

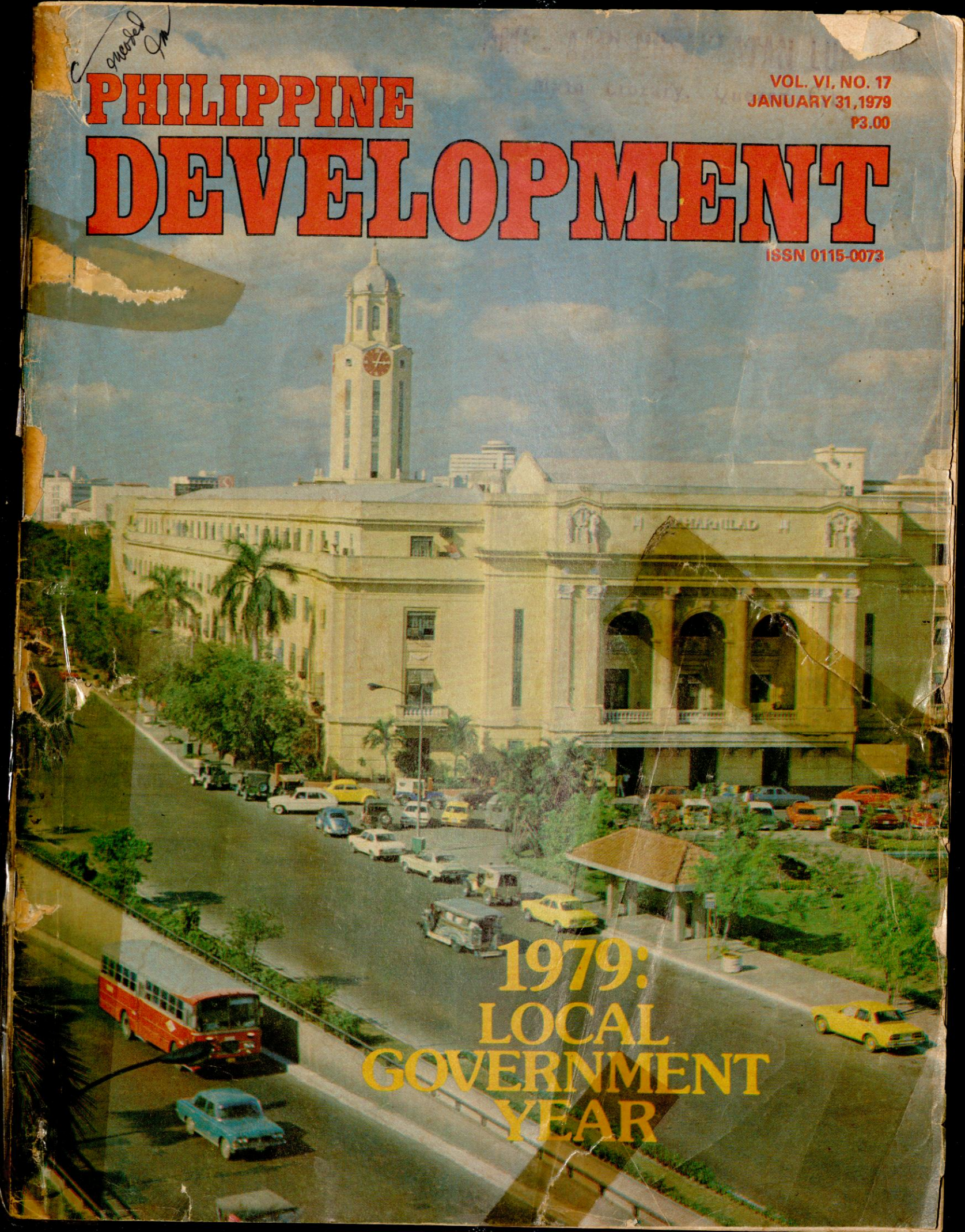
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**PHILIPPINE**

# **DEVELOPMENT**

VOL. VI, NO. 17  
JANUARY 31, 1979  
P3.00

ISSN 0115-0073



**1979:  
LOCAL  
GOVERNMENT  
YEAR**



**PHILIPPINE  
DEVELOPMENT**

**VOL. VI, NO. 17  
JANUARY 31, 1979**



*Manila is the site of this year's 24th World Congress of the International Union of Local Authorities. Cover shows the City Hall, one of Manila's most familiar landmarks.*

PHILIPPINE DEVELOPMENT (formerly NEDA DEVELOPMENT DIGEST) is published fortnightly by the Office of the Director-General of the National Economic and Development Authority. All materials may be reprinted provided they are properly acknowledged. Entered as second class mail matter at the Manila Post Office on August 14, 1973.

Letters and inquiries should be addressed to PHILIPPINE DEVELOPMENT, Economic Information Staff, NEDA Quezon City Complex, E. de los Santos Ave., Diliman, Quezon City.

**Subscription Rate  
P60.00 per year of 24 issues  
Retail Price P3.00 per copy**

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## Manila site of IULA 24th World Congress

The 24th World Congress of the International Union of Local Authorities (IULA), an organization of local government associations and individual governments, will be held at the Philippine International Convention Center from 5 to 9 February this year. Founded in 1913, the IULA has 70 member-countries throughout the five continents. The provision of channels of communication for the interchange of ideas and technologies aimed at improving local government administration has always been the Union's most important function.

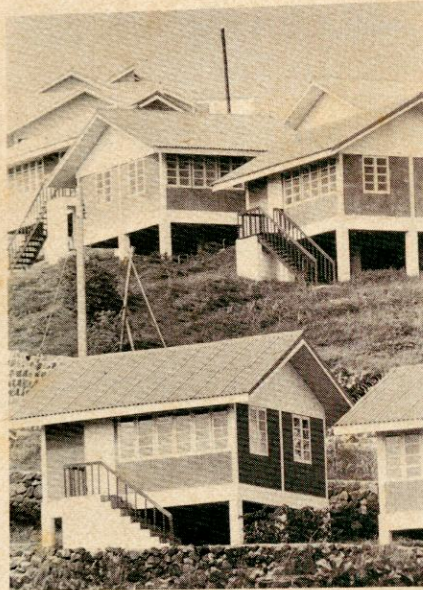
Moreover, it seeks to promote the cause of local autonomy, raise the standards of local administration, study all questions concerning local governments and the welfare of citizens and to foster the participation of the people in civic affairs.

To achieve these objectives, the Union's training department organizes biennial world congresses, regional seminars and small international meetings.

This year's Congress, the first to be held in the Philippines, will focus on the general theme "Partners in Progress". According to the organizers, the theme was chosen in recognition of the fact that local governmental structures have a distinct responsibility to cater for the direct involvement of the inhabitants. Furthermore, despite their great advantage over other governmental levels, local governments need the cooperation, the approval of the financial support of other governmental bodies.

The Congress will tackle such issues as:

—*Regional Development:* The coordination of planning and



implementation between local, regional and central government agencies;

—*Employment:* What can local governments do to create jobs?

—*Housing:* The planning, construction and improvement of low-cost dwellings; and

—*Finances:* How and on which basis are resources divided among the central, local and intermediate levels of government?

## Bidding starts for petrochem complex

Bidding for the two downstream plants of the integrated petrochemical complex were formally opened recently. A government petrochemical committee composed of staffers of the Ministry of Industry and the Ministry of Energy has been organized to evaluate proposals by private corporations. The committee has already received the first application for participation in the proposed polypropylene and low density polyethylene plants.

In compliance with the Board of Investments' 60-day rule, the deadline

for submission of proposals will fall sixty days after the acceptance of the first application.

Interested parties may submit their proposals to the petrochemical committee at their offices at the Board of Investments, Industry and Investment building, 385 Buendia extension or the Philippine National Oil Company, 7901 Makati ave., Makati, Metro Manila. The committee will screen proposals on the basis of the proposals' feasibility studies, format and their compliance with the guidelines and procedures of the BOI.

Initially, the petrochemical plants will produce 60,000 metric tons of polypropylene annually and 55,000 metric tons of low-density polyethylene. The winners of the bid will own majority control of the two plants and will enjoy incentives granted to pioneer industries under the Investment Incentives Act.

The proposed polypropylene and low density polyethylene plants will be based on imported olefins. Some 10 per cent of the plant will be owned by the government. The project is expected to be completed by 1982.

## 378 model communities to be set up this year

The Ministry of Human Settlements has chosen 378 communities all over the country which will be developed within this year into models demonstrating the human settlements approach to community building.

Human Settlements Minister Imelda R. Marcos said that in the next five years, there will be at least one such community in each of the country's 1,460 towns and cities "to serve as working examples of what it means to fully provide the 11 basic needs we have identified for human settlements."

President Marcos has directed the Ministry of the Budget to program and release to the MHS P1 million for each of

# NEWS

the country's 1,464 towns and cities, upon request of the Minister of Human Settlements.

Deputy Minister Jose Conrado Benitez said, "For the first time, the government is seeking to deliver all 11 inputs at an economically viable scale, so that right away, the benefits can be experienced by the people, with these model communities serving as the nuclei."

An executive order signed by President Marcos in December laid the basis for this project by formally adopting the Bagong Lipunan Sites and Services (BLISS) program as a development strategy.

BLISS has two major phases:

First, the selection and development of poor communities in three classifications, each to be declared a Bagong Lipunan site: in each town and city, a neighborhood community of 50 to 100 families occupying an area of at least 2.5 hectares; in each province, an agro-industrial community of 100 to 500 families occupying 50-200 hectares; and in each region, a watershed-based ecological community of 500 or more families living near a watershed area of at least 500 hectares.

Second, the coordination of programs and projects of both national and local governments in the declared Bagong Lipunan sites to effect provision of the 11 basic services as well as institutional development.

To familiarize local officials with BLISS, 75 provincial governors and 150 mayors of the country's chartered cities and regional capitals underwent a two-day live-in seminar sponsored by the ministry.

In her keynote speech, Mrs. Marcos said that work on 77 of the model communities will have been finished in three months. By the end of the year, she said, 300 of these communities will have been set up.

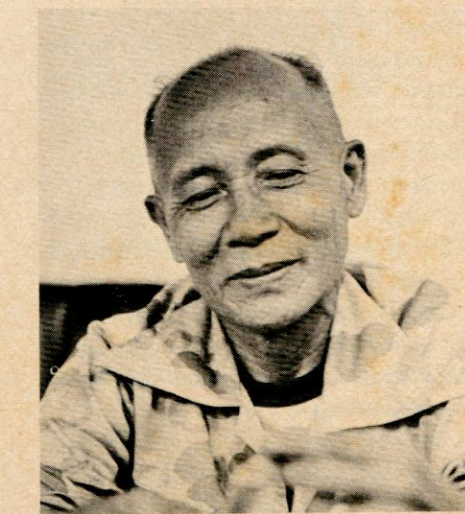
sectoral action officers, integrating essential services to maximize utilization of available resources.

6. Progressive fiscal policy and administration based on efficient tax collection, improvement of assessment procedures, more realistic valuation schedule of a real estate tax, more comprehensive inventory of real property and improvement, standardization and simplification of procedures for obtaining business licenses and permits.

7. Rational planning for future growth to reinforce Manila as the strategic center of the ASEAN-Pacific region, maintain an optimal balance between commercial, industrial activities to other growth centers around the country and create the new Lungsod Silangan, visible symbol of the City of Man, in the heart of expanded Metro Manila, "as the nucleus from which all humanist progress and development radiate toward the rest of the metropolis and the country."

## Filipino inventor develops lemon oil extraction method

A process for extracting oil from lemon grass or what is locally known as *tanglad* was recently developed by



Espiridion T. Somogod, an NSDB award-winning Filipino inventor.

The process, which is covered by Philippine Patent No. 11516 issued on January 13, 1978, involves the use of water distillation process whereby the steam treats the lemon grass to separate the oil from the leaves.

Using a simple stainless steel machine called 'Still,' the oil produced from the newly-developed process is sweet in odor with a clean and light yellow color. It is applicable to the manufacture of a large number of consumer items like perfume, flavoring ingredient for soap and other products and medicine. This is the same kind of oil that the Philippines imports annually from West Germany, the United States, Britain, India, Africa and Indonesia.

*Tanglad*, a principal ingredient in a Pampango chicken dish, is found in abundance in all parts of the country. The fresh leaves of this grass yield a substantial amount of oil.

With this breakthrough in the search for locally available manufacturing and industrial materials and the government's support for this kind of venture, the country can save millions of dollars annually.

## Energy conservation nets P73.3M savings

The Energy Conservation Movement (ENERCON) reported recently that its nationwide energy conservation programs last year resulted in fuel savings conservatively placed at 774,700 barrels of crude oil valued at P73.3 million at prevailing prices.

Among ENERCON's activities were energy consumption surveys and audits, energy management workshops, non-conventional energy seminars, rally and public awareness campaigns, essay-writing contests and rationalization of the importation of six-cylinder cars.

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The movement stressed that energy conservation "is more essential for all users today than ever before with the recent announcement by OPEC to increase crude oil prices by 14 per cent this year."

ENERCON's programs are directed at all energy-using sectors while at the same time giving recognition of what others are doing to promote conservation and stressing industrial firms' own capabilities and responsibilities to society, according to the movement's secretariat.

## Joint fishing ventures discussed in workshop

The rising clamor for exclusive economic zones and the growing demand for fishery products in the world market have increased the pressure on coastal states to enter into joint fishing ventures with major maritime countries.

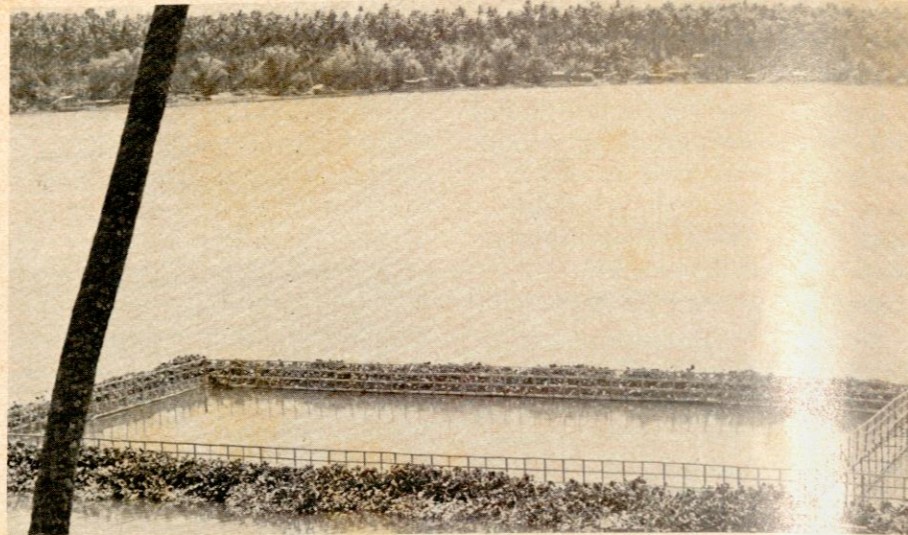
This was emphasized recently by Natural Resources Minister Jose J. Leido Jr. at the opening of the 12-day training workshop on joint fishery ventures in which 15 nations participated.

Leido said increased demand for fishery products provides opportunities for economic change for both resource-rich and technology-rich countries.

He said that while industrialized countries want to expand their market for fishing vessels, equipment and expertise, the developing coastal states also feel the need to acquire improved technology and capital to boost their own fishery development projects.

He added that the Philippines in recent months had received several offers for joint venture arrangements.

He said that while the MNR has existing policies on joint ventures, the country's policy framework is still in the process of being improved by the fishery industry development council and the private sector.



The workshop aims to train senior government officials in the legal and technical aspects of planning, negotiating, regulating and monitoring joint ventures in commercial fisheries.

## ADB grants \$9M loan for RP fishpen industry

The Asian Development Bank has granted the Philippines a \$9-million loan for the development of the fledgling Fishpen Industry.

Teddy Baguilat, acting general manager of the Laguna Lake Development Authority (LLDA), said the loan was split into two: \$6.4 million channeled to the Development Bank of the Philippines for loans to fishpen operators and lake fishermen; and \$2.6 million for the establishment by the LLDA of a tilapia and bangus hatchery in the lake.

Baguilat said that the hatchery will be put up sometime in April near the Los Baños area to serve the needs of the fishpen operators.

The DBP is still drafting guidelines to govern the grant of loans to fishpen operators and lake fishermen, the LLDA

official said.

He said, however, that the location of the fishpens which will be constructed with the loan funds had already been agreed upon.

This would be the east bay of the lake which is still relatively pollution free. The entire area is in Laguna. The fishpen belt area at present is located in the Rizal portion of the lake.

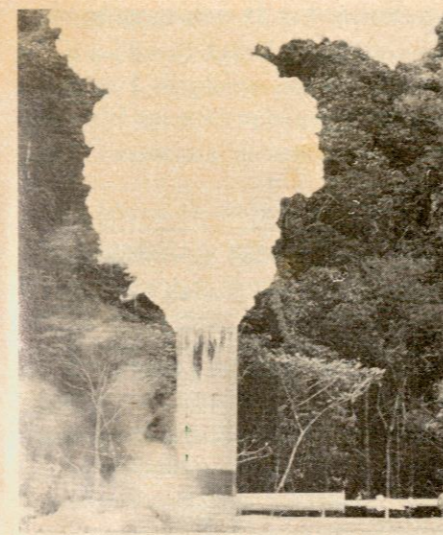
Fishpen operators in Laguna de Bay hailed the loan grant, observing that this was the first time a financing institution had recognized the potential of the fishpen industry.

## FM inaugurates first geothermal power plant

The Philippines became the world's seventh largest geothermal user when President Marcos recently turned on the switch that "put on stream" the P440-million 55-megawatt Tiwi geothermal plant in Albay. The pulling of switch in a ceremony at Malacañang made operational the plant, located in the heart of the Bicol Region.

The new plant, the first of four in Tiwi, is designed to supply the energy needs of the entire Bicol region and will

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augment power in the Southern Tagalog areas, including Metro Manila.

In his remarks, during the inauguration rites, the President said the development of geothermal energy is "so critical and crucial" not only to the country's economy but to its very security, because the Philippines depends on oil-generated electricity to the extent of 94 per cent.

"We hope to reduce our dependence on oil as much as possible with the development of geothermal and hydro-electric sources," he added.

According to the President, in addition to the geothermal projects, the government is constructing a nuclear plant in Bataan, a pumped storage hydro-power plant in Laguna, a conventional hydro-power plant in Isabela and a small auxiliary hydro-power plant in Nueva Ecija.

The largest single thermal unit yet constructed is also about to be completed in Rizal. It will add 350 megawatts of base load capacity.

When all these projects will have come on stream by 1983, they will increase the present installed capacity of 2,473 megawatts in Luzon by 91 per cent to the level of 4,735 megawatts.

The President, citing consumers statistics, said that the maximum demand at peak hours, for electricity in Luzon was 1,750 megawatts in 1978. Demand is projected to grow by 9 per cent annually, on the average, during the subsequent five-year period and reach 2,693 megawatts by 1983.

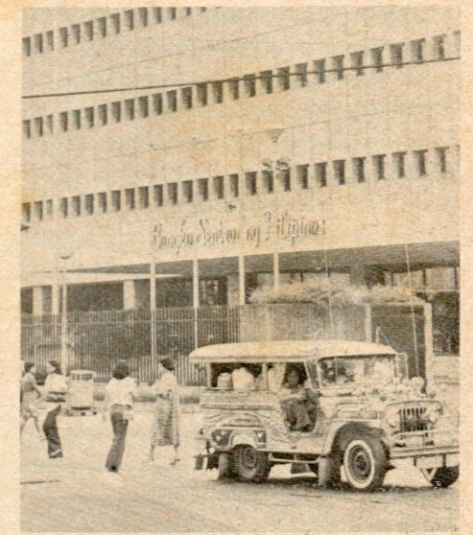
In the Visayas and Mindanao, he said, the growth of power generation capability over the next five years will exceed that of Luzon. In Mindanao, the National Power Corporation is constructing five power plant with a total capacity of 444 megawatts, equivalent to 136 per cent of currently installed capacity of 327 megawatts.

"The share of oil-based thermal plants in the total generating capacity will be reduced from the present 75 per cent to less than 50 per cent by 1983. Oil-fired power capacity is expected to drop further to 29 per cent in 1987. Hydro-capacity will be double its present 24 per cent contribution, to 51 per cent. Coal-fired capacity will reach 735 megawatts. Geothermal plant capacity is projected to reach 775 or even 900 megawatts. The first nuclear unit will be contributing 620 megawatts by 1983," the President said.

## CB set to implement six programs to boost business

The Central Bank will implement six major programs this year designed to make private business expand their activities to meet targets set in the five-year development plan.

In a speech delivered before the Financial Executives Institute of the Philippines (FINEX), CB Gov. Gregorio S. Licaros said the programs are designed to create a financial environment that would allow the CB to extend maximum support to private business.



The six programs are:

1. Interest rates will be maintained at their present levels to encourage domestic investment. The CB will float longer maturing certificates of indebtedness (CBCIs) with fixed yields;

2. Credit priorities will be more closely tied with the development objectives under the National Economic and Development Authority's five-year development plan. Primary emphasis in credit allocation will be given to agriculture, food processing, small- and medium-scale industries and nontraditional exports.

3. The CB is currently formalizing rules and regulations that would hasten the development of a bond market. These rules are designed to tap and mobilize more savings for investment purposes.

4. The financial system will be modified to allocate more resources to the human settlements program. The resources will be used to meet increased housing demands and basic human needs.

5. The CB will continue to evaluate the capital adequacy of various types of banking institutions. It will issue the proper measures in case more capital is

necessary. This is designed to strengthen the banking and financial system.

6. The CB is firming up plans to establish a new institution that would handle secondary trading of long-term debt and equity issues. Another institution will be put up to handle special mortgage functions. Licaros said the absence of these types of institutions is one factor that has been hampering the growth of a capital market. With the creation of these institutions, the financial system will have a vehicle for longer-term financing.

## Mactan EPZ to provide jobs for 33,000 persons

Establishment of the multimillion-peso Mactan Export Processing Zone (MEPZ) in Lapulapu City is expected to provide employment for at least 33,000 persons, the National Economic and Development Authority said recently.

According to the NEDA, the zone, covering more than 100 hectares, will be devoted mainly to light labor-intensive industries unlike its counterpart—the Bataan Export Processing Zone—which caters to all types of industries.

Basically export-oriented, the MEPZ project will start once the privately owned lands in the site are acquired by the government, the NEDA said.

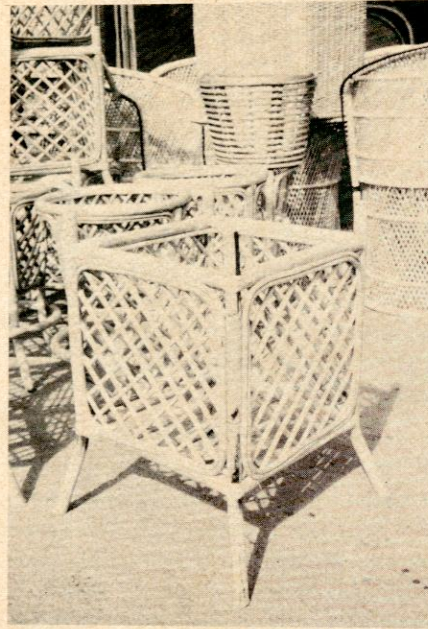
The NEDA said 38 hectares of the site is owned by the Civil Aeronautics Administration, 45 hectares by private persons and the rest will still have to be reclaimed.

To be developed initially is an 83-hectare area marked for road networks, greens, houses, administration area, net factory area and others, the NEDA added.

The development cost, the NEDA said, is expected to run up to more than ₱400 million in the first three years of

the project and another ₱400 million in the succeeding years.

About 81 companies will be allowed at the zone, the NEDA said.



## Cottage industry exports up by 31 per cent in '78

Cottage industry exports in 1978 are expected to reach \$295 million, up by 31 percent over the previous year, the Ministry of Trade reported recently.

Embroidery products maintained its premier position among cottage industry exports with total earnings of \$83.74 million. This is equivalent to a 24 percent increase over the previous year's sales of \$67.5 million.

Bamboo and rattan products increased by 23 percent with expected export earnings of \$42.14 million. Woodcraft, in spite of raw material supply problems, posted a 4 per cent increase last year with total foreign exchange earnings of \$30.57 million.

Almost all other export items registered increases as follows:

needlecraft, \$13.75 million, up by 16 percent; shellcraft, \$12.29 million or a 4 percent increase, metalcraft, \$10.01 million, up by 14 percent and fibercraft, \$11.67 million or an increase of 17 per cent.

## PNB gets \$60M commodity loan from four Swiss banks

Four Swiss banks have granted the Philippines a concessionary or soft loan amounting to \$60 million for relending to enterprises for importations that qualify under the seven priorities laid down by the Board of Investments.

Relending of the loan proceeds which started this month is coursed through the Philippine National Bank (PNB) which is directly liable to the Swiss banks and assumes the primary risk in the relending of the loan proceeds. The loan proceeds shall be exclusively used by borrowers for the purchase of Swiss capital goods and services.

The banks which granted the loan were the Swiss Banking Corporation, Credit Suisse, Union Bank of Switzerland and Swiss Volks Bank.

All contracts under the facility, which should have an invoice value of at least 100,000 Swiss francs, require prior approval of the Ministry of Finance.

The repayment schedule is within a period of 10 years for capital goods and project financing and five years for services financing.

For capital goods and project financing, the interest rate is flexible and will be charged on the outstanding balance from 1-3/4 percent to 1-5/8 per cent above the average issuing rate of the Swiss banks' cash bonds prevailing at the time of the availment.

For services financing, interest on the outstanding balance shall be charged at

1-3/4 percent above the average issuing rate of the Swiss banks' cash bonds with a maturity corresponding to the total lifetime of the credit, prevailing at the time of each such availment.

## Gov't plans to develop more resort complexes

President Marcos has announced government plans to develop resort complexes in various sections of the country to promote local tourism and stimulate the inflow of foreign visitors to the Philippines.

The President made the announcement after he and the First Lady inaugurated the 16.8-kilometer Biñan-Carmona-Dasmariñas road, providing a faster link between the South Superhighway in Laguna to Tagaytay City. The new road connects Biñan, Laguna to Dasmariñas, Cavite.

The opening of the ₱11.7-million road, the President said, marks the beginning of efforts of the national government to put up resorts near Metro Manila to provide tourists, as well as Filipinos, with attractive side trips.

He added that the government will continue to build such roads which, he said, are not only crucial to the tourist trade but will also open up easier market access to vast, fertile agricultural lands.

The completed road was a project of the Ministry of Public Highways and was built by the Construction and Development Corporation of the Philippines.

It links South superhighway in Laguna to scenic spots in Tagaytay City; Nasugbu, Batangas; and the beach resorts in Ternate, Cavite. It cuts travel time from two hours to 75 minutes.

Started November, 1978, the project involved the complete repair and improvement of the old Biñan-

Dasmariñas road. It also included the construction of new roads, bridges, overpasses, and the widening and asphalt-paving of old ones.

The President also disclosed that a diversionary road that would enable the new highway to bypass the Cardona poblacion is expected to be completed by March 15 this year.

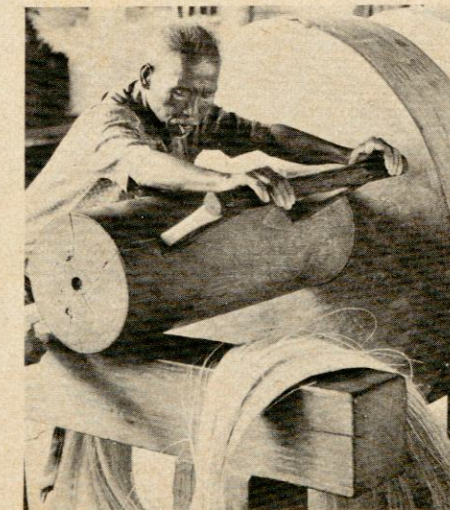
## Abaca growers to get government support

The Board of Investments has finalized plans to revitalize the country's abaca industry which was once a leading foreign exchange earner.

The scheme, according to governor Caesar Lanuza of the Board of Investments, covers the production, marketing and processing phases of abaca.

Lanuza is the governor for agri-business of the BOI and the administrator of the Abaca Industry Development Authority (AIDA).

As spelled out in the plan, trading posts will also be established locally to avoid fluctuations in abaca prices. The trading posts will be patterned after those set up for the tobacco industry in Northern Luzon.



The bigger and more liberal credit schemes for abaca growers are intended to rehabilitate existing plantations through the acquisition of equipment and machinery from foreign suppliers.

At the same time, the government will promote the mechanization of plantations for bigger markets. High-yielding varieties will also be introduced, Lanuza said.

The government will also train technicians and farmers on modern production techniques and practices and develop new abaca-based products and markets.

Lanuza said that the concept behind the stock-piling of abaca is the imposition of price ceilings that would enable farmers to sell at profitable margins while assuring buyers of reasonable and stable prices and supply.

The trading posts and auction floors, on the other hand, will be tested in pilot areas to determine their feasibility in streamlining marketing and eliminating middlemen, he said.

In this connection, Lanuza said market surveys are being planned to improve the present distribution channels and to systematize the monitoring of prices from municipal level to final export level.

Also included in the plan is a similar survey of world markets and international consumer demand for finished and semi-finished abaca products which will be undertaken to assist the abaca processing sector.

Lanuza said that the study will be made on various outlets of abaca products to indicate the direction for the production and export of new abaca-based items and new uses for abaca fiber.

To support abaca growers, the AIDA administrator said that there is a plan to liberalize the credit that can be availed of by abaca farmers from Development Bank of the Philippines.

# STATISTICAL INDICATORS

## NATIONAL AND LOCAL GOVERNMENT TAX REVENUES CLASSIFIED BY TYPE OF TAX: FY 1958-59 TO FY 1974-75

The total revenue generated by national and local government from taxation increased sixteen-fold from ₱928 million in FY 1958-59 to ₱15,006M in FY 1974-75 at a long-term growth rate of 19 per cent. This increase was mainly contributed by the tax collections of the national government which grew from ₱766M to ₱13,572M during the same time period, or a 19.7 per cent rate of growth. However, an increase in the local government tax revenue at a considerably high 14.7 per cent growth rate could not be overlooked since an eightfold increase was registered over the 17-year period.

Of the aggregate local government tax revenue of ₱10,090M collected over 17 years, ₱9,333M or 92.5 per cent was

contributed by four major sources, namely: internal revenue allotment at ₱2,946M or 29.2 per cent; real property taxes at ₱2,671M or 26.5 per cent; taxes on income estate, legacies, inheritance and gifts at ₱1,905M or 18.9 per cent; and municipal licenses at ₱1,811M or 17.9 per cent.

The ₱1,454M tax revenue collected by local government in FY 1974-75 was accounted for by direct taxes which amounted to ₱497M, and indirect taxes which totalled ₱957M or about 93 per cent of the direct tax contribution.

Although only about 10 per cent of the total revenue from taxation was shared by local government in FY 1974-75, this need not cause alarm since the annual growth rate of 15.2 per cent

between FY 1973-74 and FY 1974-75 was still higher than the overall average rate of growth at 14.8 per cent. The local government has shown, for the last five years of the period covered, higher capability for raising revenues as indicated by the higher average growth rate for the period at 16.4 per cent when compared with the overall average rate.

### Summary

Revenues generated from indirect taxes were generally higher than revenues collected from direct taxes in both the national and local governments for the period FY 1958-59 to FY 1974-75.

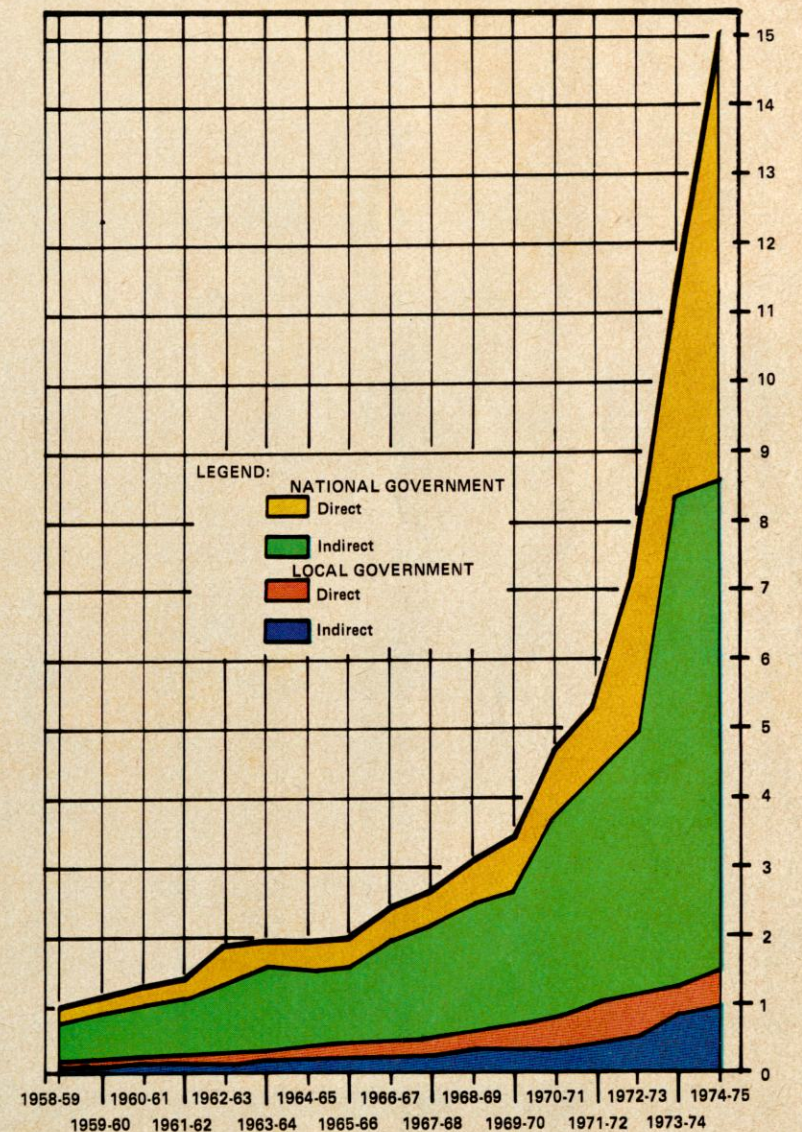
The annual growth rate of total revenue from taxation was highest

between FY 1972-73 and FY 1973-74 at 53.8 per cent presumably due to the newly-imposed martial rule which triggered the development of tax reforms instituted by government. Also, tax awareness campaigns of the implications of tax evasion were intensified during this period. In contrast, annual growth rate was lowest for FY 1963-64 to FY 1964-65 at 0.3 per cent.

An overview of the long-term growth rates of tax revenues computed for FY 1958-59 and FY 1974-75 signified opposite trends in the national and local governments with respect to direct and indirect taxes, in that growth of direct taxes was higher than indirect taxes in the national level while the reverse was registered in the local level.

## NATIONAL AND LOCAL GOVERNMENT TAX REVENUES CLASSIFIED BY TYPE OF TAX: FY 1958-1959 TO 1974-75

In million pesos



NATIONAL AND LOCAL GOVERNMENT TAX REVENUES CLASSIFIED BY TYPE OF TAX: FY 1958-59 TO FY 1974-75  
(In million pesos)

Item	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	Long Term Growth Rates
<b>TOTAL REVENUE FROM TAXATION</b>	928	1,085	1,196	1,351	1,649	1,905	1,910	1,961	2,370	2,658	3,071	3,418	4,619	5,362	7,216	10,008	15,026	19.0%
<b>National Government</b>	766	909	978	1,103	1,363	1,561	1,524	1,560	1,916	2,162	2,494	2,726	3,325	4,367	5,224	7,408	13,572	19.7%
Direct	191	217	243	260	325	355	389	392	418	513	681	738	886	1,012	1,366	2,221	6,397	24.5%
Indirect	575	692	735	843	1,038	1,206	1,135	1,168	1,498	1,649	1,813	1,988	2,939	3,355	3,799	5,187	7,175	17.1%
<b>Local Government</b>	162	176	218	248	286	344	386	401	454	496	577	692	794	995	1,240	2,402	1,454	14.7%
Direct	67	71	96	119	139	170	191	213	250	248	271	354	426	574	636	1,332	497	13.3%
Indirect	95	105	122	129	147	174	195	188	204	248	306	338	368	421	604	1,070	957	16.5%
<b>LOCAL GOVERNMENT</b>																		
Direct Taxes	67	71	96	119	139	170	191	213	250	248	271	354	426	574	636	1,332	497	
Residence Taxes	4	4	4	4	5	5	5	11	10	10	12	12	14	14	14	14	497	
Taxes on income estate, legacies, inheritance and gifts	6	9	29	46	57	83	97	105	129	118	147	170	249	320	307	26	7	
Real Property taxes	57	58	63	69	77	82	89	97	111	120	112	122	163	230	375	286	443	
Alien registration fees	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
Indirect taxes	95	105	122	129	147	174	195	188	204	248	306	338	368	421	604	1,070	957	
Internal revenue allotment	43	49	58	66	76	94	106	88	99	128	172	184	204	236	275	407	561	
Taxes on agricultural products	6	5	5	4	2	2	1	1	1	1	2	2	2	3	3	*	1	
Franchise tax	3	3	4	4	5	5	6	9	4	8	13	7	15	23	22	1	1	
Advalorem taxes	*	1	*	1	1	1	1	1	1	1	1	3	4	4	4	*	1	
Weights and measures	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
Municipal licenses	42	45	49	52	58	64	71	76	82	98	105	103	116	126	157	283	314	
Special license tax	*	*	*	*	*	*	*	*	*	*	1	1	1	1	3	2	3	
Others revenues	1	2	6	2	5	8	10	13	12	12	12	18	26	29	34	50	76	

\*Less than half of the unit employed.  
n.a. - Data not available.  
Source: 1978 Philippine Statistical Yearbook, NEDA.



# THE DEVELOPMENT OF LOCAL GOVERNMENT IN THE PHILIPPINES

When President Marcos initiated the move "back to the *barangays*," he revived a form of local government whose antecedents date back to pre-colonial times.

The historical development of local government in the Philippines begins with the pre-colonial *barangay*, and at present finds its form in the *barangays* existing today. In between, local government underwent various forms through the periods of various colonizers and invaders; through the periods of the struggle for independence and for the Republic, and through the major transitions in Philippine history.

The history of local government in the Philippines begins with the pre-colonial *barangay*.

#### THE BARANGAY

The *barangay* (from the Malay "balangay", meaning a boat) was the earliest form of local government in the archipelago. These barangays were generally small, consisting of about 30 to 100 families. The population was generally between 100 to 500 people, although accounts from this period cited *barangays* consisting of 20 to 30 people, as well as some, like Manila, with about 2,000 inhabitants.

In *The Philippines: A Past Revisited*, historian Renato Constantino describes the *barangays*: "The autonomous barangay communities that the Spaniards encountered were in the main primitive economic units with a system of subsistence agriculture which provided them with barely enough for their needs."

"The village chief was the administrative leader of the community; he was not an absolute ruler. First, the scope of his authority was limited by a traditional body of customs and procedures. Second, although his position had become hereditary it was originally attained by an exhibition of greater prowess and valor, traits useful for the community's survival . . . Since the original basis for leadership was his superior personal attributes, he could be replaced if for some reason his position weakened . . . Finally, unlike the rulers of class societies, chieftainship was not his exclusive occupation. Although the chief exercised executive, judicial and military functions when these were required, in most communities he remained a farmer and wove his own cloth like the rest of the barangay members."

#### THE SPANISH COLONIAL PERIOD

The Spanish colonizers found various *barangays* in different states of development. However, the necessities of colonialism being as they are, the form of administration practiced by the *barangays* was supplanted by the colonial government established by the conquerors.

During the Spanish occupation covering the period between 1565 and

1898, the country was organized into different levels of political units—provinces, municipalities and the *barangays*. At the head of the colonial government was the governor-general, who exercised supervision over these units.

There were 2 kinds of provinces: the *alcaldias* or civil provinces and the *gobiernos* and *corregimientos* or military provinces. The civil provinces were headed by the governor who was first called *alcalde mayor* while the military provinces were governed by *gobernadores* and *corregidores*, respectively.

Cities were governed by special charters. Each city had a *cabildo* or *ayuntamiento* (city council) composed of two *alcaldes ordinarios* (equivalent to mayor and vice mayor) eight councilors, a secretary and two sheriffs. Some of the cities established during this period include Cebu (first city to be established), Manila, Iloilo, and Batangas.

The municipalities or *pueblos* were under the responsibility of the *gobernadorcillo* who was also called *capitan*.

The Spanish government retained the *barangays* as the basic local government unit purposely for direct collection of taxes and contributions. The name *barangay* was changed to *barrio*. The title of *datu* was also changed to *cabeza de barangay* giving the position a Spanish tone and reflecting the interests it was meant to serve. The position, however, became appointive instead of hereditary.

For purposes of local government administration, the municipalities and the provinces were the formal political subdivisions of the country. The *barrios* had no political or corporate character. Thus, the responsibilities of the *cabeza de barangay* were primarily to look after the peace and order of the *barrio* and to collect revenues from *barrio* members and to see to it that qualified *barrio* members rendered compulsory personal labor for public works. In other words, his task was almost no more than to see to it that the colonial exploitation on the *barrio* level goes on smoothly.

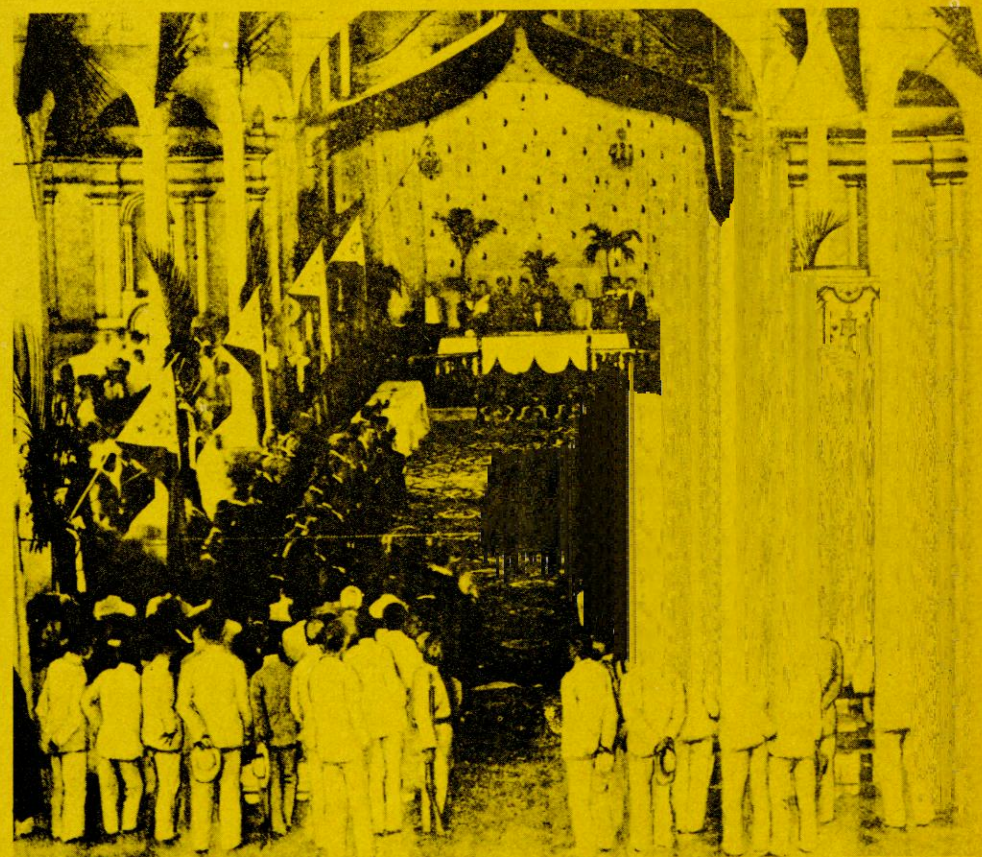
#### THE PHILIPPINE REVOLUTIONARY GOVERNMENT

The Filipino's simmering discontent with the Spanish colonizers eventually found its true expression in the Philippine Revolution. Two events subsequent to the Revolution were to hold important implications for local government: the establishment of the Revolutionary Government and the drawing up of the Malolos Constitution.

The Revolutionary Government established on March 22, 1897 paved the way for some changes in Philippine local government. General Emilio Aguinaldo, who headed the Revolutionary Government, promulgated decrees which provided for the administration of provinces and municipalities and "rules of instructions" on the holding of meetings, the organization of a police force, the conduct of trials, civil registries and the polls and the administration of taxes and registration of property.

The municipalities were governed through the elected "popular council" which consisted of the town chief called *presidente*, the headman of each *barrio* within the municipality and three representatives, one each for justice and civil registry, for police and internal order and the third for property and taxes. The provinces were governed by a provincial council composed of the *presidente* of the capital of the province and the governor and three councilors, one each for police, justice and taxes. The governor and the three councilors were elected through majority vote by the *presidentes* of the towns comprising the province.

The Malolos Constitution of 1898 contained specific provisions on local governments. Article 82 of the Constitution stated that the organization and powers of the provincial and municipal assemblies shall be regulated by their respective laws. Specifically, the section provided that the administration of the interests peculiar to the province or town shall be based on the principle of popular and direct election, publicity of the sessions, local budgets, local accounts and other important local decisions. However, the same article authorized the intervention of the government or the national assembly in local affairs to





## The Malolos Constitution of 1898 contained specific provisions on local government.

prevent the provincial and municipal governments from exceeding their powers.

### THE AMERICAN REGIME AND THE PHILIPPINE COMMONWEALTH

Unfortunately, the Malolos Republic was a short-lived one. The democratic aspirations of the budding Republic were to be dashed to the ground by another set of invaders, this time hiding behind the very word "democracy."

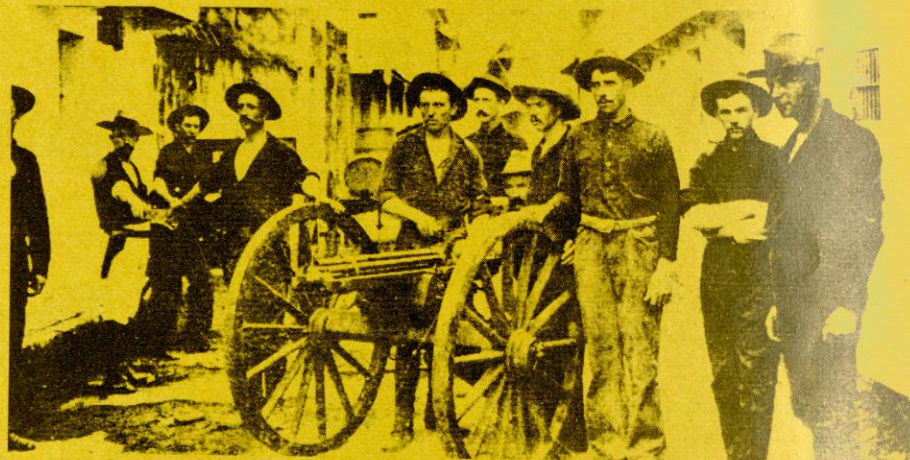
The Americans proceeded to impose their own system of local government on their newly-acquired colony. Since colonialism is built on the type of administration that is imposed on the colony, the form of local government is necessarily an important factor in the success of any colonial endeavor. Bearing this in mind, the Americans proceeded to reorganize the country along the lines of their plans for the Philippines.

Municipalities, the first form of local government unit to be revitalized and organized under the American regime, were sanctioned by virtue of General Order No. 43, s. 1899 which was

superseded by Gen. Order No. 40, s. 1900. Subsequently, the basic laws for provinces and municipalities were promulgated by the Philippine Commission in 1901 Act No. 82, dated January 31, 1909 provided for the organization and government of municipalities while Act No. 83, dated February 9, 1901, provided for the organization of provinces.

Local responsibilities virtually remained the same. However, instead of the provincial officials looking after the activities of the municipalities, the supervision and approval of the actions taken by municipal officers were the concern of the American army officer stationed in the town who was responsible to the Military Governor.

In 1935, the Philippine Constitution was adopted and Commonwealth of the Philippines was inaugurated. The system of local government remained the same. However, the title of the chief executive (presidente) of municipalities was changed to mayor and the *vice presidente* to vice mayor. In addition, special provinces, sub-provinces and municipal districts were created.



### THE JAPANESE OCCUPATION

The outbreak of the Second World War brought new conquerors to Philippine shores. The Japanese occupied the Philippines with their notion of a "Co-Prosperity Sphere," and proceeded to impose their own idea of administrative control over the islands.

During the Japanese occupation, the Philippine Executive Commission was

established as the central administrative organ for the Philippines. The Chairman of the Executive Commission appointed the provincial governors and city mayors while the municipal mayors were appointed by the Commissioner of Interior. While responsibilities for local administration were vested on the governors and city mayors, all their actions were subject to the approval of the Japanese garrison commander assigned in their areas.

### PHILIPPINE LOCAL GOVERNMENT: 1946-1972

On July 4, 1946, the Philippines gained independence. The 1935 constitution was adopted for the newly-formed republic.

The local government scheme remained the same, with the political subdivisions of provinces, cities, municipalities and barrios. In addition, sub-provinces and municipal districts were formed.

In the period before 1972, the power to create local units was a specific function of Congress. Supervision and control of local governments, as exercised by the President, was done through various means and agencies. The main agency responsible for coordination and supervision was the Local Governments and Civil Affairs Office. The Executive Secretary was in charge of this office, which dealt with boundary disputes, the establishment of new units and the appointment to local positions.

In the late 1950s to the 1960s, it was recognized that some degree of autonomy on the part of local government units would help in the process of nation-building and in the fuller practice of democratic processes. Thus, several legislative measures toward this were passed: The Local Autonomy Act of 1959, the Barrio Charter of 1959 (later revised in 1963) and the Philippine Decentralization Act of 1967.

The main features of the latter were decreased central control over local activities and budget, increased local taxation, financial management and personnel appointment powers.

Many expressed dissatisfaction with the Decentralization Act, claiming that it was ineffective in pursuing its goals. Others said that it was better than nothing. However, it remains as one of the first tentative steps toward greater local autonomy.

### LOCAL GOVERNMENT UNDER THE "NEW SOCIETY"

Throughout the succession of colonial rulers up to independence, the system of local government followed basically the same structure as that last established by Spain before the turn of the century. For the most part, even the boundaries, sets



of officials and their titles have been retained.

However, with the proclamation of Martial Law in 1972, local government would enter a new phase.

#### BACK TO BARANGAYS

In 1974, the *barrios* were reorganized and renamed *barangays*. The change was not merely one of nomenclature. The *barangay* became the basic units for local governments. They were organized into federations at each level, up to the national level. Thus, there are *barangay* federations at the municipal, city, provincial, regional and national levels.

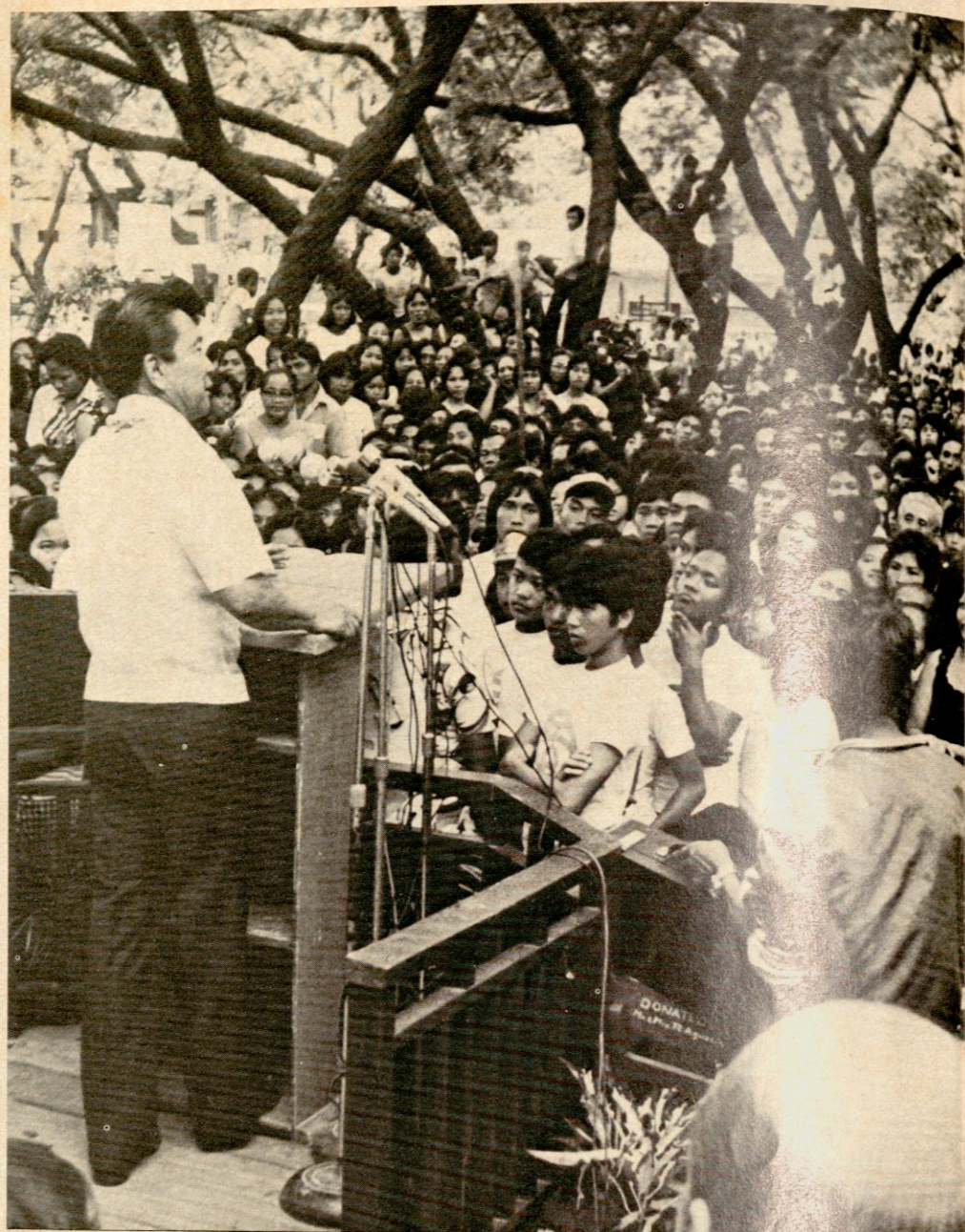
The *barangays* of today share little, apart from the name, with the *barangays* of pre-colonial times. Presidential Decree No. 86-A uses the word *barangay* to refer to citizen's assemblies. The purpose of these *barangays*, as propounded by the decree, was "to broaden the base of citizen participation in the democratic process and to afford ample opportunities for the citizenry to express their views on important national issues."

Basically, the *barangay* organization follows the structure of barrio government under the *Revised Barrio Charters* (now identified as the *Barangay Charters*). The structure of the *barangay* government thus consists of the *barangay* assembly, the council, and the *barangay* officials, namely captain, secretary, treasurer, and councilmen, plus the representation of the *Kabataang Barangay*.

#### THE DEPARTMENT OF LOCAL GOVERNMENT AND COMMUNITY DEVELOPMENT

On November 1, 1972, the Department of Local Government and Community Development was created, pursuant to the Integrated Reorganization Plan and Letter of Implementation No. 7. The creation of the DLGCD brought under one umbrella all agencies having anything to do with local government, in order to systematize, coordinate and supervise the local units more effectively.

The Department had three main objectives: "to strengthen local government, to enhance community



development, and to pursue a dynamic and purposeful cooperative system." To pursue these three objectives, three bureaus were established: the Bureau of Local Government, the Bureau of Community Development and the Bureau of Cooperatives Development.

The Department (now Ministry) has the following responsibilities:

To assist the President in exercising general supervision over local government.

To strengthen local governments to enable them to perform their functions under conditions of greater autonomy with increasing capacity to govern and carry out development programs.

To formulate, develop and coordinate programs on urban and rural community development in which the greatest participation of local communities shall be encouraged.

To promote, organize and develop Barrio associations (Samahang Nayon) which will serve as the foundation of the cooperative system in the country and develop new areas of cooperative enterprise.

To administer technical assistance, training and research programs with local government participation to improve management of local governments and enhance the utility of community development and cooperatives as agents of social change.

#### THE METROPOLITAN MANILA COMMISSION:

The Metropolitan Manila Commission was created by virtue of Presidential

Decree No. 824. This formalized the establishment of a central government for the area, now composed of the cities of Manila, Quezon, Pasay and Caloocan, plus the municipalities of Makati, Mandaluyong, San Juan, Las Piñas, Malabon, Navotas, Pasig, Parañaque, Pateros, Muntinlupa, Taguig and Valenzuela.

Before P.D. 824, on February 27, 1978, the residents of the Greater Manila Area, in a referendum authorized the President to restructure the local governments of the four cities and 13 municipalities in the area into an integrated government of the manager commission form.

The Commission performs general administrative, executive and policy-making functions. The President exercises supervision and control, and has the power to revoke, amend or modify any ordinance, resolution or act of the Commission.

The MMC is the central government created under the same decree to administer the MMA which has the status of a public corporation) and provide essential municipal and public services common to the area. It is headed by a Governor who discharges the powers and functions of the Commission pending its full constitution. Assisting the Governor are an Executive Secretary and Action Officers for finance, planning, operations, traffic, infrastructure, health, transportation, information, peace and order, housing and legal affairs.

The development of local government in the Philippines is a continuous process of change and evolution.

#### CHANGES IN LOCAL GOVERNMENT

The development of local government in the Philippines is a continuous process of organization, reorganization, replacement, modification, adaptation—in other words, a process of change, of evolution. Historical and economic necessities provide the impetus for change and development. From the pre-colonial *barangays*' to the successive colonial periods, to independence and up to the present, the development of local government has been unceasing. The Philippines, after all, is a nation in search of an ideal, and as the search goes on, so must the development of new forms of local government. ESC



*Proclamation No. 1759 declares 1979 as the Local Government Year and February opens with the twenty-fourth Congress of the International Union of Local Authorities (IULA), a worldwide, professional, and non-political organization that seeks to develop local governments throughout the world.*

*Over 3,000 candidates from local authorities, institutes of public administration, research institutions, and corporate bodies involved with local governments of 60 member countries will gather at the Philippine International Convention Center from 5 to 9 February 1979 to discuss the vital*

*role of local governments in developing countries.*

*Even more important, as the Philippines is brought into international focus with the IULA Congress, the national government will continue to instill in the nation's consciousness the necessity for active, personal participation in development.*

# 1979: LOCAL GOVERNMENT YEAR

## Trends in Local Government Administration

The celebration of Local Government Year is an invitation to the citizen to review the government's four- and five-year Plans and observe the events after the Philippine government pledged itself to the democratization of citizen participation and wealth since after September 1972. The Martial Law government immediately studied arrangements that would restore a sense of order and vigor in the Filipino's daily life.

Local governments in the provincial, municipal, and city levels were clearly control points from which fresh approaches could be taken. It was clear, however, that the job of renewing faith in the motivation to start all over again had to come from within each Filipino. The country was caught in a situation where social consciousness was the only way of surviving just at the time when a view of the collective presented no more than a discouraging picture of skirmishes over scarce resources and benefits hoarded in the pockets of a select few.



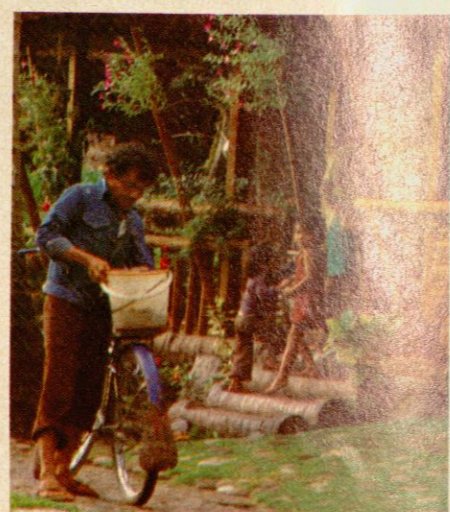
The Martial Law government was, therefore, regarded as indispensable in hauling the country's resources together soon enough before an uncontrollable snowball of disruption. A temporary period of unilateral control was necessary to settle down, think, and execute models for the eventual participation of the citizenry. Daily slogans in the radios, movies, newspapers, magazines, and government offices reminded citizens of the New Society that needed to be realized in their own little lives. The concepts "progress" and "development" were only too easily talked about. One had to act on them. So the themes of self-reliance on an individual personal basis and administrative decentralization on an institutional basis were imperative. The *Five-Year Development Plan, 1978-1982* bears this out.

Local forms suitable for social, economic, cultural, and political expression all at once were instituted. Then emerged the *Sangguniang Bayan* (local legislative councils), *Barangay* (village councils), *Kabataang Barangays* (village councils for youth), and *Batasang Bayan* (legislative advisory council), all united under the singular principle of participatory democracy through mutual and frequent consultation between government and the people in plebiscites and referendums. These recent political units have broadened the national coverage of representation and have reached a wide cross section of the country's youth, villager, city dweller, professional, agricultural worker, industrial workers among others.

The government continues to create new structures for more opportunities in informal self-management.

The resulting changes in movement were apparent. Citizens, particularly the youth, were, in a more organized way, contributing time, talent, and effort in executing government programs and projects covering social welfare, food production, cleanliness, beautification, sports, education, and culture. Never was it so clear that one had to work for what one wanted. National progress could not just be an idea in the head. If one wanted to see clean streets, one had to pick up the broom and sweep. If green trees that lined the middle isles of boulevards and thickened the thickets of vacant stretches of land meant

beautification, more pleasing scenes for residents and foreign tourists, and therefore, more oxygen and foreign exchange—then, by all means, one could go to the seed bank of the Bureau of Plant Industry for free seedlings, plant a tree, and, in one's own, add to the landscape one always wanted. If one was hungry, one way only had to get free seedlings and advice to start a backyard plot. If one was bored and feeling useless, the *Kabataang Barangay* had lined up plays, sports events, and skills training programs to lend some value to otherwise squandered time, especially for the out-of-school youth. In sum,



government has organized and channeled the nation's energies into activities self-propelling towards the public expectations of progress. The *Sangguniang Bayan*, *Barangays*, *Kabataang Barangays*, and *Batasang Bayan* have systematically reached roof and base to inspire accomplishment.

#### More Room for Informal Self-Management

##### *Katarungang Pambarangay*

Government continues to create new structures for more opportunities in informal self-management. Slowly but

surely, government is educating the people away from passive anticipation of solutions.

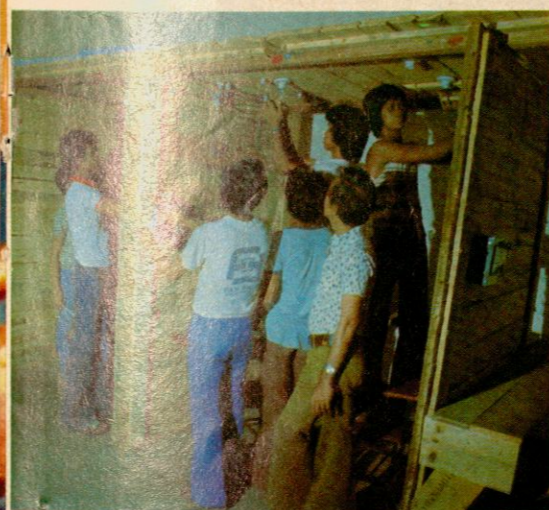
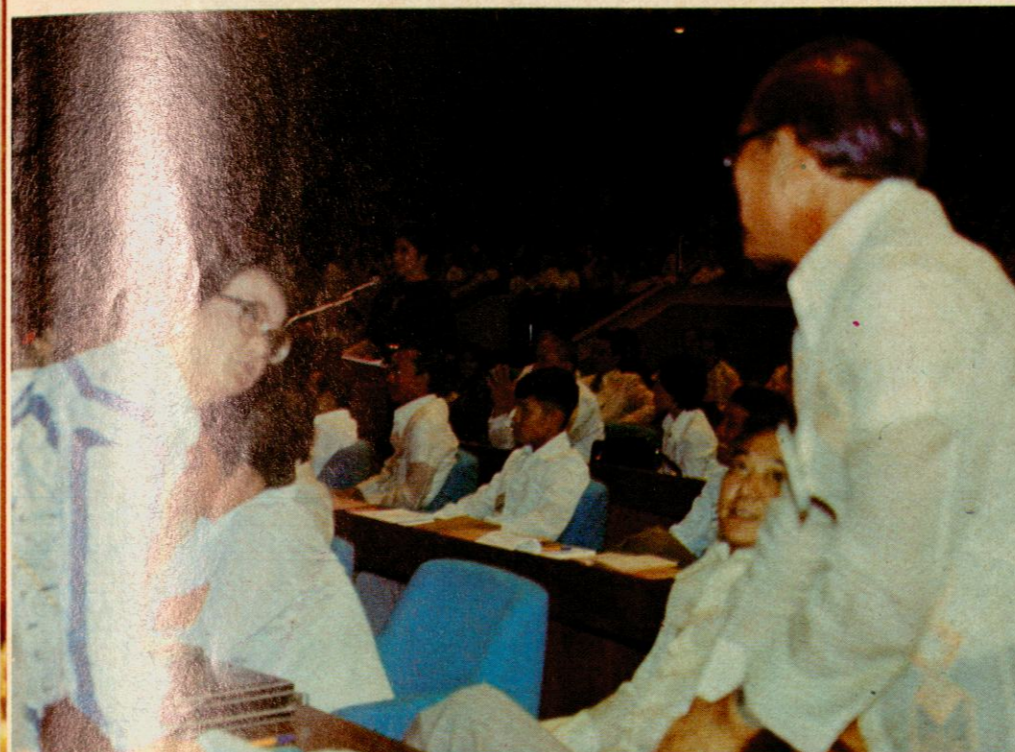
Last June 1978, the President Ferdinand E. Marcos passed PD No. 1508 establishing *Katarungang Pambarangay* (justice enforced at the village level) a system of settling disputes at the *barangay* level. Conceived by Chief Justice and Head of the *Katarungang Pambarangay* Commission Fred Ruiz Castro, *Katarungang Pambarangay* called for the organization of the *Lupong Tagapayapa*, the administrative coordinating body that would oversee the *Pangkat ng*

*Tagapagsundo*, the conciliation panels that reviewed the cases.

The *Lupon* is chaired by the barrio captain backed up by 10-20 members who are qualified residents of the barangay in good standing. The *Lupon* coordinates the public hearings of the *Pangkat* and the mutual sharing of ideas among various *Pangkats* over pending legal cases.

Residents of the barangay at any time submit their disputes to the barrio captain, who then tries to resolve the case. It is only upon his failure that the *Pangkat* is convened. A *Pangkat* comprises three members from the *Lupon* chosen by the parties involved in the dispute. Through arbitration, parties in dispute agree to be bound by the decision of the *Pangkat*, a body in place of the regularly organized tribunal.

The *Lupon* and *Pangkat* are examples of ways to relieve the formal legal structure of docket congestion. Both serve as screening posts protecting the efficiency of higher courts that are properly reserved for serious and difficult cases. Disputants cannot go to court or other government offices for adjudication without first undergoing barangay conciliation. The people soon realize that a lot of the legal issues they thought were subjects for elaborate jurisprudence were really matters for the layman's simple and reasonable sense of order and justice, supported with legal advice from experts. Although operating informally, the *Pangkat* is just as effective and its decisions take the force in effect of the final judgment of the



The *Lupon* and *Pangkat* are ways to relieve the problem of docket congestion.

court. In terms of public service, the *Lupon* and *Pangkat* give interested citizens positions for contributing to national peace and harmony: *Lupon* and *Pangkat* members serve without monetary compensation.

#### Fiscal Self-Management and Countryside Development

To be able to implement, barangays must have money. The ability of local government officials to handle fiscal matters to run the day-to-day transactions is still largely subject to improvement. The national need for funds is nothing new. But at this point, fiscal capability is needed more so for countryside development. So far, barangays all over the country still rely heavily on the national treasury. Last June 1978, Local Government and Community Development Minister Jose A. Roño released ₱200 million for the Barangay Improvements and Development Approach (BIDA) for the use of about 40,000 barangays nationwide. That meant ₱5,000 for each barangay—surely incremental but barely helpful in the case of seriously depressed areas. However, the accomplishment is still considerable: after funds were released last June 1978, about 34,999 development projects costing a total of ₱141.7 million were completed by October 1978.

Cost reduction, simplification, and *balikatan* (mutual sharing of the burden) are obvious alternatives. Also, local government administration will have to turn to more and more informal volunteer groups for social services beyond what the municipal and, for that matter, the national treasury can fund.

#### Forthcoming Seats of Power: Regional Governments

The revised Local Government Code the Bureau of Local Government is currently preparing will include among its provisions, the creation of regional governments as a significant exercise in administrative decentralization.

Regional governments will:

- 1) take charge of the economic,



political, and sociocultural development of their jurisdiction;

- 2) coordinate activities of local governments;

- 3) extend technical and material assistance that would enhance local autonomy; and

- 4) cooperate with neighboring regions in common undertakings, particularly through the Integrated Area Development (IAD) approach.

In the matter of planning and implementation, the Regional Development Councils (RDCs) see to it that regional offices of sectoral Ministries follow the guidelines set in the five-year

Plan. With the exclusion of certain administrative and political responsibilities, the RDC is the closest current equivalent of the forthcoming regional government.

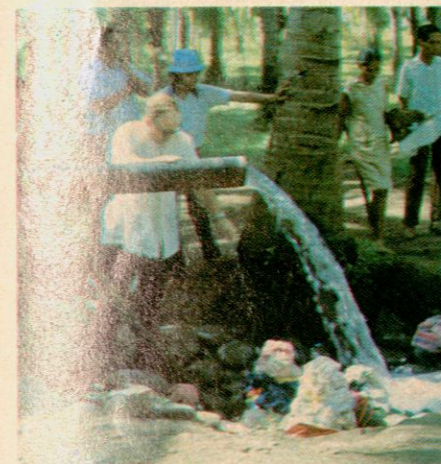
The Plan for 1978-82 declares that lagging regions will be especially assisted for them to catch up with the developed ones. Regional governments will be vital in undertaking the strategy of bridging urban and rural development so that the fruits of progress are siphoned into areas that need them most.

#### Pooling Resources for Maximum Benefits

The Integrated Area Development



The creation of regional governments will be a significant exercise in administrative decentralization.



(IAD) Approach is a fitting answer to the need for spreading resources nationwide without thinning out results. Lagging areas, for instance, will be provided with *barangay* or feeder roads, village water supply, power plants, and irrigation facilities to boost agricultural production. The marketing of the produce will subsequently be facilitated with the road links between city (market) and farm established. Also, compact farms will be developed in adjoining irrigated areas.

Similarly, interagency cooperation among technical institutions involved in planning and policy making for government had long been introduced

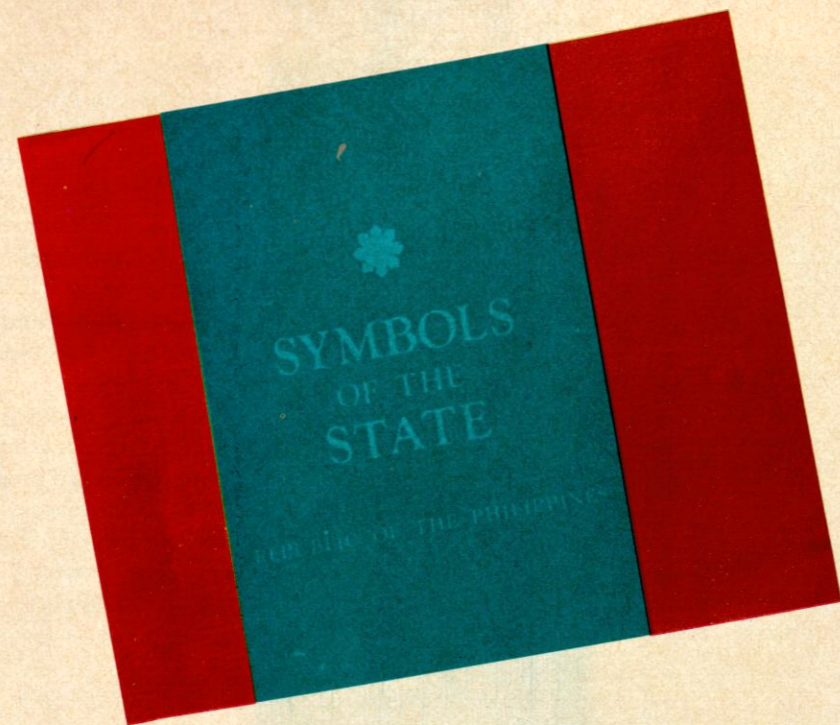
and is now routine procedure. Exchanges of expertise between the private and government sectors will be encouraged.

#### Local Government Year 1979 Calendar of Activities

To take off even more effectively from recent administrative trends, the Bureau of Local Government has programmed monthly activities for 1979 to help the citizen identify with the historical development of Philippine government and eventually inspire him to taking personal participation in leadership. JANUARY: National Constitution Day. Symposiums will be conducted



nationwide to inform the citizenry of the Constitutional provisions on local government administration. FEBRUARY: International Union of Local Authorities (IULA) Congress at the Philippine International Convention Center. Candidates from all 60 member-countries of the IULA will be escorted all throughout the Philippines for a brief survey of local administration procedures. MARCH: *Kabataang Barangay* and Its Role in Local Government. Through symposiums and programs, the *Kabataang Barangay* will show the people how it has shaped and transformed today's youth and how the kind of leadership it extols relates directly to local government goals. MAY: Tourism Campaign. The role of local governments in boosting tourism by developing its native resources and tourist spots will be emphasized. Local travel to the country's main historical and cultural sites will be promoted. JUNE: Independence Day Celebration. Historical Highlights in Philippine history will be recalled in civic and military parades. JULY: Local Autonomy Month. Conferences on how local government units could be strengthened will be conducted. AUGUST: Quezon-Osmeña Centennial Celebration. The significant contributions of two or more prominent and influential figures in Philippine history will be relived through memorial programs and parades. SEPTEMBER: Focus on the *Barangay*. Field trips for a close look at *barangay* activities will be organized. OCTOBER: Local and National Government Partnership for National Solidarity. Symposiums and programs will emphasize local government budget formulation procedures to take into account the programs and projects listed in the five-year Plan. NOVEMBER: Focus on the *Sangguniang Bayan*. Symposiums will bring out the influence of the *Sangguniang Bayan* in directing the country's legislative decisions. DECEMBER: Recognition Day. Exemplary performance by government officials and local government units will be awarded. ■ RASA

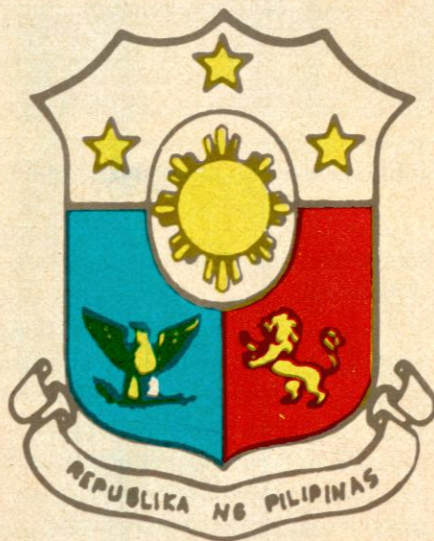


# THE SYMBOLS OF THE STATE

Filipinos waved their flag in the battlefields as they fought for their country's independence. And now, they still hold it high to symbolize their aspirations and triumphs in their quest for peace and freedom.

The flag, together with other symbols like the coat-of-arms or seals, represent the highest ideals of the people and their history. As President Marcos puts it, these symbols have "roots in history or tradition, evolving through circumstances until at last they are finally shaped into what they are today, emblems of a people's passage through life and evocative of their aspirations, hopes and estimate of themselves and their place in the world."

The value that Filipinos place on national symbols makes it imperative to know their deeper meanings. This task is made easier with the publication of the book *Symbols of the State*. Published by



the Department of Local Government and Community Development (now a ministry), the book combines heraldry and history in one cover.

The first 22 pages explain the meanings of designs of the great seal, the national flag, the seal and flag of the Republic of the Philippines, and the seal of the flag of the President. In addition, they record the seals of the various departments of the national government, national anthem, national hero, national flower, national exume and Malacañang Palace. The rest are devoted to the histories, flags and flowers of the provinces and cities of the country in chronological order.

The evolution of coat-of-arms, or official seal, is traced by Galo B. Ocampo in an authoritative article. He reveals that the various coats-of-arms reflected the political changes in the country, particularly in the kind of government



Philippine coats-of-arms invariably display the eight-rayed sun and three stars.

that were instituted at a particular point in time. According to him, the first coat-of-arms used in the country was the one granted by the Royal Court Grant of King Philip II to the City of Manila on March 20, 1596; the second, the one used by President Emilio Aguinaldo during the first Philippine Republic; the third, the one used by the Philippine Commission in 1905; the fourth, the one used by the Commonwealth government, and the last the one being used by the present Republic, which was approved by the Congress of the Philippines and by President Manuel Roxas on July 3, 1946.

The basic characteristic of the various coats-of-arms of the country is the presence of the eight-rayed sun and three stars. The rays represent the eight provinces — Manila, Bulacan, Pampanga, Nueva Ecija, Morong, Laguna, Batangas and Cavite — which



were the first to revolt against Spanish rule. The three five-pointed stars, on the other hand, depict the solidarity of the three major islands — Luzon, Visayas and Mindanao.

According to Ocampo, the Sun and the Three Stars are one and inseparable. This, in fact, is a unique feature in heraldry, a "distinctive and exclusive emblem of the Philippines as sanctioned by the Constitution, the flag law and Executive Order No. 23, series of 1936." The important position that the Sun and Three Stars occupy in the coat-of-arms of the commonwealth was particularly recommended by the Special Committee on the Coat of Arms created by President Manuel L. Quezon. The design was later on to become the basis for the design of the coat of arms of the present Republic. The coat-of-arms of the Republic represents three historical phases: Philippine, Spanish and American. The

Philippine symbols are the three five-pointed stars, the eight-rayed sun and the national colors — white, red and blue. The lion rampart represents the Spanish, while the bald-headed eagle symbolizes the American regime. It has an inscription which reads: "Republic of the Philippines."

The various ministries have their individual official seals symbolic of their functions. The Ministries of Foreign Affairs and National Defense, however, carry the seal of the Republic as they are identified with the national government in official functions abroad and not merely by their own ministries.

The seals of local governments depict symbols following the guidelines set in Executive Order No. 310. Ocampo describes them as "either visual abstract or natural emblems representing the characteristic or regional aspects of their



geography, tourist or historical landmarks, agricultural, economic and ethnological pertinent to each province or city." The City of Manila, Lipa and Naga feature genuine heraldic grants of the Royal Crown of Spain.

The seals of the Republic are the seals of the office, not the men occupying the office. For this reason, Ocampo notes that the text "Official Seal" has to be inscribed on the circular border of the seal. The exception to this is the personal seal of the President. It has a red triangle (emblem of the revolution against Spain) with three golden stars on the three corners of the triangle superimposed on the sea lion at the center. Stars are aligned in the circular border to represent the provinces of the Philippines.

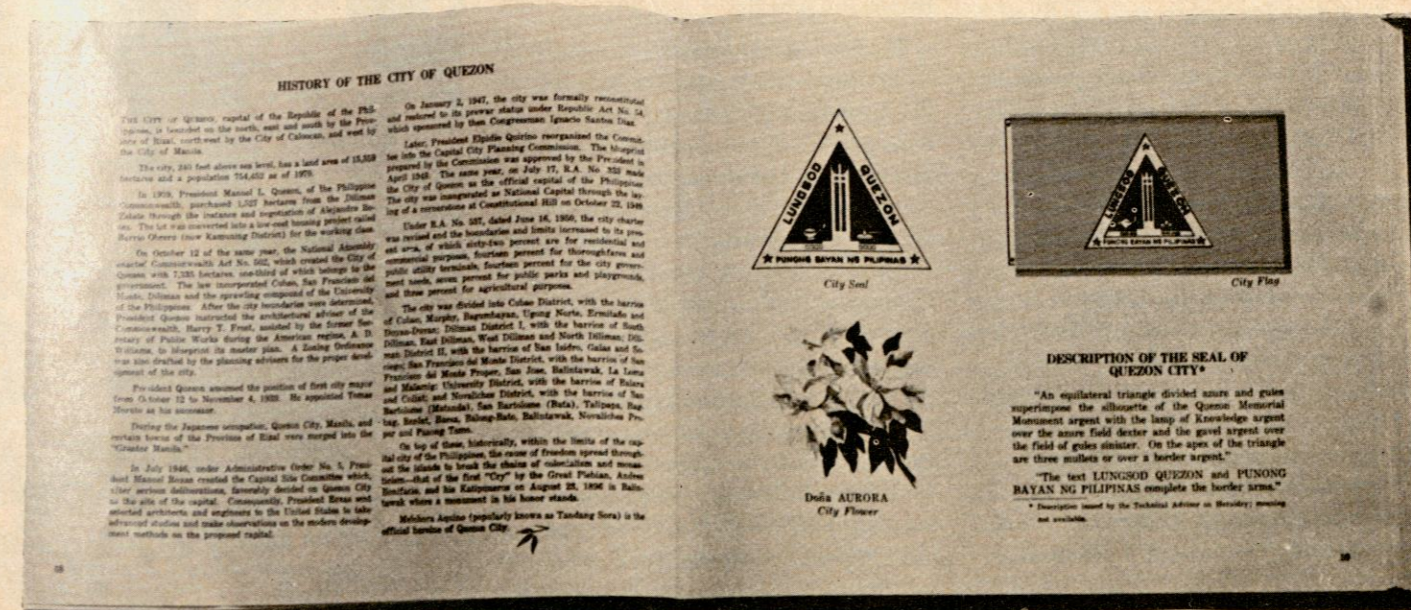
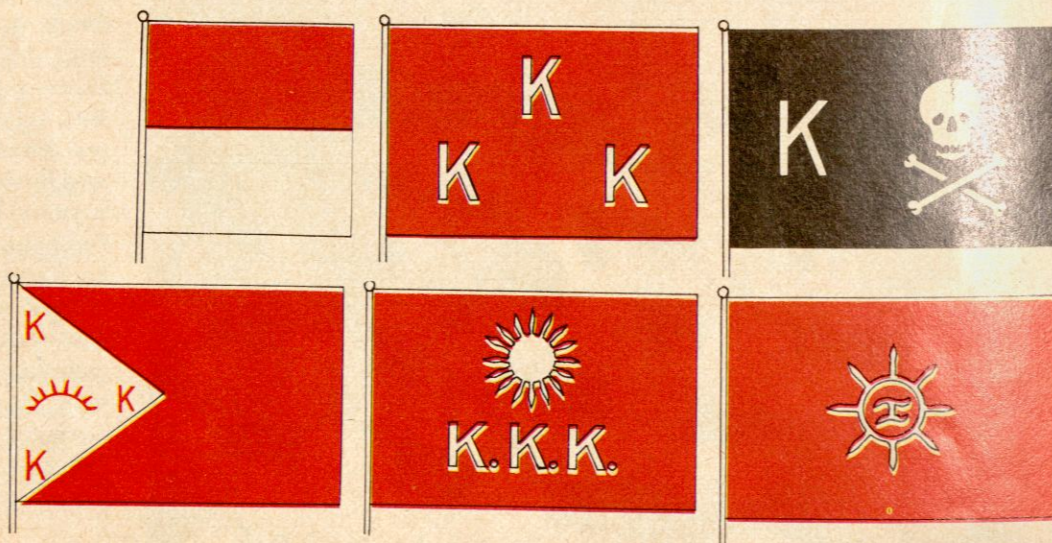
As regards the national flag, the book notes that the Philippines is the only

country that incorporates the sun and the stars in its flag, and the only flag that signifies war or peace depending on the position of the blue and red stripes. Many are familiar with the fact that the red stripe symbolizes the willingness of the Filipino to shed blood in defense of his country, while the blue stripe stands for "common unity and the noble aspirations of the Filipino people." In times of peace, it is the blue stripe which is on top of the red. This is inverted in times of war.

Ocampo notes that originally the Philippine sun appears in its heraldic interpretation — the biblical sun with eyes, nose and mouth in some of the revolutionary seals and flags. Executive Order No. 23 issued in March 23, 1936 specified the removal of the eyes, nose and mouth of the biblical sun.

The materials alone that the book contains makes it a valuable reference for students of politics and history. And more important, the book educates local officials in the use and interpretation of their official symbols. By knowing the official seals of government offices, authenticity of public documents may be determined, thus minimizing if not totally preventing forgery.

In commending the publication of the symbols of the State, the President describes it as a "documentation of Philippine nationhood, the beginnings, the strivings, the goals envisioned, the effort exerted to assert our place in the sun as one people, one nation." **OVR**



# FOR AN IMPROVED LOCAL GOVERNMENT ADMINISTRATION

Increasing problems in local government administration coupled with the increasing responsibilities in local development have spurred the founding of several organizations committed to enhancing the administrative and fiscal capacities of local governments.

## LEAGUE OF PROVINCIAL GOVERNORS AND CITY MAYORS

The League of Provincial Governors and City Mayors was organized in the mid-1950s, primarily to "take up all matters affecting the interests not only of political entities which it represents but also those of the people in different provinces and cities."

Headed by a chairman (the incumbent is Leyte Gov. Benjamin R. Romualdez) with a secretary-general (MLGCD Minister Jose A. Roño), it has a 16-man board of directors.

In January 1974 the League created a National Committee on Internal Reforms as well as Regional Committees on Internal Reforms, to make it a "more effective forum," under the New Society's reformist thrust. The committee is charged with the duty of instituting reforms among the members and to "see to it that they should always act within legal bounds."

Its Regional Committees act as "clearing houses" for the charges filed against local chief executives.

The League's accomplishments include; 1) serving as consultant in the restructuring of the MLGCD (Reorganization in 1972); 2) promoting cohesiveness among its members; 3) helping members via counselling approach with regard to their individual problems; 4) dramatizing awareness among themselves so that small island provinces have become viable partners to the national government; 5) sending out its members to other countries for observation tours or studies; and 6) maintaining information campaign for government agencies.

## National Federation of Associations of Barangay Councils

The National Federation of Associations of Barangay Councils or Pambansang Katipunan ng mga Barangay (PKB) is the central organization composed of all the associations of barangays from the municipal and city to the provincial and regional levels.

Formerly known as the Barrio Lieutenants Associations of the Philippines (BLAP), it was reorganized four years ago to make it more compact and effective in bringing the people closer to the government and promoting rural development and progress.

That top-to-bottom reorganization, pursuant to MLGCD M-C 74-62, gave birth to the Pambansang Katipunan ng mga Barangay (Municipal), Panglunsod

Katipunan ng mga Barangay (City), Panlalawigan (Provincial), Pampook Katipunan ng mga Barangay and the Pambansang Katipunan ng mga Barangay (PKB).

The PKB's 13-man directorate is headed by a National President (Nora Z. Petines is the incumbent), and directors consisting of the 13 presidents of Regional ABC Federation.

The PKB set up a National Secretariat in Jan. 1975 to provide administrative direction and technical support to its member ABC federations and associations down to the grassroots level.

The National Federation has been incorporated as a private, non-stock and non-profit organization.

According to its new constitution, the federation's objectives are to work for "genuine dialogue between the people and the government... (to) promote the development of the barangays as institutions, of popular participation in and control over government," and to promote "the consolidation or coordination of efforts, services, or resources among barangays for purposes commonly beneficial to them."



## The League of Municipal Mayors

Fostering unity and cooperation among municipal mayors in the country is the principal goal and function of the League of Municipal Mayors of the Philippines or the Pambansang Katipunan ng mga Punong Bayan ng Pilipinas (PKPBP). Moreover, it also acts as a "prodding agency—to make every individual member an agent of change in the pursuit of the objectives of the New Society."

Founded two years ago by a group of municipal mayors, the PKPBP is proving its receptivity to local problems and issues as the nation shifts toward



normalization. This is one role that the mayor's league plays—bring the government closer to the people and vice versa.

The Federation has been conducting regional consultations to sound off the municipal officials on the latest developments and issues, plans and programs relative to local governments.

According to Mayor Armando Biliwang, PKPBP National President,



"the regional consultation process is simply a mechanism for the PKPBP leadership to engage in close personal interaction and constant dialogue with its members through nationwide forums conducted in various regional centers."

With the current clamor for local elections, municipal mayors have been thrust into the forefront of local politics. As President Marcos has declared that local polls would definitely take place, local leaders themselves have shown the initiative to have their voices heard on current issues via consultations and dialogue with local leaders and the masses.

The regional consultations have produced resolutions relevant to local government problems, projects and programs. The most significant of these calls for the return to the mayors of a higher degree of authority over the police forces in their respective localities.

Resolutions suggesting enactment of laws or amendment of existing ones are now being deliberated upon in the various Batasan Committees as a first step to legislation.

The Mayors League of the Philippines has an active Secretariat based in Metro Manila to service its members' needs and monitor development from the field and back.

## The LADP Alumni Association

The Local Administration and Development Program (LADP), one of the training programs of the Bureau of Local Government (BLG) under the Ministry of Local Government and Community Development (MLGCD) with the cooperation of the UP Local Government Center, has turned out hundreds of graduates.

Designed to develop effective and efficient local administrations, the ten-week course places emphasis on issues, problems and practices of local administrations and development designed to provide local officials with greater understanding of the latest developments in local government administration. The course likewise raises the level of competence to effective

governmental administrative management and enhance their knowledge and skills in formulating and implementing development plans and programs. It shall instill in them a keen awareness of the present and future responsibilities of local administrators.

The LADP, which now has a total of 549 graduates, has formed an alumni association. The LADPAA is composed of 16 governors, 14 city mayors, 211 municipal mayors, 40 Sangguniang Bayan members, 144 other local officials and 124 from the national agencies composed of MLGCD Regional Staff including field workers, staff from 3 divisions of the BLG, personnel from the Ministry proper and the National Tax Research Center (NTRC).

Now an affiliate of the International Union of Local Authorities (IULA) which is based in the Hague, Netherlands, it hopes to maintain a continuing relationship with other foreign and local government associations in other countries.

The LADPAA is a non-stock, non-profit organization. It is also being assisted by the MLGCD through the BLG by providing specialized and consultancy services. Furthermore, it responds to the need of the association by extending training and research services as well as overall guidance in all association programs. The commitment of the BLG will be continued until such time that the association becomes viable and can stand on its own.

The Local Government Center, College of Public Administration, University of the Philippines System, continuously conducts the LADP course and undertakes research studies for the association. It also provides professional consultancy services for them and generally provides the necessary academic and university assistance to the professional and developmental needs of the association.

An existing memorandum of understanding between the Local Government Center and the BLG stipulates that both institutions will continuously provide support to LADPAA. ■



### Governing at the Grassroots

The continuing burden of development which for sometime was concentrated in the country's urban centers is now increasingly being absorbed by the local units. Local units are becoming more active participants in national development efforts; national-local government relationship bearing heavily upon the course and pace of the country's advance. As a consequence, local administration is finding itself in an expanded and more significant role in the country's drive for socio-economic progress.

#### *The Philippine Local Government System*

The Philippine local government system consists of the political subdivisions of the country which are the cities, provinces, municipalities and barangays. Cities and provinces are corporate political bodies with powers of government. Provinces are further divided into other cities and municipalities, the cities more independent than the municipalities. Municipalities, are also endowed with powers of government.

Barangays, the smallest territorial and political subdivision, form the municipalities. As components of municipalities, they are quasi-municipal corporations endowed with powers of government as provided for in the Barangay Charter.

The system of local governments, apart from covering existing geographic and political divisions, also represents other less tangible subdivisions such as traditional, ethnic and cultural barriers.

Local governments were in the past mere strings of the central government, too dependent upon it to be able to make its own decisions. The concerns of governing the entire nation taxing in itself, little attention was given the details of governing the local units, for instance, taking into consideration particularities and special features of a region in formulating a plan for a certain local unit.

In 1972, with the implementation of the Integrated Reorganization Plan and the creation of the Department of Local

Government and Community Development, a new and more dynamic approach to national-local government relationship was evolved. While the national government continues to assume the major responsibility in the creation and implementation of development programs for the entire nation, local governments have gained more importance in the effort to achieve national development, and have been granted greater local autonomy in the exercise of their added responsibilities.

With the shift from presidential to parliamentary form of government, the Department became a Ministry.

#### *The MLGCD and its bureaus*

The Ministry of Local Government and Community Development is the main agent of the national government that takes charge of the overall administration of local governments throughout the country. The Ministry was created "to accelerate national and local government participation in the social, economic and political development of the nation." It is the MLGCD's function to:

— assist the President in the general supervision of local governments;

— strengthen local governments that they may be able to perform their functions with greater autonomy and with increasing capacity to govern and carry out development programs on their own;

— formulate, develop and coordinate programs on urban and rural community development, encouraging in the process the greater participation of local communities in these efforts;

— develop, promote and organize cooperatives and similar enterprises beneficial to local communities and their people;

— administer technical assistance, training and research programs with local government participation in improving management of communities.

Three bureaus facilitate the carrying out of the Ministry's many responsibilities in local administration — the bureau of local government, the bureau of community development and the bureau of cooperative development.

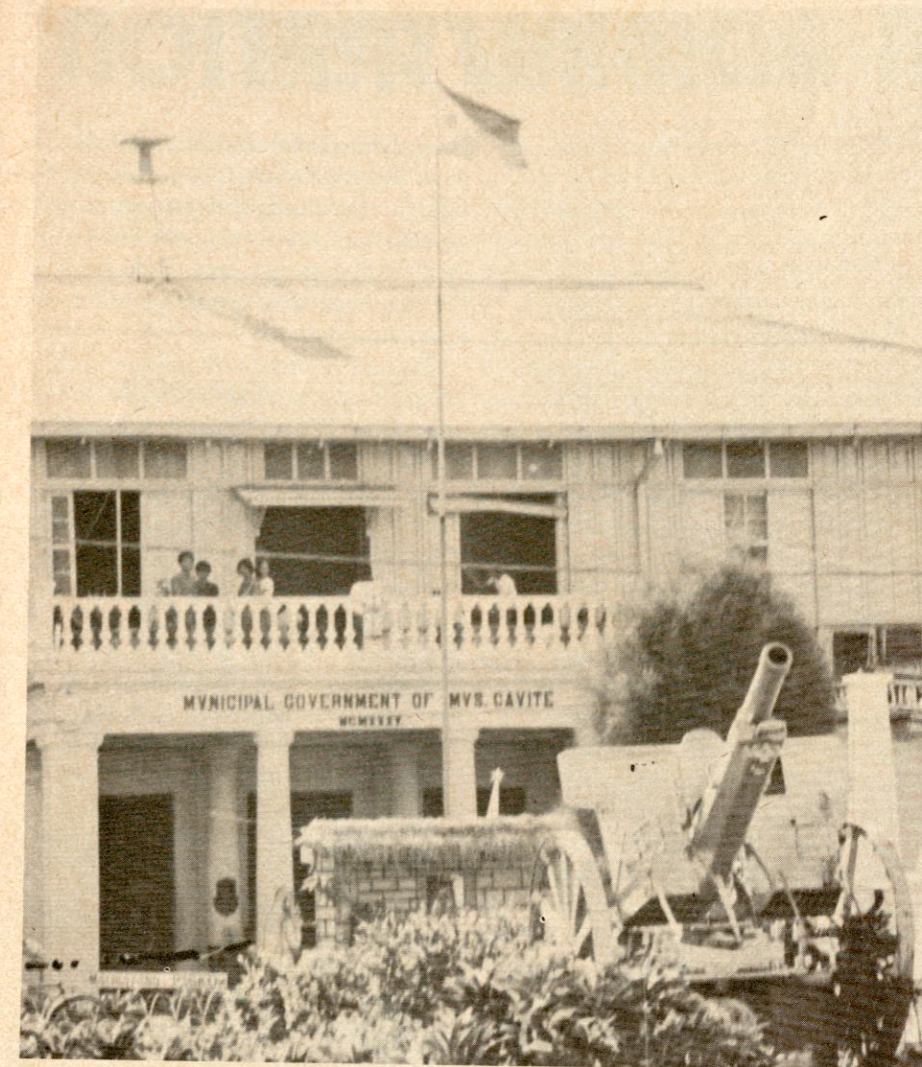
The bureau of local government is the Ministry's backstopping agency, the body that actually exercises the Ministry's general supervisory powers over local governments. The bureau of local government implements the

technical assistance function of the Ministry, providing training services, technical aid and consultancy services to local government units. It also conducts research on the latest management trends. For such functions, the BLG is staffed by some of the most authoritative people in the field — economists, urban and development planners, specialists in public administration, community development technicians, among others.

The administrative development division of the BLG plans and formulates policies and projects on technical assistance. This is also the division that conducts research studies on management tools and techniques applicable to the Philippine setting; the division that continues to evaluate, year after year, the training programs' effectiveness.

On the other hand, the bureau's local government training division develops the training techniques, methodologies, materials and aids used in actual training. This division conducts pilot training programs.

Supervision of local governments funds, disposal of property and other administrative matters are handled by BLG's general affairs division.



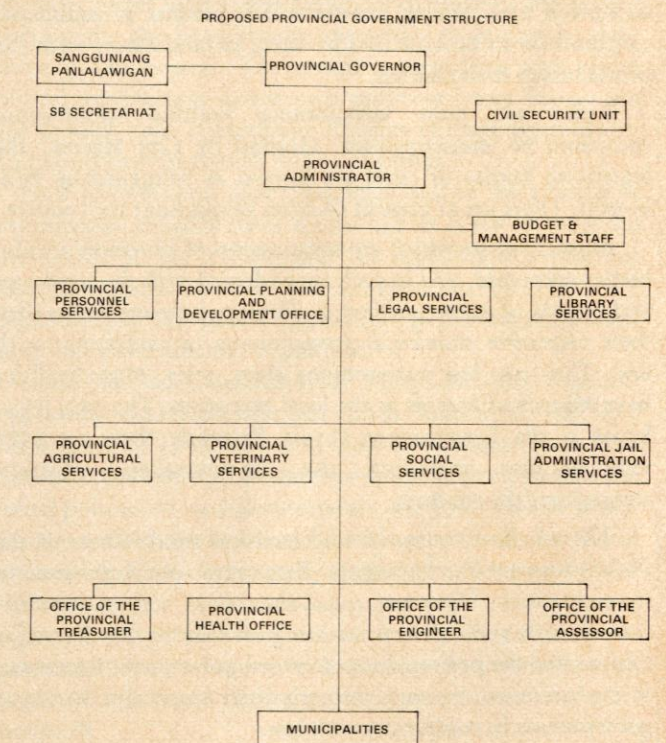
# THE PHILIPPINE LOCAL GOVERNMENT SYSTEM

The basic legal foundation of the Philippine Local Government System is Article XI of the 1973 Constitution as well as other previous laws creating provinces, cities & municipalities in the country.

This system of local governments represent traditional ethnic and cultural as well as geographic and political subdivisions of the country, governed by basic laws in the Revised Administrative Code. It combines many of the legal, institutional and behavioral characteristics of Occidental models and Oriental origins. Its formal procedures and structures are greatly influenced by systems existing in the West, particularly, America. Oriental influence is likewise apparent in its day to day operations and procedures.

Local governments in the Philippines refers to such political subdivisions of the country which are the provinces, cities, municipalities, and barangays.

Provinces are political bodies corporate, and as such are endowed with powers exercised by and through their respective provincial governments.



Another division of the MLGCD is the bureau of community development. The BCD assists local governments in formulating, implementing and evaluating its programs of socio-economic development. Not to be mistaken for the same technical assistance function of the BLG, the bureau of community development's tasks are focused on particular local units while the former's programs are more general. It is the BCD that administers the community development projects to particular units of a locality.

Cooperatives are becoming a regular feature of the government's assistance package, with a view to increasing the income and productivity of rural work. For the function of promoting and encouraging the organization of cooperatives the Ministry has a bureau of cooperatives development. The BCOD even has the right to establish and run business outfits.

The Ministry maintains regional



offices in all 12 regions of the country.

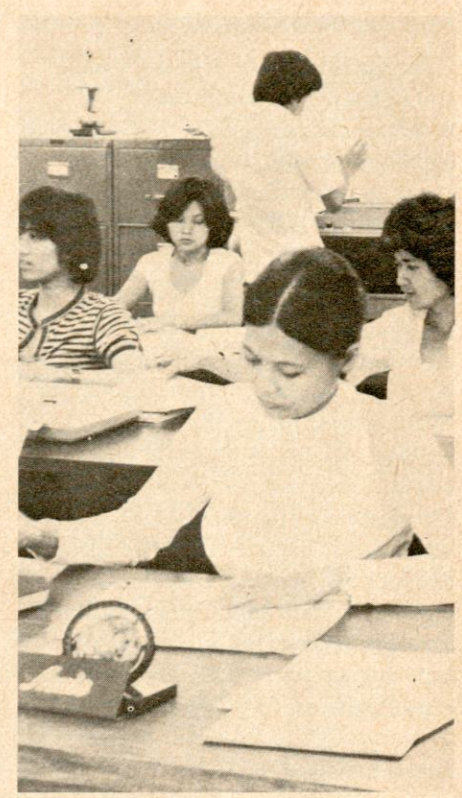
#### The Joint Commission

To formulate and coordinate policies on personnel management, position classification and salary plans on the local unit level, the Joint Commission on Local Government Personnel Administration was instituted. Aside from the Ministry, the Commission is composed of the Ministry of Finance, the Budget Commission and the Civil Service Commission.

The MLGCD, through the Office of the Minister, serves as the Secretariat of the Commission. The Ministry also prescribes the model organization and staffing patterns for local government units. Determining the fiscal capacity of local governments to carry out compensation and salary plans is the Ministry of Finance. This Ministry also reviews local government budgets for conformity with approved position classification and compensation plans.

Technical assistance on the implementation of classification and salary plans is provided by the Budget Commission while the Civil Service Commission assists in personnel management by dealing with certifications of eligibility, examinations, appointments and promotions.

Since efficiency in work and the upgrading of personnel are tied to a great extent to just wages, the Ministry has evolved a Position Classification and Compensation and Salary Plan. Rates of pay have been upgraded according to the amount of work, responsibilities and qualifications of employees. Covered by the salary plan are positions of Provincial Governor and City Mayor, Provincial/City Administrator, Provincial/City Assessor, Engineer Health Officer, Treasurer and other local government officials and employees under the direct supervision of the central government or any of its agencies.



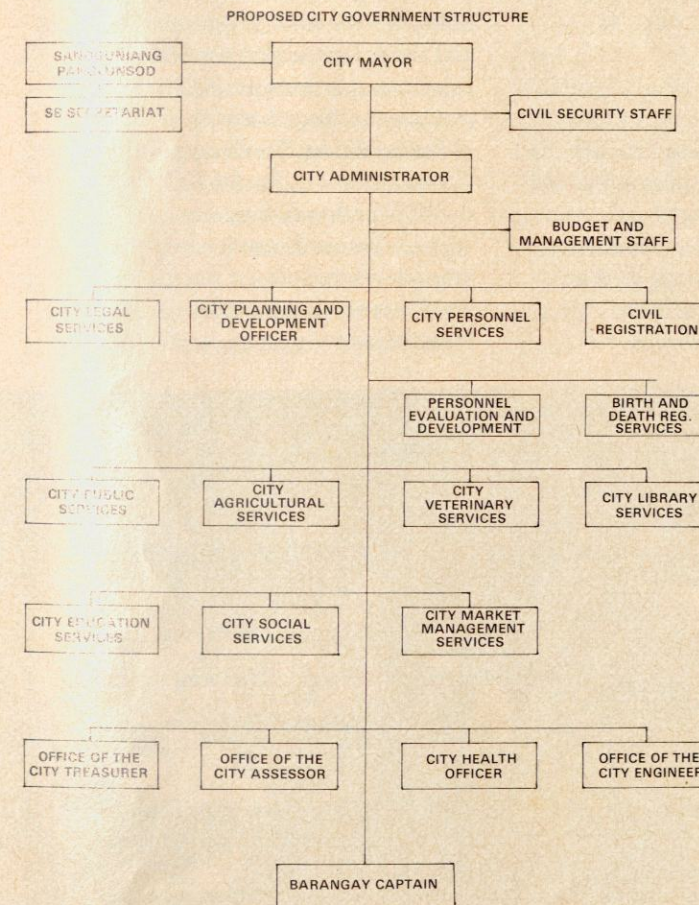
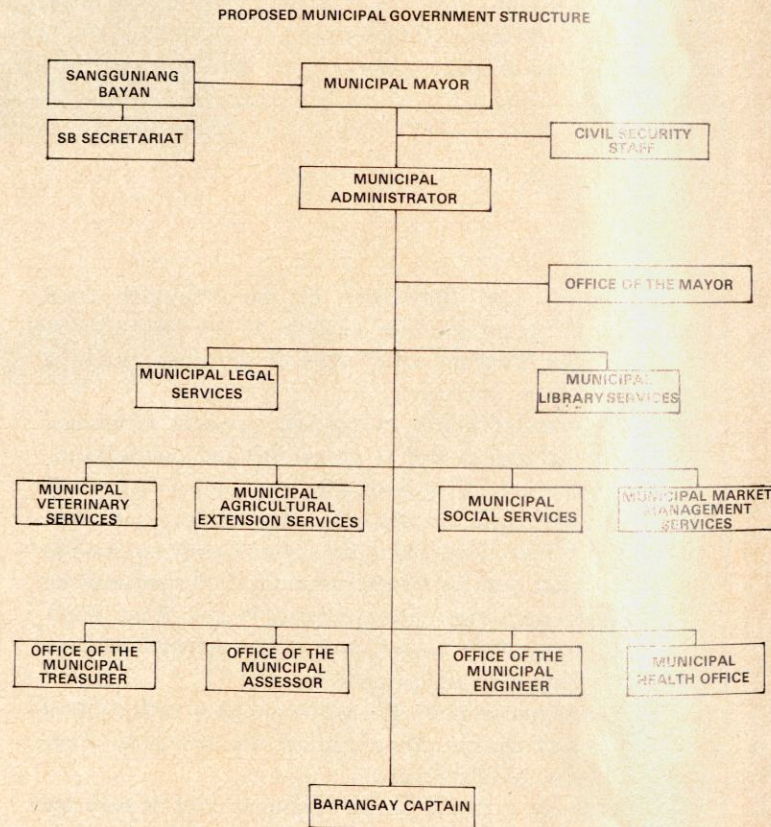
There are 73 provinces and 2 sub-provinces in the Philippines. Headed by Provincial Governors, Provinces have their own legislative bodies called the Sangguniang Panlalawigan.

The chartered cities are likewise political bodies corporate and as such are endowed with the attribute of perpetual succession and possess powers which pertain to municipal corporations to be exercised by them in conformity with the provisions of their charters.

Cities are more autonomous political subdivisions compared to municipalities. Headed by City Mayors, the legislative bodies of cities are known as Sangguniang Panlungsod. There are at present 60 cities throughout the country.

Municipalities which are components of provinces are also bodies corporate, and as such are endowed with the attributes and powers of municipal corporations, to be exercised by thru their respective municipal governments in conformity with law. They are less autonomous than cities. Municipalities have Municipal Mayors as the local executives. The local legislature is the Sangguniang Bayan. Presently there are 1495 municipalities including the 22 municipal districts throughout the country.

The smallest territorial and political subdivisions of the Philippines are the barangays. Barangays are components of municipalities. They are quasi-municipal corporations endowed with such powers as are provided in the Barangay Charter for the performance of several government functions, to be exercised by and through their respective barangay governments in conformity with law.



Barangays are headed by Barangay Captains. The legislative body is the Barangay Council. There are at present 40,142 barangays.

Although the 1973 Constitution provides for the strengthening of local governments, the Philippines is a unitary state, hence local governments are creatures of the central government, the latter having the power to determine their existence and powers. The central government may create political subdivisions for its own purposes being free at any time to alter these subordinate districts in their organization and powers or even abolish them altogether.

Local governments have dual capacities. In their public or governmental capacity, they are the agents of the state for the government of the territory and the inhabitants within the municipal limits. In their private capacity, they act in a similar category as business corporations performing functions not strictly governmental or political.

Under the old Constitution of 1935, inter-local relationship among local units were not clearly delineated. The New Constitution of 1973, however, aims to delineate inter-local relationships. Article XI of the New Constitution provides the general policies on local governments, the guidelines of which are to be spelled out in a Local Government Code. The Local Government Code is presently under consideration by the Batasan.

The recent trend is to do away local governments becoming mere administrative appendages to enable them to become vital partners of the national government in development. ❏

### Programs for the localities

Giving flesh to the Ministry's goals and objectives are a number of development programs geared to expand employment opportunities in local communities, promote socio-economic development and accelerate economic growth of lagging regions.

The bureau of local governments, as the leading group of the Ministry concerned with local administration, has developed a local government program which consists on the main of training for local officials. A regular training course is the Local Administration and Development Program (LADP), a course for local officials which lasts for 10 weeks and touches on issues, problems and practices in local administration. The course introduces the latest trends in local management. Some aspects of the course are handled by the Local Government Center, UP College of Public Administration.

In four years the LADP has graduated some 440 administrators which form the core of the Local Administration and Development Program Alumni Association of the Philippines (LAPAAP).

The BLG also provides a regular program of staff development for its staff, local officials and local executives. These consist of specialized courses, workshops, seminars and conferences in local administration, personnel administration, organization and management. For the local government staff in the bureau, regional and provincial levels, study grants are awarded to deserving staffers to specialize in certain fields of local administration, an opportunity which includes on-job training in their chosen fields. The staff development program includes pilot projects and research which may later be used in policy and program formulation on the local level.

The thrust toward regionalization finds its advocate in the Ministry. The Ministry has launched a program of regional development assistance whereby an integrated program of technical assistance, institution building, research and training is directed to the regions. By this program the establishment of



effective linkages among the different levels of the government machinery and private institutions is hoped to be achieved.

The program was started in region I, with goals of coming out with a model socio-economic profile and a model municipal development plan integrated with provincial and regional development plans. The models that have come up are now being used as pattern by other municipalities preparing their respective socio-

economic profiles and plans.

Pursuing the line of strengthening linkages with other government agencies and the private sector, the Ministry participates in joint projects with other institutions. Together with the Ministry of Public Works, Transportation and Communication, the MLGCD through the BLG undertakes studies on organization and management to improve the delivery of resources and services to the public. This is under the Metro Manila Financing and Delivery of



Service Projects (MMETROFINDS). Organizational models have been evolved for the cities of Manila, Quezon, Pasay and Calococan. Thirteen other municipalities are undertaking in-depth studies on the different components of these models geared toward optimum utilization of resources.

The Ministry is an active member of the Inter-Agency Committee for National Aid to Local Government Units, the staff that formulates an integrated assistance program for local

The MLGCD strives to bring progress to every nook and cranny of the country.

Expected output of this project is an indexed compilation of all administrative issuances of target cities for more effective administration and enforcement of ordinances.

The bureau has a regular representative in the National Meat Inspection Commission which formulates policies relating to regulations of slaughterhouses and the processing of meat and milk products. Representation in this body will, hopefully, define the role of local governments in slaughterhouses regulation and provide local standard for the protection of the consuming public.

The Ministry's bureau of local government assists the Provincial Development Assistant Project by offering the services of its pool of technical men.

In collaboration with the BLG, the Office of Career and Employees Department of the Civil Service Commission conducts instructions courses on supervision and local personnel administration. In the next few years, subject areas covered will be expanded to include records management and local personnel administration.

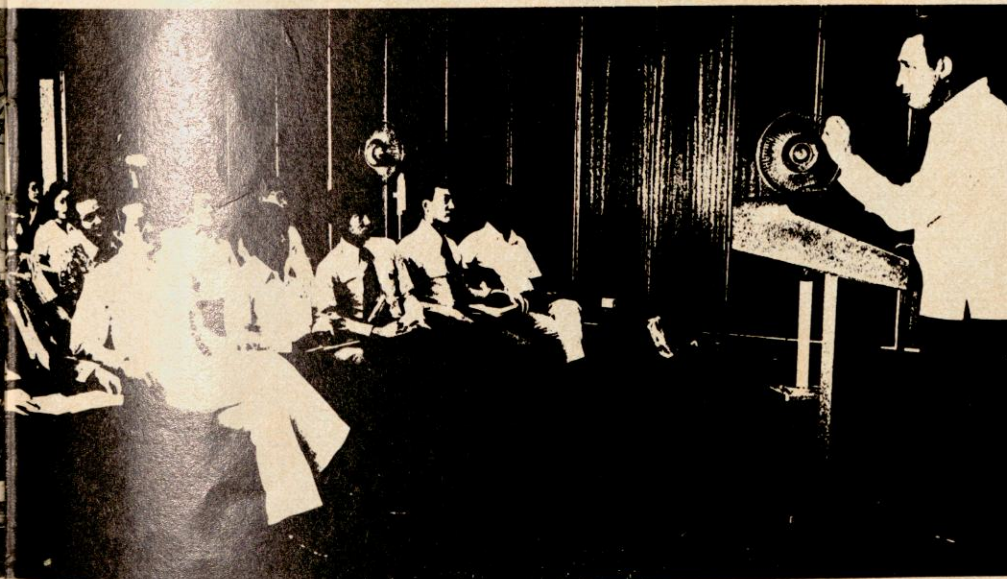
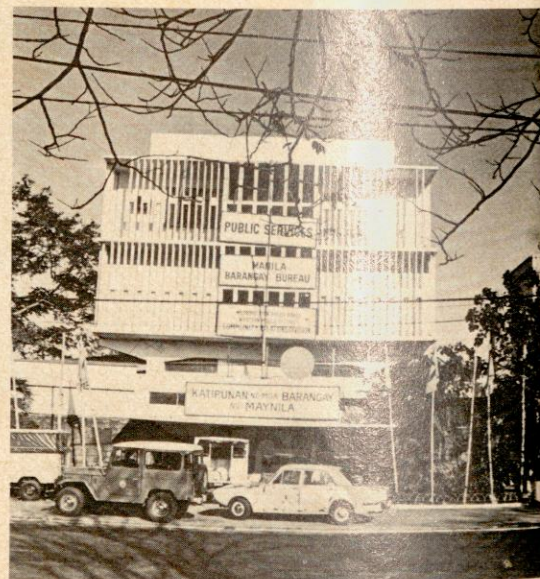
The MLGCD coordinates its research and studies with the Local Government Center of the UP College of Public Administration.

With the National Tax Research Center, the Ministry conducts studies on local government finance, and has undertaken 24 tax codification projects, distributed two handbooks to local governments and completed a major research on local government finance.

To disperse and equalize training opportunities, the Ministry formed the Regional Academy for Local Administration (RALA). Centers in Baguio, Cebu and Davao to house the RALA are being proposed for construction. The structural plan for the Center in Cebu City has been completed, with the plans for the Baguio and Davao centers to follow soon.

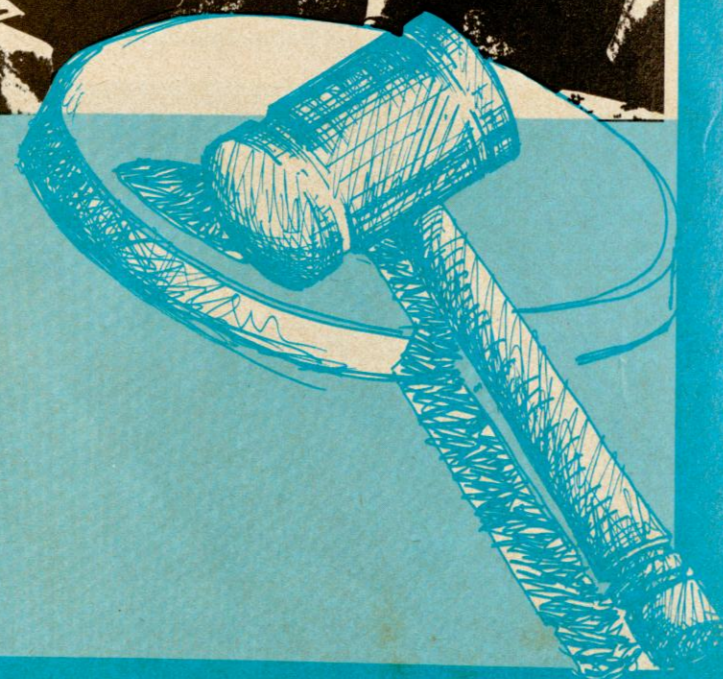
The Ministry of Local Government and Community Development is striving to let the benefits of socio-economic progress reach every locality of the country. ■ JMM

The Ministry's goals are geared to employment expansion, socio-economic development and the further growth of lagging regions.



## Katarungang Pambarangay

# JUSTICE AT THE BARANGAY LEVEL



### Amicably Settling Disputes at the Barangay Level or Bringing Justice Right at the Door of the Common Man

At about this time in January last year, President Marcos created a commission—the *Katarungang Pambarangay* Commission—charged with studying the feasibility of instituting a system of resolving disputes among family and barangay members at the barangay level itself, without recourse to the courts.

The commission was a gathering of educators and legal luminaries. The Chief Justice of the Supreme Court himself headed the commission, and the Ministers of Justice, National Defense, Local Government and Community Development and Education and Culture, together with the President of the Integrated Bar of the Philippines and the Director of the U.P. Law Center sat in as members.

As awesome as the undertaking seemed to be, the commission really had no menial task before it. Filipinos had the tradition and the history, in fact antedating even the Spanish era, of settling "small" disputes on their own, in the presence or the abiding counsel of an elder or a man known to be just and fair in the community. If they could, Filipinos keep in bounds whatever trouble that arises within their family or with their neighbors. They opt for keeping molehills just that way, and do not allow them to grow into mountains. Besides, they would sooner keep the peace with their neighbors than to let ill-

will linger and fester, ruining neighborliness and everyday routine.

But more than the fact of wanting to preserve this fine tradition of immediately settling disputes at their roots, the commission had this way of relieving the courts of docket congestion. It is a fact that more cases are presented to the courts than are resolved by them. A case, whether criminal or civil, if pursued to its end, is an endless run of hearings that could meander for years. Against this apparently rambling process is the filing of complaints before the courts in a steady, daily stream.

Chief Justice Fred Ruiz Castro took time out to note the alarming rate of docket congestion in one of his speeches: "As of December 31, 1977, there were 126,408 cases pending in municipal courts, 85,753 cases in city courts, 1,980 in circuit criminal courts, 8,190 in the Court of Agrarian Relations, 7,847 in Juvenile Domestic Relations Courts, 107,655 in the Courts of First Instance, 494 in the Court of Tax Appeals, 8,585 in the Court of Appeals and 3,997 cases pending in the Supreme Court, for an appalling total of 358,589 cases!" Congestion in the courts is simply too much.

The *Katarungang Pambarangay* Commission was given a year to come out with results and recommendations, but even before half of this time had elapsed, the commission had more than fulfilled its task. For the following June, the President signed Presidential Decree No. 1508 which established a system of

amicably settling disputes at the barangay level and thereby, in the words of Minister of Local Government Jose A. Roño, "ushered in a new era in Philippine jurisprudence."

*Katarungang Pambarangay*, "Barangay Justice," will promote the speedy administration of justice. It would also contribute to the maintenance of peace and harmony in barangays while it preserves and develops Filipino culture. And relieving the courts of docket congestion would enhance the quality of justice dispensed by them.

In its simplest form, the decree just gives to the barangay captain and a conciliation panel of respected barangay members he is to appoint, the authority to conciliate, mediate or arbitrate petty family or barangay disputes, settling them if possible, before they reach the courts. The decree allowed for a six-month period for the education and preparation of barangay captains for leading and organizing the conciliation panels before its effectivity. These include the printing and dissemination of the *Katarungang Pambarangay* Law and its Implementing Rules themselves, primers and other information pamphlets and the conduct of seminars in a countrywide manner. But constraints, mainly financial in nature, have impeded the training and seminars and in effect postponed the organization of the conciliation bodies. Necessarily, it would take a little more time before the barangay system of settlement could be fully implemented.



But *Katarungang Pambarangay* is a fine concept. It heaps an enormous amount of responsibility upon the barangay members, who compose the smallest and most intimate form of government, which could yet be well-deserved. They could be imbued with a sense of self-sufficiency and pride that comes with accomplishing something for themselves and thus would have the confidence to move on to other achievements.

The *Katarungang Pambarangay* Law vests, for example, a lot of responsibility upon the barangay captain. He is to head and constitute the conciliation body, called *Lupong Tagapayapa*, from out of which the arbitration panel for actual disputes, called *Pangkat ng Tagapagkasundo* is to be organized.

The barangay captain first determines the actual number that would constitute the *Lupon*, which could be anywhere between 10 and 20, taking into consideration the barangay population and the volume of disputes that were previously brought to him for conciliation. He thereafter prepares a list of names of persons residing or working in the barangay not otherwise expressly disqualified by law whom he intends to appoint as *Lupon* members. He is guided in his selection of candidates for the task of conciliation by considering their integrity, impartiality, independence of mind, sense of fairness and reputation for probity in relation to their age, social standing in the community, educational attainment and such other relevant considerations.

He then posts the list of prospective appointees around the barangay, and after a sufficient time, appoints between 10 and 20 members to the *Lupon* after considering endorsements of or objections against proposed nominees in the list and recommendation of other

persons he failed to include in the list. He then swears them into office and signs their appointment papers. Thereafter, the members of the *Lupon* are deemed public officers and persons in authority within the meaning of the Revised Penal Code.

Under the *Katarungang Pambarangay* Law and Rules, mediation and arbitration follow just a simple process: Parties to a dispute must first of all go through the Barangay Captain who shall attempt to resolve the conflict. He receives all written complaints and notes all verbal ones made by individuals personally before him against other individuals (but he is not to receive complaints aired against corporations, partnerships or other juridical entities). The moment he receives the complaint, he issues summons to the respondent and gives the complainant a notice to appear before him not later than the second working day from the date of summons for mediation of their conflicting interest. His summons possesses teeth, for in the event a party refuses to comply with it, he could apply with the city or municipal court for punishment of the recalcitrant party or witness as for indirect contempt of court, that is by a fine not exceeding one hundred pesos (₱100.00) or imprisonment of not more than one month or both.

The barangay captain then mediates or arbitrates the dispute set before him, and upon successful conclusion of his mediational efforts, he reduces to writing in a language or dialect known to the parties the terms of settlement agreed upon by them, have them sign the document, and then attests to its due execution.

But if the parties did not agree to have their dispute arbitrated or the mediational efforts of the Barangay

Captain proved unsuccessful, he then sets a date for the parties to appear before him to constitute the *Pangkat*.

The *Pangkat ng Tagapagkasundo* is the conciliation panel of three members and an alternate member chosen by the disputants from the *Lupon* membership to mediate their differences. Should the parties fail to agree on the membership of the *Pangkat*, they shall alternately strike out a name from the list of *Lupon* membership until only four names remain, first drawing lots to determine which one of the parties would be the first to strike out a name from the list.

The *Pangkat* thereafter convenes within three days from its constitution on the day and hour set by the Barangay Captain to conciliate the parties within fifteen days from their initial confrontation. However this could be

extended to a maximum of another fifteen days but in clearly meritorious cases only. All settlements, whether by mediation, conciliation or arbitration are written, and in a language or dialect known to the parties. Settlements are signed by the parties and attested to by the barangay captain or the *Pangkat* Chairman, as the case may be, that such settlement was agreed upon by the parties freely and voluntarily, after a full understanding of its terms and an intelligent awareness of its legal consequences.

To strengthen the *Katarungang Pambarangay* system, it is ordained that the amicable settlement and arbitration award have the force and effect of a final judgment of a court upon the expiration of ten days from the date of judgment unless the settlement has been

repudiated or a petition for nullification of the award has been filed before the proper city or municipal court.

Repudiation by an aggrieved party to an agreement for arbitration is done by filing within five days with the Barangay Captain or the *Pangkat*, as the case may be, a statement sworn to before either of them repudiating the agreement on the ground that his consent to the agreement was obtained and vitiated by fraud, violence or intimidation.

Similarly, a settlement by conciliation or mediation may be repudiated for the same ground within ten days from the date of settlement. But failure to repudiate the settlement or the arbitration agreement with the set time limits is deemed a waiver of the right to challenge the decisions on that ground.

Virtually anything could be brought before the *Katarungang Pambarangay* system for amicable statement. What is excepted as subjects of proceedings are the following enumerated cases:

—where the parties involved reside in barangays of different cities or municipalities unless such barangays adjoin each other;

—where the dispute involves real property located in different cities or municipalities;

—where one party is the government or any subdivisions or instrumentality thereof;

—where one party is a public officer or employe and the dispute relates to the performance of his official functions;

—where the dispute involves an offense punishable by imprisonment exceeding thirty (30) days or a fine exceeding two hundred pesos (₱200). Thus, physical injuries requiring medical attendance for not exceeding nine (9) days, slight slander, light threats, and unjust vexation would be appropriate subject matters for settlement;

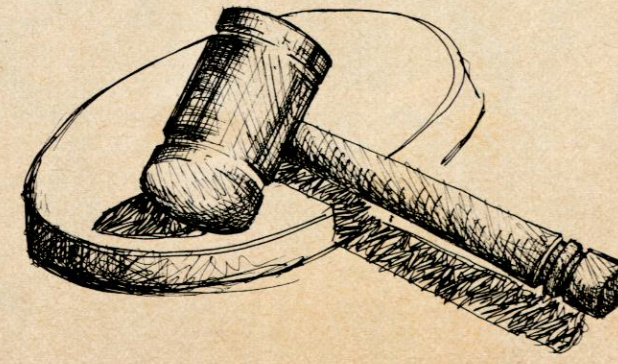
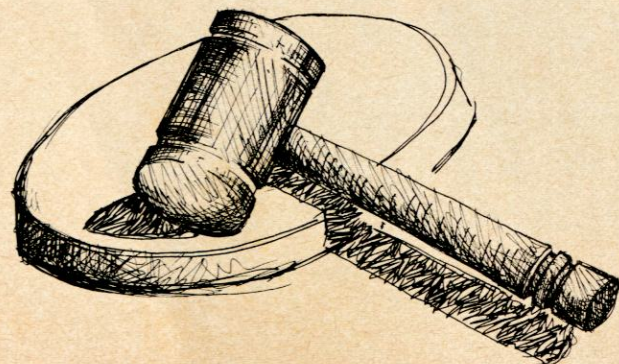
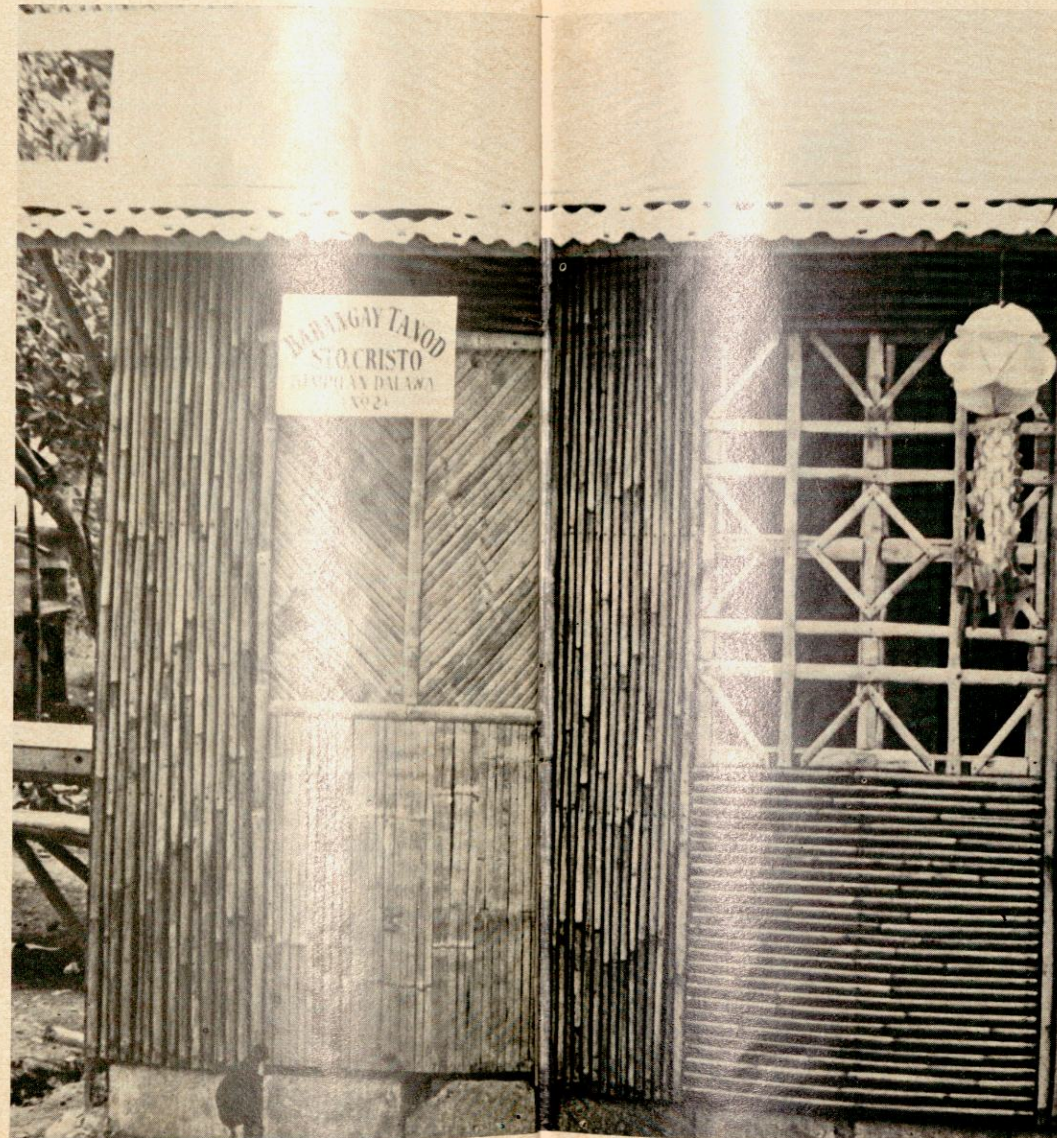
—offenses where there is no private offended party, for example, littering, gambling, jaywalking, public scandal, vagrancy and prostitution; and,

—such other classes of disputes which the Prime Minister may, in the interest of justice, determine, upon recommendation of the Minister of Justice and the Minister of Local Government and Community Development.

To ensure that the *Katarungang Pambarangay* system would be well-patronized, the decree has made it imperative for any complaint, petition, action or proceeding within the authority of the *Lupon* to be its exclusive domain. No individual may go directly to court or to any government office for adjudication of his dispute with another individual upon any matter falling within the authority of the barangay captain or the *Pangkat ng Tagapagkasundo* to settle, unless after personal confrontation of the parties before either of them, earnest efforts to conciliate have failed to result in a settlement as certified by the *Lupon* or *Pangkat* Chairman, or such settlement has been effectively repudiated. But such certification may nevertheless be issued, although no such personal confrontation took place if no fault could be attributed to the complainant.

Notwithstanding this rule, however, a complainant may go directly to court or to the proper government office cases where urgent legal action is necessary to prevent injustice from being committed or further continued.

The *Katarungang Pambarangay* system is set to be implemented in just a short time. Hopefully, it will go a long way in dispensing quick and profound justice and in promoting greater harmony and peace among Filipinos. ❏ LBG

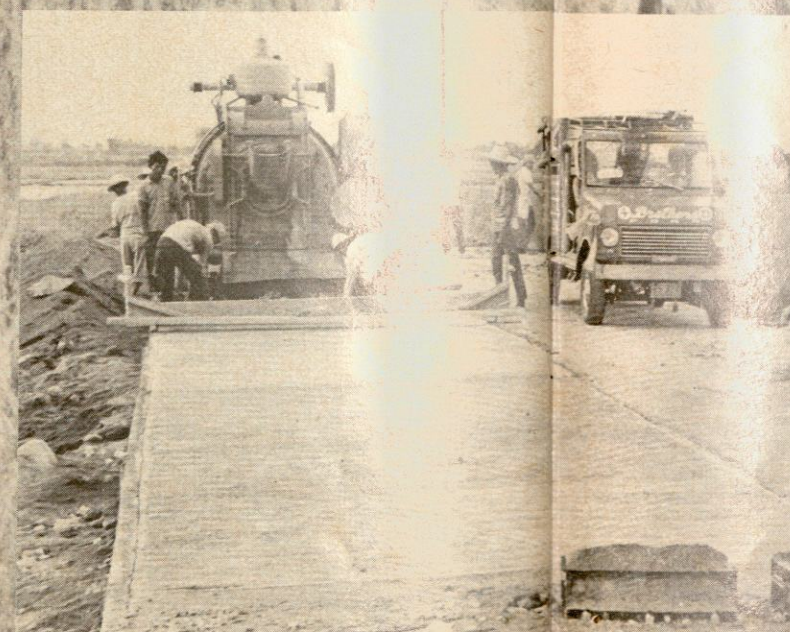




Annex to the  
**FIVE-YEAR  
PHILIPPINE  
DEVELOPMENT  
PLAN  
(1978-1982)**

**Chapter I: The Agriculture Sector**

Continued from last issue



**LAND SETTLEMENT PROJECT,  
PACKAGE II**

**Description**

The project is an extension of Land Settlement I designed to rehabilitate and improve existing settlements being administered by the Ministry of Agrarian Reform. It aims to formulate an integrated program of action for the amelioration of the living conditions of settler-families in two settlement areas, namely: Quirino, Nueva Vizcaya (40,000 has.), and Southern Leyte (13,000 has.).

Project components include small-scale irrigation, roads, agricultural services, and social overhead infra-structures.

**Justification**

Viewed from the economic and social standpoints, the project merits high consideration. The project will further increase the production of rice and other crops in view of the provision of irrigation systems including adequate support services in the form of farm-to-

market roads, credit extension, and marketing. Equity is similarly promoted since economic-sized farms are allocated to landless workers. Social development is likewise enhanced due to the provision of social infrastructures, notably health center and village water supply.

#### Project Cost

Reconnaissance surveys have already been completed. A pre-investment study will follow.

#### Implementing Agency

The project will be implemented by the Ministry of Agrarian Reform.

### RURAL INFRASTRUCTURE PROJECT, PHASE II

#### Description

The project consists of a package of basic infrastructure facilities aimed at supporting the government's ongoing rural development program in ten provinces of the country, namely:

- 1) Quirino
- 2) Bukidnon
- 3) Romblon
- 4) Marinduque
- 5) Mt. Province
- 6) Ifugao
- 7) Surigao del Sur
- 8) Masbate
- 9) Surigao del Norte
- 10) Catanduanes

The project components would be similar to the Rural Infrastructure Project I and would include small-scale irrigation systems, farm-to-market roads, ports, social infrastructure facilities (water supply points and health centers) and other projects critical to the development of the aforementioned areas.



#### Justification

The provision of directly productive capital investments, notably irrigation, feeder roads, ports, etc., would improve the productivity of the provinces concerned. At full development, for instance, the project is anticipated to offer major benefits such as: 1) increased rice production among the farmer-beneficiaries as a result of the availability of year-round irrigation; 2) expansion of local interisland and commercial fishing activities as well as enhancement of domestic trade due to improvement of ports; 3) smoother crop marketing and delivery of farm inputs in view of new and improved feeder roads; and 4. overall hikes in family incomes. On the other hand, the project is similarly expected to generate secondary benefits (employment, linkage effects, balance of payments stability, etc.) which have far-reaching significance to the economy.

#### Implementation Schedule

Feasibility study would commence in January 1978. Actual implementation will be from 1983 to 1987.

#### Implementing Agencies

The National Irrigation Administration, the Ministry of Public Highways, the Ministry of Health, and the Philippine Ports Authority are the implementing agencies of the project.

### FRUIT INDUSTRY DEVELOPMENT PROJECT

#### Description

The project seeks to cope with the increasing demand for indigenous fruits with high export potentials (mango, papaya, avocado, pomelo and honey dew melon) by establishing new plantations



and increasing the quality and production levels of existing ones.

The project will cover 17 provinces in seven regions of the country. Its components are orchard development, provision of infrastructure support and strengthening of agricultural services (research, extension, credit and marketing).

#### Justification

With the intensification of fruit crop production, significant benefits are expected to be realized, namely: 1) higher fruit production to meet local demand requirements; and 2) production of quality and readily available fruits, thereby boosting the government's nutrition program. In the long run, the project is expected to generate export earnings since the said fruits have bright world market prospects.

#### Implementation Schedule

The project is scheduled for implementation from 1980 to 1983.

#### Implementing Agency

The Bureau of Plant Industry under the Ministry of Agriculture will implement the project.

### REHABILITATION OF BAI STOCKFARMS

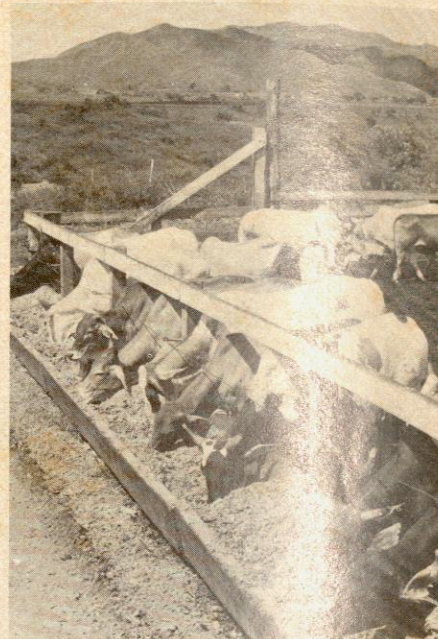
#### Description

The project entails the rehabilitation of eight stockfarms of the Bureau of Animal Industry through the following schemes: a) upgrading of animal stocks; b) the improvement of the physical infrastructures of the different stockfarms; c) pasture development; and d) manpower training.

Stockfarms to be upgraded are those located in Bukidnon, Capiz, Bohol, Negros Occidental, Cagayan, Mt. Province, Masbate and Rizal.

Proposed Major Agriculture, Forestry and Fisheries Projects  
Investment Requirements

NAME OF PROJECT	ESTIMATED COST (In Million)		
	Local (P)	Forex (\$)	Total (P)
A. Capital Assistance	2,481.0	215.0	4,093.5
1. Integrated Feedgrains Development	9.5	11.5	96.0
2. Multiple Cropping	68.5	11.0	151.0
3. Dairy Development	235.0	47.0	587.5
4. National Cotton Development	538.0	28.5	752.0
5. Establishment of Six Regional Feed Quality Control Laboratories	5.0	1.0	12.5
6. Establishment of Six Regional Veterinary Diagnostic Centers	5.0	1.0	12.5
7. Establishment and Improvement of Plant and Animal Quarantine Service	18.0	6.0	63.0
8. Remote Sensing	10.0	3.0	32.5
9. Strengthening of Carabao Research and Training Center	19.0	2.0	34.0
10. Upgrading of the UPLB Institute of Plant Breeding	6.0	1.0	13.5
11. Reforestation of Critical Watersheds	146.0	10.5	224.5
12. Establishment of Fishermen Cooperatives	78.5	5.0	116.0
13. Refrigerated Dumb Barge	3.0	2.0	18.0
14. Intensive Fisheries Development	14.0	1.5	25.0
15. Nationwide Municipal Fishing Ports and Fish Market	40.0	12.5	134.0
16. Fish Disease Laboratory	45.0	4.0	75.0
17. Forest Protection and Fire Control	8.0	3.5	34.0
18. Agro-Forestation Complementation	200.0	25.0	387.5
19. A Proposal to Assemble and/or Manufacture Parts and Equipment Necessary for Commercial Trawl Fishing	80.0	16.0	200.0
20. Processing Plant for Utilization of Wood Waste	15.0	8.0	75.0
21. Accelerated Development of the Land Survey	821.5	3.0	844.0
22. Settlement Cooperative	30.0	3.0	52.5
23. Grain Terminal Construction	86.0	9.0	153.5
B. Technical Assistance	6.0	2.5	24.8
24. Floating Meat Works	1.0	0.5	4.7
25. Agricultural Equipment Support	—	0.5	3.8
26. Transport Facilities for Agricultural Extension Workers	—	0.5	3.8
27. Upgrading of Bureau of Soil's Laboratory Facilities	5.0	0.5	8.7
28. Strengthening the Department of Agriculture's Communication Network	—	0.5	3.8
C. Projects Under Study			
29. Land Settlement Project II	—	—	—
30. Rural Infrastructure Project II	—	—	—
31. Fruit Industry Development	—	—	—
32. Establishment and Rehabilitation of BAI Stockfarms	—	—	—
33. Establishment of Regional Integrated Abattoirs	—	—	—
<b>TOTAL</b>	<b>2,487.0</b>	<b>217.5</b>	<b>4,118.3</b>



One of the major problems affecting the successful implementation of the Livestock Program is the lack of animal stocks which could serve as the medium for accelerating the growth of the livestock industry. In effect, such limitation retards meat production efforts and the government's program on nutrition.

The project aims to ensure the availability of animal stocks for prospective and existing livestock farms thereby supporting the objectives set in the National Beef/Carabeef Development Program.

#### Implementation Schedule

Pre-feasibility study is ongoing. Actual implementation will be from 1982 to 1985.

#### Implementing Agency

The Bureau of Animal Industry will implement the project.

### ESTABLISHMENT OF REGIONAL INTEGRATED ABATTOIRS

#### Description

A part of the Ten-Year Development Program of the livestock industry, the project calls for the establishment of package-type abattoirs in the following strategic cities:

- 1) Laoag
- 2) Dagupan
- 3) Batangas
- 4) Naga
- 5) Tacloban
- 6) Cebu
- 7) Iloilo
- 8) Cagayan de Oro
- 9) Davao
- 10) General Santos

Its components consist of facilities and equipment and the training of local personnel.

#### Justification

The project aims to establish hygienic slaughterhouses and to facilitate processing and marketing of meat products. It also seeks to minimize shrinkage and animal death brought about by the shipment of live animals from production sources to marketing centers.

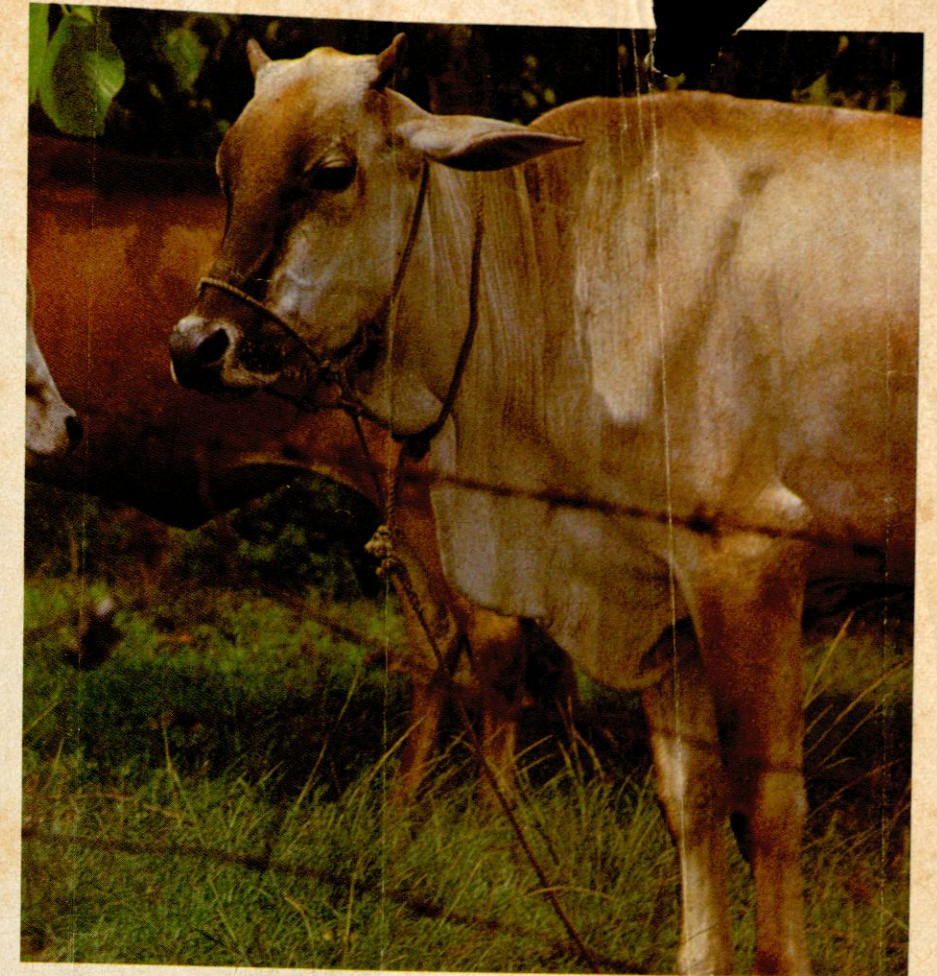
Pre-feasibility study is ongoing.

#### Implementation Schedule

The implementation of the project is scheduled from 1981 to 1984.

#### Implementing Agency

The Bureau of Animal Industry, the National Meat Inspection Commission and the Ministry of Health will implement the project.







BALAYAN PRESIDENCIA