/>; <http://www.surigaodelnorte.gov.ph/>

group themselves, consolidate or coordinate their efforts, services, and resources for purposes commonly beneficial to them in accordance with law.” This law is the LGC. Meaning, Mindanao can legally group itself as a unit for its very own development planning without the imprimatur of the central government. In theory, all of the local chief executives in Mindanao can organize themselves and come up with their own development agenda for the whole of Mindanao.

In other words, let them dictate their own development themes and policies on NEDA and not the other way around. In essence, there is actually no need for the Mindanao Development Authority (MinDA) or the Southern Philippines Council for Peace and Development (SPCPD), which are all instruments of the central government anyway. But sadly, this not the reality we are seeing now. The local chief executives in Mindanao, including those in the ARMM, are still trapped in this “culture of dependence.” For if they were not, then this Mindanao Strategic Development Framework 2010-2020 would have a completely different tenor.

Plainly, the central government continues to exercise tremendous influence on local development planning. As a result, the central authority dictating upon the local executives on issues other than development concerns has gone unabated despite the clear delineations imposed by the LGC. Essentially, centralized governance is still the norm in the Philippines because state power has remained in the hands of the center as if decentralization never happened.

## Conclusion

Decentralization in the Philippines did not turn out as the “sure-fire cure” it was hyped up to be. It has failed to dislodge the very “socio-political malady” it was designed to cure. The LGC was certainly a revolutionary piece of legislation but its revolutionary goals are yet to be accomplished. But this finding is not the final judgment on decentralization, be it in the Philippines or elsewhere. The reality is there are still facets of decentralization that are open to innovation. There are still features of this development programme that need a rethinking.

There are two possible agenda for further study. The first agendum is the comprehensive reconsideration of Falleti's Sequential Theory of Decentralization. This may be of particular importance to nations that are still planning to institutionalize decentralization in their governance infrastructure. If the state and other stakeholders are truly serious and sincere in empowering the local, then efforts must be focused on strengthening the capacity of local government units in raising revenues aside from the IRA. The upliftment of the political stature of the local government office itself must be given utmost priority. Let the devolution of administrative services take a back seat in the meantime and put all the attention in enhancing fiscal and political autonomy.

The second agendum is the unseen influence of the nation's political culture on the decentralization process itself. Legislation must account for this phenomenon; otherwise, the implementation of the law could lead to a distorted version of decentralization. The interpretation of even just one provision of the law such as supervision can lead to extremely problematic results. At the very least, the take-away for scholars is to constantly challenge the conception of decentralization in order that it stays true to its core thrust of local empowerment. As demonstrated in decentralization in the Philippines, "centralization by stealth happens all too easily."<sup>68</sup>

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<sup>68</sup> Chris Heymans, 'Local Government Organization and Finance: South Africa' in Anwar Shah (ed), *Local Governance in Developing Countries* (The World Bank, 2006) p. 89.