

Structure of the Planning System in the Philippines

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Since the declaration of martial law in 1972, several innovations (i.e., the establishment of such institutions as the National Economic and Development Authority, the Regional Development Councils, the regional autonomous governments, the Metro Manila Commission, and the adoption of the Integrated Area Development Approach) in the Philippine planning structure have been adopted to accelerate the country's social and economic development and improve service delivery. The experience regarding these innovations reveals that although the planning structure has exhibited competing tendencies for centralization and decentralization, the dominant pattern has been towards the former.

Introduction

The structure of a social system is a very important element in understanding its operation. It details the overall social relationship among personnel and provides the appropriate framework by which inputs are transformed into outputs.

Two broad models are utilized to analyze the existing structural arrangements in planning. The first model is concerned with the locus of decision-making power in planning activities. Under this model, two options are available: *centralization* or *decentralization*¹. Centralization refers to the state or condition in a governmental system where there is a concentration of power and decision-making at the center. Decentralization, on the other hand, refers to the state or condition where there is dispersal of power and authority in the different levels below the topmost leadership in the hierarchy. The goal of decentralization may be achieved through (1) devolution, or the transfer of powers and functions from higher to lower levels, or (2) deconcentration, or the delegation of authority from central headquarters of a ministry to subordinate units (e.g., regional and field offices) and officials to enable them to decide cases and problems arising within their functional or sectoral responsibilities. Unlike devolution, deconcentration does not allow delegation of major functions to the field offices but only of some

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minor responsibilities relative to the fulfillment of major functions. Between the two options, devolution elicits a fuller realization of powers and decision-making by those in the periphery.

The second model looks at the number of functions or objectives of which either the sectoral or areal strategy may be dominant. The sectoral strategy involves the planning, implementation, and/or monitoring and evaluation activities undertaken by one agency responsible for the attainment of a specific function such as health, education, agriculture, or infrastructure development. This function is carried out in various parts of the country. The areal approach, on the other hand, considers the spatial dimension in the execution of certain functions which are often multi-sectoral in nature. Objectives are formulated on the basis of the needs or problems of a particular geographical boundary. It should also be mentioned that the areal approach is sensitive to the temporal dimension in the planning and or implementation of development plans, programs and projects in a certain area.² The timing of applications of the various development inputs and processes and their consequent outputs is significant.

At present, the political hierarchy of the Philippine government has three major tiers or levels: national, provincial and city/municipal levels. The provincial and city/municipal levels as independent units of local government are headed by a local chief executive, i.e., the governor or mayor. At the base of the bureaucracy is the barangay, the lowest political subdivision of the country. This had been instituted to elicit participation in national issues at the grassroots level. The barangay is headed by a chairman. As of 1980, there were 75 provinces, 60 cities, 1,541 municipalities and around 42,000 barangays around the country.³

Planning Structure

Planning is an important process in the conduct of governmental activities. This process in fact sets the direction for certain courses of action in the entire bureaucracy. Planning as a management function involves a complex set of activities such as: "visualizing future situations, making estimates concerning them, identifying the issues, needs and potential danger points, analyzing and evaluating the alternative ways and means for reaching desired goals according to a certain schedule, estimating the necessary funds and resources to do the work and initiating action in time to prepare what may be heeded to cope with changing conditions and contingent events."⁴

The issuance of Presidential Decree No. 1 on September 24, 1972 set the overall framework for the administrative arm of government, including the planning structure under the martial law regime of President Ferdinand Marcos. P.D. No. 1, otherwise known as the Integrated Reorganization Plan

(IRP), was the result of the effort of the Commission on Reorganization, a joint executive-legislative body of nine members created by President Marcos in September 1968. The Commission was directed to promote "simplicity, economy and efficiency in the government to enable it to pursue programs consistent with national goals of accelerated social and economic development; and, to improve the service for transacting public business in government agencies."⁵

One major innovation in the planning structure as directed by the IRP is the establishment of a central planning body to undertake an integrated planning process through the National Economic and Development Authority (NEDA). Another is the regionalization of the planning efforts to different parts of the country.

Other innovations in the planning structure were subsequently introduced through the issuance of Letters of Instruction and other Presidential Decrees. These major innovations in planning include the Regional Commission Model and the Integrated Area Development Approach.

The NEDA

The NEDA was established on July 1, 1973 in response to the nagging problem of dispersed planning functions among various agencies. Prior to 1972, the formulation and execution of each agency's plans were left almost uncoordinated. In the pre-NEDA days, planning was undertaken by the National Economic Council (NEC), the Presidential Economic Staff (PES) and other *ad hoc* economic bodies and councils.⁶

Although the NEC was envisioned to be the chief planning body, it was unwieldy and ineffective because of the frequent changes in its leadership and conflicts between the NEC leadership and some of the members in the ten-man body.⁷ Six of the ten members were legislators in the old Congress and only four originated from the bureaucracy. The PES in turn was originally conceived to be the executive's technical arm to do research work on project priorities, operational planning and monitoring of development projects. It grew to be a stiff competition of NEC because of the high quality of manpower which it was able to recruit and the tendency of the President to rely more on its advice rather than that of the NEC's.

Unlike NEC's involvement of a majority group of political leaders in the council, NEDA was constituted by securing greater participation of those responsible for implementation, under the tutelage of the top political leadership. The NEDA Board is headed by the President as Chairman, the Prime Minister as Vice-Chairman and cabinet-level and other executive offi-

cial as members. The Board exercises top-level policy functions such as the recommendation of plans and programs and the formulation of planning guidelines.⁸

The NEDA Board is backstopped by a technical staff headed by the Director-General. Four offices compose the Technical Staff, namely: the Planning and Policy Office, the Programs and Projects Office, the Statistical Coordination Office and the Operations Office. In addition, a number of government corporations, development authorities and cabinet level coordinating committees are attached to or are under the administrative supervision of NEDA. Chart I outlines the organizational structure of NEDA.

The NEDA, as the central planning body of the government, is tasked with formulating national economic and social development plans and updating these plans to suit changing times and needs.⁹ These plans — which may be national or regional in scope, and short, medium, or long-term — identify development objectives and priorities of the country as a whole. To complement planning at the national level and to deconcentrate responsibilities to operating agencies, an administrative framework for sectoral and regional planning was provided by the IRP. Planning services were established at various levels of government, especially at the department (now ministry) level.¹⁰ A significant innovation in the planning machinery which in effect promises to enhance lower level participation in the planning process was the establishment of regional planning bodies called the Regional Development Councils.¹¹

The Regional Development Councils

In consonance with LOI No. 22, the NEDA established the Regional Development Councils (RDCs). Although the RDCs were envisioned to coordinate the implementation and monitoring of development plans, they had, since their inception, performed only planning and monitoring activities. The RDCs are responsible for preparing and updating long-range and annual development plans for the region; conducting research on social, economic and cultural development; and, coordinating the planning activities of the national government and local governments.¹² While the establishment of regional areas is not an entirely new concept,¹³ the 1972 regionalization effort deviates from the past in that the recent approach works towards establishing uniform regional centers for both the planning and implementation machineries to assure better coordination. In the past, these bodies were located in dispersed areas.

Separate sets of factors were considered in the determination of the regional areas and in the selection of regional centers.¹⁴ The primary cri-

terion in the determination of regional areas was the physical characteristics or geographical features, such as mountain ranges, river basins, plains, bodies of water, islands, etc. In some instances, these features served to identify or unify some portions of the country while in other instances, they served to divide or isolate them from other parts. The following secondary criteria were considered: (1) economic factors, particularly transportation and communication facilities; (2) cultural and ethnic factors; (3) land area and population; and (4) planning, administrative and political factors.

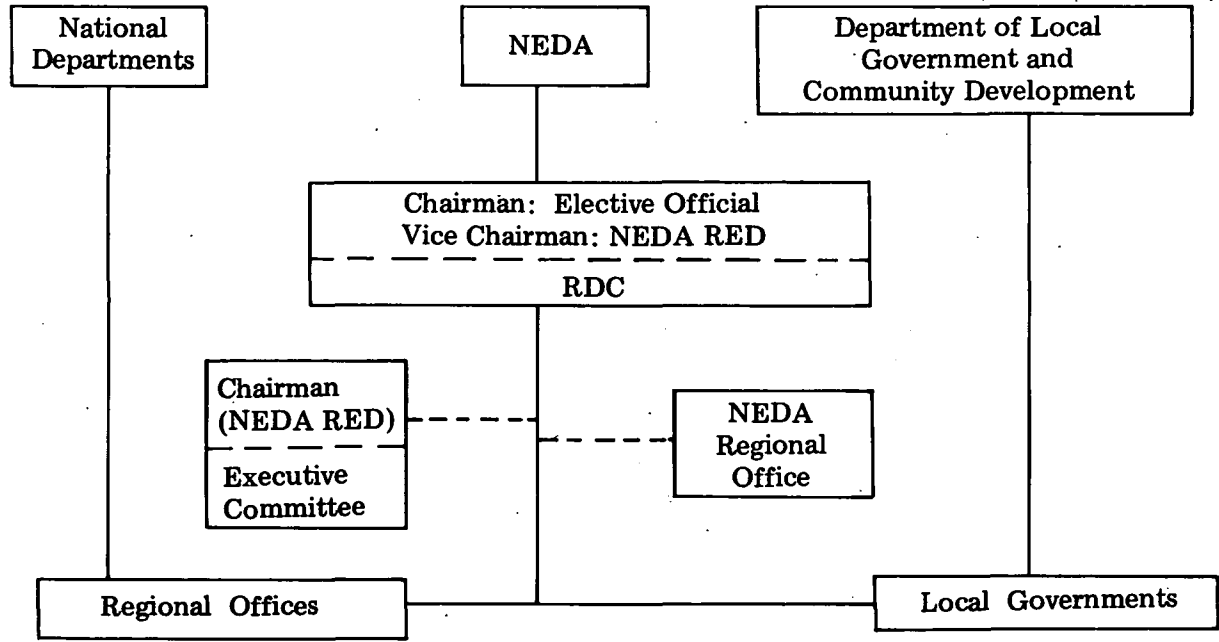
In the selection of an appropriate regional center within a particular region, the following factors were the determinants: (1) accessibility of proposed center from all provinces within the region, which includes the centrality and availability of transportation and communication facilities; (2) existence of generally well-developed infrastructure for effective and efficient administration such as power and water, qualified manpower, and financial facilities; and (3) growth potential in terms of administrative, economic, and social aspects. Considering the purposes for which the regional center is established, the first criterion — accessibility within the region — was the principal factor in the selection of the center.

According to the IRP, the RDC is to be composed of representatives of regional offices of operating agencies undertaking sectoral functions, and elective officials of local governments. The Chairman of the RDC is to be elected from local government officials in the region. He is assisted by a Vice-Chairman, the NEDA Regional Executive Director (NEDA-RED). To provide technical and administrative support to the Council, an Executive Committee has been created to be headed by the NEDA Regional Director with members originating from the regional offices of national departments. Hence, structurally, the RDC is the mini-NEDA Board in the region.¹⁵ In structure, it is unique as it combines both political and administrative officials in one body. This structure also serves as an intermediate tier between the national and the local government structures.

During the initial phases of their implementation, the RDCs had difficulty functioning because they lacked the political and administrative authority to affect the decisions of both the regional administrators and the local executives in planning at both the regional offices of line agencies and the other tiers of the local government.¹⁶ This is because the then Department of Local Government and Community Development (DLGCD) exerted a strong influence over the planning and implementation of development projects carried out by local governments. Hence, the Executive Committee, which was the real extension of the NEDA Board, could only exercise power over the local government units represented in the Council through persuasion and expertise.¹⁷ The RDC Chairman likewise, had no formal authority over the representatives of regional agencies of national departments or

the representatives of local government units in terms of their respective plans. Hence, the planning of programs and projects of regional offices had remained securely under the sectoral departments while that of the local governments under the DLGCD.¹⁷ (See Chart 2.)

Chart 2. The Regional Development Council under the Integrated Reorganization Plan

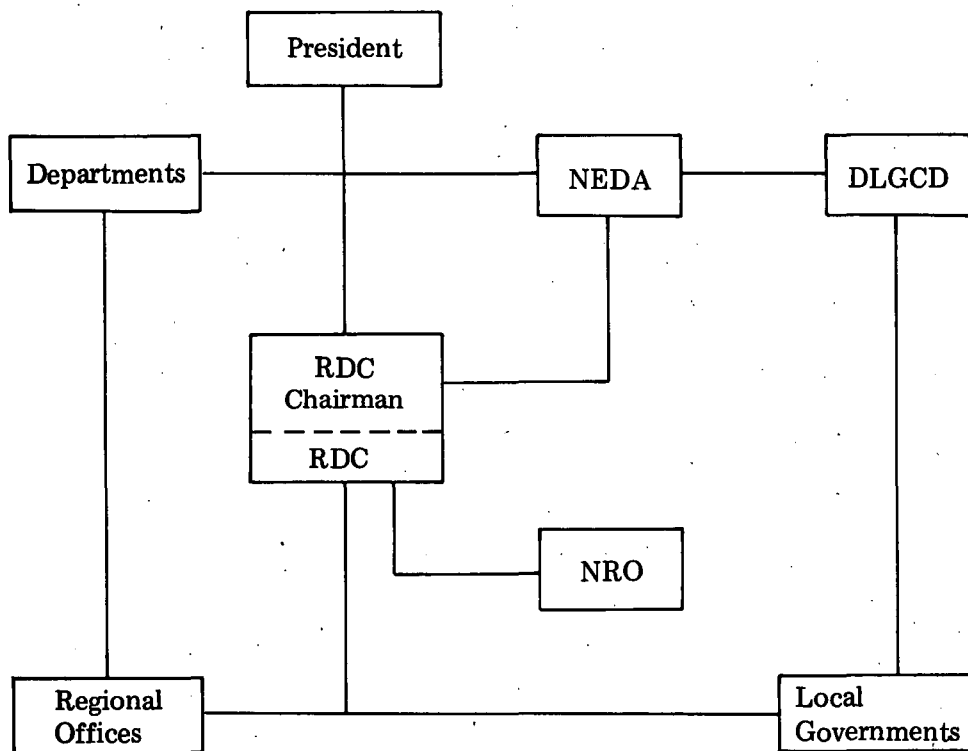


Source: Iglesias, 1977

To correct the apparent weakness in the RDC structure, LOI No. 542 was issued on May 20, 1977.¹⁹ This directive strengthened the role of the RDC Chairman. The Chairman has been granted the additional responsibility over the budgetary allocation for programs and projects of national offices and over the administration of the Regional Development Fund. The Fund has been created to provide a stable source for the operations of the Council. This Fund is to be generated from contributions of local governments and regional offices of operating agencies.

The power of the Chairman has been further enlarged as LOI No. 542 provides that the Chairman be a presidential appointee. The Chairman is therefore expected to report directly to the President. (See Chart 3.)

Chart 3. The Regional Development Council Under LOI No. 542



Source: Iglesias, 1977

The operation of the RDCs is also beset by a number of problems, such as:²⁰

(1) *Insufficient administrative authority among some of the representatives of the Council.* It is not uncommon for some regional directors to designate their representatives to participate in Council meetings. However, these representatives may not have enough authority to make commitments for their agencies, thus jeopardizing expedient decision making.

(2) *Overexpansion of RDC membership.* No numerical limit has been set regarding RDC membership. In fact, P.D. No. 79 has authorized the RDCs to simply pass a resolution to allow acceptance of new membership. As a consequence, some RDCs have tended to overexpand and, therefore, have become unwieldy.²¹ Enlarged RDCs are often beset by lack of quorum.

(3) *Limited scope of the Regional Development Fund (RDF).* A grant from the national government has been slated for some RDC projects. However, this grant, called the Regional Development Fund (RDF), has a restrictive clause which prevents the Council from automatically benefitting from it. The grant requires from the region a counterpart fund equivalent to 50 percent of the national RDF allotment. Hence, councils with poor resource capabilities are deprived of the opportunity to fully utilize the Fund despite the existence of viable projects.

(4) *Inadequate participation from the public sector in areas without regional offices.* RDCs may deem it necessary to coordinate with sectoral agencies in the area. However, since planning in some of these agencies are undertaken in their respective central offices, coordination has proven to be difficult. Examples of these institutions which pursue central planning are the Philippine Tobacco Administration and the Philippine Coconut Authority.

(5) *Difficulty in Coordinating with private enterprises.* LOI 542 and 542-A empower the RDCs to call on any instrumentality of the government and the private sector to cooperate in the performance of any RDC function. Nevertheless, some private entities only announce their projects upon implementation. This is the case with some foreign-funded projects in the Central Visayas like the Jalaur Multipurpose Project, the UNDP-FAO Bureau of Soils Land Evaluation Program and the Bohol Integrated Area Development Project.

(6) *Inadequacy of technical support.* Regional offices do not have adequate technical support to perform planning functions. This is because regional agencies did not succeed in securing items for planning positions despite their inclusion in the agencies' yearly budgetary proposals.

To summarize, while regional planning is the overall responsibility of the RDCs, this is done by the technical staff of the NEDA Regional Office (NRO) and the regional offices of ministries.²² The NROs employ two levels of planning: macro and micro. The Plan Formulation Division of the NROs applies the former while the Program Coordination Division of the NROs uses both but concentrates on the latter. The regional offices of ministries closely collaborate in sectoral planning through the Sectoral Task Groups (SECTAGs) of the RDCs. The regional development plan integrates the sectoral plans in the regional macro plan. This regional plan is reviewed and discussed by the Executive Committee prior to deliberation at the Council. Finally, the plan goes to the NEDA Board for final review, revision and approval.

On the whole, the planning function of the RDC still involves mainly, the "collation" of sectoral and local government proposals, according to guidelines supplied by NEDA.²³ RDC plans are also subject to review and approval by NEDA.

A more recent directive which can possibly strengthen regional development planning of the RDCs is the issuance of Executive Order No. 589 on April 7, 1980 making the Regional Development Investment Program (RDIP) the implementing framework of the Five-Year Regional Development Plan.²⁴ The RDIP requires, among others, the integration of regional investment planning with regional budgeting. The RDIP translates the objectives and strategies of the regional plan into specific packages of programs and projects which are then matched with available financial resources through the regional budgeting system.²⁵ The plan is the primary basis for public sector resource allocation at the regional level. However, despite these organizational improvements, the effectiveness of the institutional machinery for regional planning is contingent upon the speed at which central government functions are decentralized at the regional level. Unfortunately, while administrative powers have been decentralized, substantive powers are still very limited at the regional level.²⁶ Regional offices have to be given more flexibility in project identification and selection so that identified programs are truly directed towards a set of strictly regional aims.²⁷ Being financially dependent on the national government, regional decisions on program priorities and budgetary requirements are subordinate to central office decisions.²⁸ Despite the meticulous development oriented activities for the identification of programs and projects to meet the development needs and objectives of the regions, it is regrettable that majority, if not all, of the projects that get funded are centrally initiated and/or identified.²⁹

Regional Autonomous Governments

A very promising innovation that could eventually lead to the devolu-

tion of substantial responsibilities regarding planning, implementation and evaluation if all provisions are fully implemented is the establishment of regional autonomous governments in Regions IX and XII. The initial experiment to grant more powers in these areas was undertaken with the issuance of P.D. No. 742 in July 1975, restructuring the regional organization in these areas with the creation of the office of the Regional Commissioner. The Commissioner's powers and functions were later defined under LOI No. 290.³⁰ This approach was in response to the desire of the Muslims to develop their Islamic heritage, preserve their cultural and religious values, traditions and beliefs and, most important of all, bring about speedy development of the Muslim-populated regions.³¹

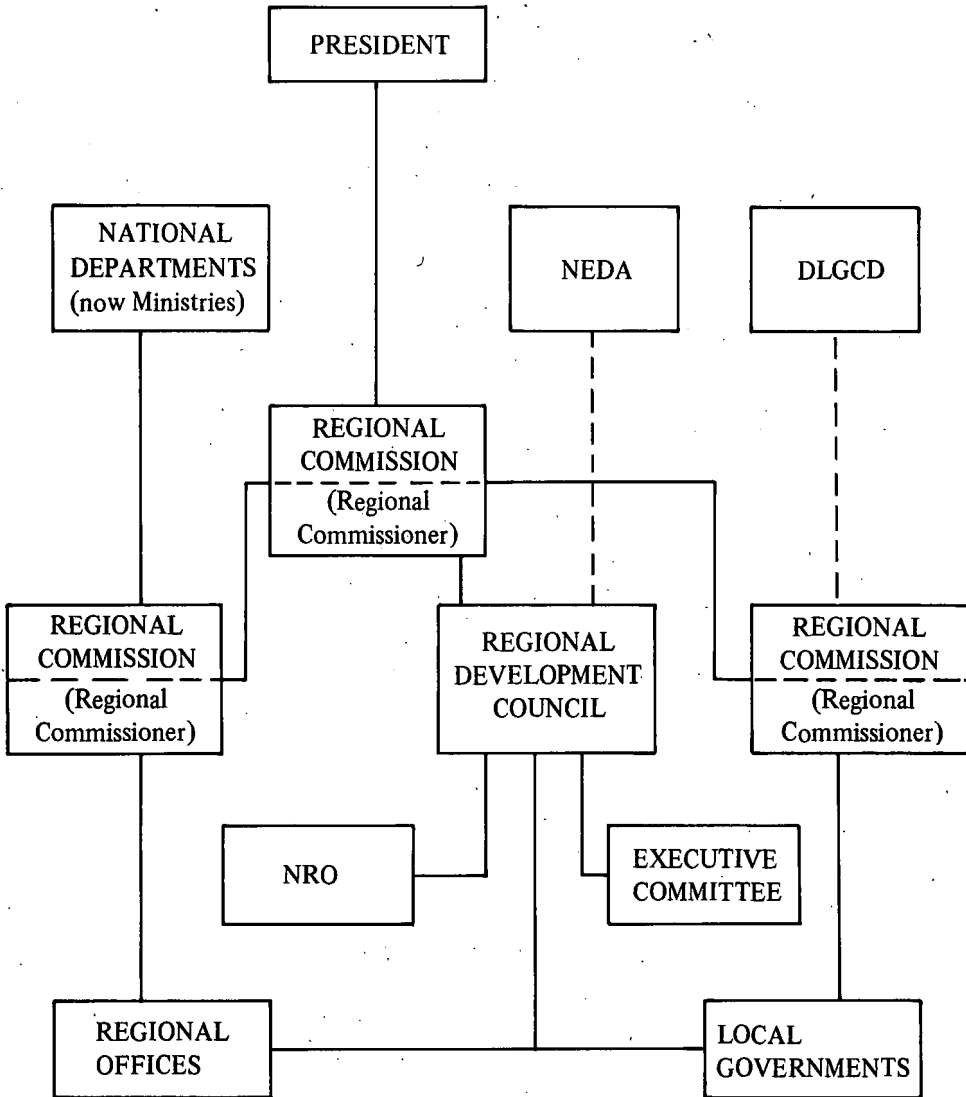
In this initial experiment, the Regional Commissions were created to supersede the RDCs. The Regional Commissioner, as head of the Commission, had the sole responsibility of overseeing both planning and implementation of development projects in the region. The Regional Commissioner was also granted additional administrative powers such as fund allocation; recruitment, wages and movement of personnel; and administrative supervision and control over local government units as well as various national government agencies in the region.³² The Commissioners were appointed by the President and reported to him directly. (See Chart 4.)

This structural framework was further revitalized through the passage of P.D. No. 1618 issued on July 25, 1979. Instead of a Regional Commissioner, a Regional Executive Council or *Lupong Tagapagpaganap ng Pook* (LTP) was made responsible for overseeing the planning, implementation, monitoring and evaluation of development programs and projects in the area. In addition, the regional areas had a local legislative body called the *Sangguniang Pampook* (SP) composed of 17 representatives elected from the different provinces and cities in the region and representatives from the youth, agricultural, non-agricultural and professional sectors.

The LTP is to be composed of one chairman and four members.³⁵ These officials are to be appointed by the President upon the recommendation of the Sangguniang Pampook. The Lupon Chairman is to serve as the presiding officer of the LTP and the chief executive officer of the staff of the LTP. He is, in behalf of the Lupon, responsible for managing the day-to-day affairs of the Region. He also acts as the ex-officio chairman of the Regional Development Council. Unlike most RDCs but like the old Regional Commission, the LTP is the unitary power for both planning and implementation activities.

The composition of the RDC in the autonomous regions was expanded to include members of the Sangguniang Pampook. The inclusion of SP

Chart 4. Regional Commission Model
Under P.D. 742



Source: Iglesias, 1977

members who are directly elected by the people, broadens the base for citizen participation in regional affairs. In the same manner, the formal representation of the LTP in the RDC theoretically provides a mechanism for the participation of the autonomous regions in regional development planning.

The supervisory power of the Lupon Chairman over the RDCs is enhanced through the transfer of the regulatory and supervisory powers of the MLGCD over the regional offices of a number of line ministries to the LTP. This authority to oversee refers to the identification, planning, programming, prioritization, implementation and evaluation of national funded development projects to ensure that these projects are within regional concerns. (See Chart 5.)

The Metro Manila Commission

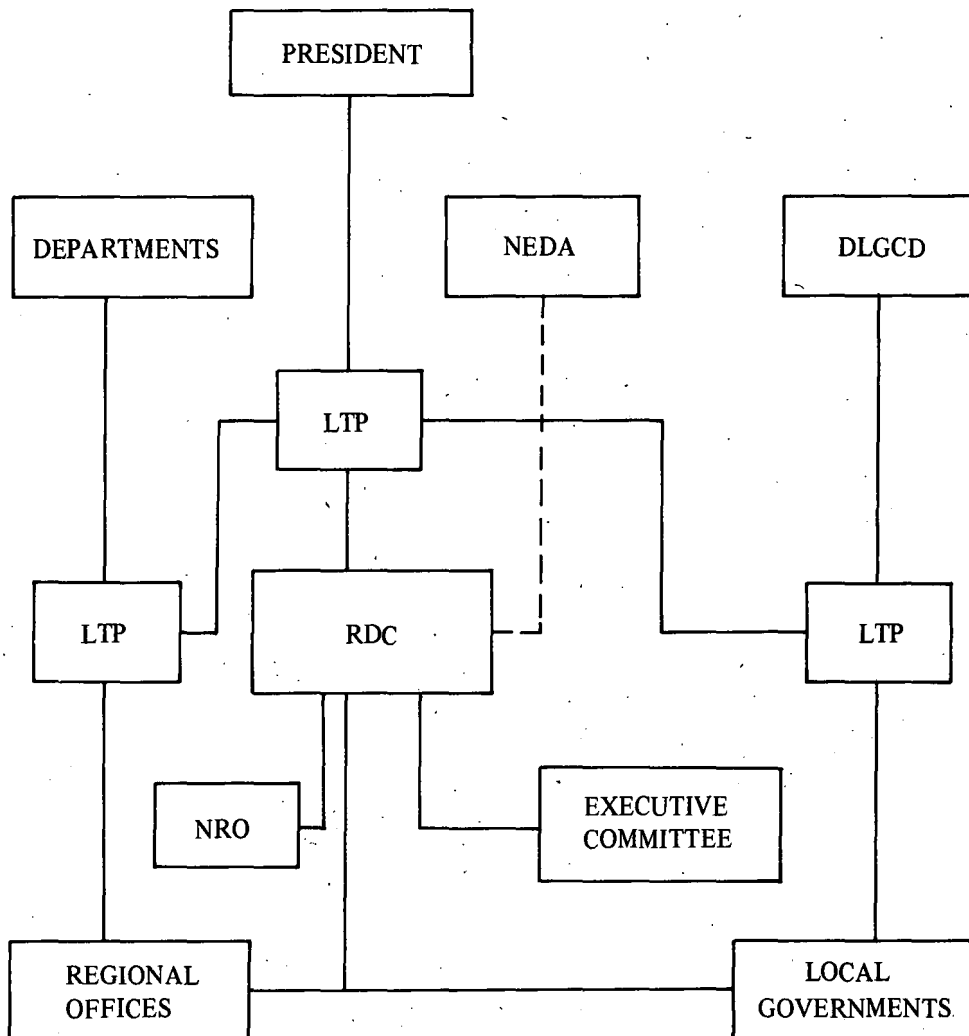
A development similar to the autonomy granted Regions IX and XII is the establishment of Metropolitan Manila Commission (MMC) as the central government for the Metro-Manila Area. As a body, it is empowered to plan, monitor, integrate and manage essential public services such as construction and maintenance of roads, traffic regulation, refuse disposal, police and fire services, and environmental protection, among other things.³⁴ The areas under the jurisdiction of MMC consist of the four cities of Manila, Quezon, Pasay and Caloocan and the 13 municipalities of Las Piñas, Makati, Malabon, Mandaluyong, Marikina, Muntinlupa, Navotas, Parañaque, Pasig, Pateros, San Juan, Taguig and Valenzuela. Per P.D. No. 824 of November 7, 1975 creating the Metropolitan Manila Area, the MMC was granted the status of a public corporation.

Unlike the autonomous governments of Regions IX and XII which have separate legislative and administrative bodies, the MMC fuses both legislative and administrative powers in one body. In lieu of the city councils, the MMC has a board of commissioners which takes charge of formulating policy decisions regarding metropolitan administration.³⁵ The Commission is headed by a Governor who is the chief executive and chairman of the commission. There are also a vice-governor and three commissioners for planning, finance and operations. The governor, assisted by the vice-governor, also functions as the general manager of the Commission. The MMC is directly under the President and as such has the power to revoke, amend or modify any ordinance, resolution or act of the Commission.

Like the LTP, the MMC has broader powers over the local governments in the area which RDCs do not have.

The Office of the Commissioner for Planning (OCP) formulates long-range plans and translates all policy directives into programs.³⁶ In line with

Chart 5. Regional Autonomous Government Model
Under P.D. No. 1618



these functions, the Office conducts research and investigation regarding policy areas; designs and executes community improvement programs relating to public services; formulates development plans; and develops an urban land management system pertaining to land use and control. This particular office in effect replaces the RDC structure in the area. (See Chart 6.)

The particular staff unit under OCP which performs planning activities is the Integrated Planning Service with three subdivisions under it, namely, the Policy Studies Division, Sectoral Plans Division and the Local Area Planning Division.³⁷

The Policy Studies Division is primarily responsible for formulating goals and targets for the area which are embodied in the Regional Development Framework Plan (RDFP). This Division is also tasked with coordinating programs and projects with line ministries that undertake socio-economic projects.

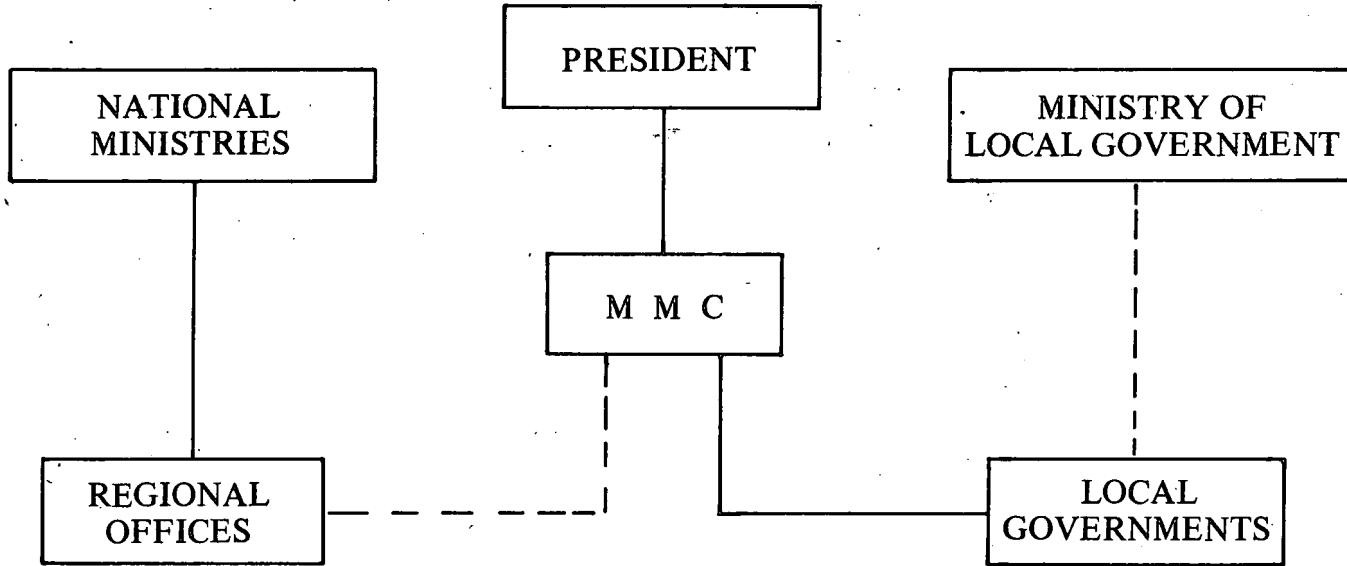
The Sectoral Plans Division has the function of formulating plans pertinent to infrastructures. It is expected to coordinate with the line ministries concerned with this type of program.

Finally, the Local Area Planning Division is responsible for formulating and consolidating plans relative to the different local governments. Some amount of overlap with the two other divisions occur as the plans coordinated by local governments include the programs of line ministries consolidated by the Policy Studies and Sectoral Plans Divisions.

A significant development towards consolidating the plans of line ministries, local governments and the private sector in MMC's planning process is the formulation of the Capital Investment Folio (CIF). The CIF is a catalogue of infrastructure projects and improvement programs evaluated, correlated and prioritized according to set national, metropolitan and local policies, goals, objectives and targets.³⁸ The CIF provides a guide to programming investments in the area. The Folio classifies development priorities at all levels of government according to short-range, medium-range and if possible long-range phases, containing annual capital requirements and programmed according to implementation priorities. These priorities are delineated as a result of a study of the actual needs of Metro Manila by the Integrated Planning Service Office of the Commission.³⁹ The set of criteria for prioritizing projects is based on social, economic, financial and technical impact of projects. The percentage weight given to each factor depends upon the priorities of the President.⁴⁰ The CIF should not, however, be confused with the RDIP as the latter is broader in scope and encompasses goals and targets for the MMA.

The forum for formulating policy decisions in the preparation of the

Chart 6. Metro Manila Commission Model



Source: Iglesias, 1977.

CIF is an executive committee composed of high ranking national government officials, local government officials and key private sector executives under the coordinative effort of the Commissioner for Planning. The executive committee is responsible for the approval of the final criteria and point rating system for project prioritization. A technical working group supports the executive committee composed of senior planning and programming staff of the various national agencies and governments involved. With the set of criteria, the executive committee assesses the relative significance of sectoral projects according to desired goals. The Folio is prepared from the collective analytical effort of the committee. Investment options are linked with the capability of the agencies to pursue these projects. The executive committee and the technical staff operate like the RDC and its technical staff in the other regions, as both the political leaders and technocrats discuss the balance between political interests and technical considerations of the CIF.^{4 1}

The Integrated Area Development Approach

The Integrated Area Development (IAD) approach evolved out of the realization that more factors than were earlier recognized had to be considered for a balanced development of the country.^{4 2} Several features characterize the IAD approach:^{4 3}

(1) *Defined geographical unit.* The IAD scheme is implemented within a sub-regional or multi-provincial scope. Aside from using the political boundaries to delineate as IAD area, ecological units are also taken into consideration, e.g., river basin, watershed, coastal zone and island, to synchronize politico-economic administration with resource-based environmental/ecosystem management.

(2) *Multi-sectoral operation.* In an IAD area, the efforts (projects) of the different government agencies focusing on different sectors of development (health, agriculture, education, infrastructure, etc.) are coordinated to produce complementary and reinforcing effects on the beneficiaries. Based on the fact that the problem of rural poverty is complex and multi-dimensional in nature, a total systems approach is adopted in an area whereby sectoral programs and projects are integrated and packaged for greater impact (i.e., the net collective benefits from the overall program are greater than those in the individual projects).

(3) *Grassroots participation.* IAD is designed to generate active and meaningful participation of the grassroots in the planning/decision-making, and implementation of programs and projects. The participatory approach integrates the grassroots needs and aspirations to the development plans of the government. By this "bottom-up" approach, the responsibilities in development are shared by both the government and the local people. IAD also aims to integrate the low income segment with the rest of the rural communities by ensuring their participation in the production and social processes.

(4) *Spatial integration.* The IAD boundaries are drawn to link rural production areas effectively with market towns and urban centers. Spatial integration provides greater access to product and factor markets thereby inducing the farmers to produce

beyond subsistence levels. Eventually, this will stimulate higher levels of farm production.

The major reason for adopting the nomenclature "Integrated Area Development" instead of "Integrated Rural Development" is the fact that the former connotes spatial integration of rural and urban areas. Spatial integration supports the hypothesis that economic development occurs in a specific locational matrix which is primarily rural-agricultural in composition. The growth and efficiency of this matrix directly affects rural development. Thus, IAD boundaries were drawn to either encompass or link with the industrial-urban areas through a series of market relationships.

(5) *Political commitment.* To ensure the effectiveness of IAD as an administrative framework within the existing local government structure and function, a firm and explicit commitment at the highest political level is required. In current practice, every IAD project in operation is being coordinated at the ministerial level by a Cabinet Coordinator who is a member of the National Council on Integrated Area Development chaired by the Prime Minister.

(6) *Organizational Integration.* IAD projects are sectoral in orientation and departmental in operation. Thus, the implementation of IAD projects requires an organization which has the authority and jurisdiction over the activities and resources of a multi-sectoral effort. This organization could take the form of a lead agency of a Program/Project Management office setup.

A unique structure has therefore been set up to respond to the multi-dimensional perspective of IAD. On May 17, 1978, a National Council on Integrated Area Development was formed to serve as the center of all efforts to achieve integrated area development in the Philippines. The Council is responsible for planning, implementing and coordinating all IAD projects. The Council is headed by the Prime Minister as Chief Executive Officer, and the Ministers of Local Government, Agriculture, Agrarian Reform, Natural Resources, National Defense, Finance, Public Works and Highways, the Office of Budget and Management and the Council's Executive Secretary, as members. The Council is assisted by a Program Coordinating Committee which facilitates the preparation and implementation of IAD projects. It is headed by a chairman, who is also the Council's Executive Secretary. A technical secretariat provides staff support to this Committee. Specific IAD projects are managed and implemented by project offices.

In the process of determining the areas to be considered under the IAD approach, a "policy of preference" governs the planning process.⁴⁴ The rationale for this is the recognition that mass poverty and inequitable distribution of development benefits can be geographically defined in terms of "poor areas and their communities," the alleviation of which would entail the concentration of a multi-sectoral package of investment within a compressed schedule of implementation. Two criteria were adopted for areas to be considered under IAD: resource endowments and low level of infrastructure and socio-economic development. In other words, the areas selected were "depressed areas with high development potentials."⁴⁵

The ongoing and pipeline project areas have all been identified by an ad hoc committee called the Cabinet Coordinating Committee for Integrated Rural Development Projects (CCC-IRDP) established on July 10, 1973 under LOI No. 99. The procedure for area selection involves a ranking of the country's resource regions, specifically river basins and island economies.⁴⁶ Priority is given to areas that exhibit high indications of mass poverty and low level of infrastructure and resources development but with high potentials for economic development. The selection process includes: stratification of provinces based on resource potentials; socio-economic scoring and ranking; exclusion of programmed/pipeline areas; and delineation of contiguous provinces.⁴⁷

The stratification of provinces is basically intended to prioritize the provinces by category. Stratification is based on a matrix of resource potentials indicators. The indicators used are: arable land area and percent cultivated, palay farms and percent irrigated; fishpond areas and yield per hectare; and population size and arable land density. Other indicators are considered such as upland potentials, level of investments and sectoral growth rates, but these could not be used for lack of comparable data at the provincial level. Additional indicators are also considered but these could not be adopted because of their "regional" rather than provincial comparability such as forest resources, minerals and offshore fisheries.

Socio-economic scoring and ranking of provinces within each stratum are in turn based on the following indicators: income, employment, health, education, housing, facilities, transport system and communication facilities.

Exclusion of programmed/pipeline areas occur prior to a determination of the areas to be included for the program plans. Areas excluded are ongoing programs or targetted programs using the IAD approach sponsored by both the NACIAD and other authorities.

Finally, the contiguous provinces with strong functional linkages are combined into one project and used as the basis for planning by designated bodies.

A combination of the Technocratic-Democratic Mix (T-D Mix) characterizes the planning process.⁴⁸ This approach essentially means combining the efforts of a technical group that provides the substance of the plan, and consultation with the targetted beneficiaries, the implementing sectors, and the decision-makers. These different interest groups are not necessarily involved in all the major phases of planning. A sample of the steps undertaken during the planning process is:

- (1) Preparation for the Planning Workshop (data gathering of area profile).
- (2) Planning Exercise Workshop to produce the Framework Plan.
- (3) Cross-Sectoral Planning Review by all appropriate government and private sectors.
- (4) Horizontal and vertical consultation to complete the democratization of the planning process and to achieve an overall technical consistency of the entire Framework Plan. This will be participated in by representative leaders from the area, officials from the regional and central office of NEDA, and selected private sector representatives in the province.⁴⁹

In the case of the framing of Bondoc Peninsula IAD Plan, a proposed IAD area in the southeastern part of Quezon province, the actual planning started with an ocular survey of each prospective IAD area.⁵⁰ This was followed by a review of the socio-economic and physical profile which included an appraisal of ongoing and proposed development projects and an assessment of the financial capability of the provincial and national government to support future projects. Thereafter, consultation workshops with the municipal leaders, representatives of provincial and regional line agencies and the UPLB (University of the Philippines at Los Baños) technical staff were conducted by the planners.⁵¹ These workshops were intended to serve as the basis for the planner to determine the needs in the area and to provide the opportunity to assure the beneficiaries that the projects to be implemented are those which the people really need and want. This IAD area has rich mineral resources such as gold, crude oil, coal, and limestone, but these have remained untapped because of limited know-how and poor infrastructure and support facilities.

As of 1982, the IAD approach is being implemented in varying stages in at least eight areas around the country such as the Bicol River Basin Development Program, the Mindoro IAD Project, the Samar IAD Project, Cagayan IAD Project, Palawan IAD Project, Zamboanga del Sur Development Project, the Philippine Rural Infrastructure Project and the Agusan/Bukidnon/Capiz Land Settlement Project.⁵²

There are some serious limitations in the IAD approach. First, while the program strongly adheres to the philosophy of participatory decision-making, the major components of an IAD project are done by government technocrats and the economists/consultants of the foreign-funding agencies.⁵³ One instance is the Bicol River Basin Development Program. In a survey con-

ducted by Wilfredo Olaño in 1901, only 41 percent of 302 farmers in Bicol acknowledged having participated in deciding the main components included in the IAD project package. Further, it was noted that most physical infrastructure projects chosen for inclusion in the feasibility analysis were taken from inventories of capital projects submitted by the local government for national funding.⁵⁴ In the same report, it was also noted that farmer beneficiaries hardly remember any occasion when the people themselves volunteered their services. The initiative to involve them in the planning process always originated from the project management group or from the local government leadership.⁵⁵

Second, the IAD approach is too heavily concentrated on infrastructure development and production intensification over the other aspects of the package like social services and land reform. Of the eight ongoing IAD projects, six heavily lean towards infrastructure development (e.g., irrigation, roads and bridges). Only two others focus on agricultural development to enhance economic self-sufficiency.

Furthermore, the reliance on capital-intensive goods to build these massive structures requires a large amount of fiscal support. Thus, all the IAD projects rely heavily on foreign borrowings (i.e., World Bank, Asian Development Bank, European Economic Community, Australian Government) to finance these projects. Instead of embarking on projects to encourage self-reliance, the IAD communities are too dependent on foreign capital. Even projects still in the pipeline also require substantial support from the developed nations such as Japan, Netherlands, Germany and France.

Conclusion

On the whole, the structural arrangement of the Philippine planning system manifests competing tendencies for centralization and decentralization, although the dominant pattern leans toward centralization. One instance is the provision for the formulation of the Regional Development Council by the Integrated Reorganization Plan of 1972. While this move has brought about decentralized planning activities in the region, in actual implementation this structure has remained as a vehicle for collating plans which have been centrally initiated and identified by the various line ministries. Furthermore, the plans consolidated by the RDCs are still submitted to NEDA for final approval.

Another conflicting tendency may be noted in the actual implementation of development plans around the country. Per IRP mandate, the responsibility for implementing sectoral plans has been decentralized in uniform regional centers under the leadership of the Regional Directors of line

ministries. However, the Regional Directors have not been granted comprehensive substantive powers in decision-making. Their powers are primarily administrative in nature (i.e., those pertaining to personnel recruitment, selection, promotion and motivation), rather than making a decision in the identification of particular activities concerning the programs and projects representing the line ministries they are affiliated with. Limited substantive power has been granted in the allocation of the budget for regional activities.

Attempts to devolve substantial powers has been experimented on in Regions IX and XII, Metro Manila Commission and the IAD projects. In Regions IX and XII, the LTP has been envisioned to serve as the unitary structure for overseeing both planning and implementation activities, except those that are considered within the realm of national sovereignty (i.e., defense and security, currency, etc.). The LTP, through its chairman, has been granted authority to oversee such activities as health, agriculture, social services and development, etc. In actual practice, however, the different ministries still remain actively involved in the formulation and implementation of respective programs and projects. The LTP's role vis-a-vis the field offices is limited to receiving information regarding the activities of field offices and joining budget hearings.⁵⁶ Furthermore, central control over these regions may be gleaned from the fact that the President has a direct line of authority between his Office and the Lupon, as well as a direct hand in the appointment of its members.

In the case of Metro Manila, a Commission has been set up to serve as the unitary structure for legislating local policies, planning development activities in the area and implementing these development plans. Like Regions IX and XII, substantive powers have been devolved to the Commission, headed by the Governor who is concurrently the First Lady. Like the autonomous regions, Metro Manila can plan for development activities common to the different cities and municipalities under its jurisdiction such as for example, health, garbage disposal, traffic and barangay operations, among others. However, the different line ministries basically perform central planning regarding its respective programs and projects. These are coordinated by the MMC, sometimes prioritized in accordance with what is perceived to be the most critical. Centralist tendencies will be noted by the direct line of authority between the President and the Commission. Centralization is further enhanced by the fact that the Governor is the wife of the President.

Finally, an attempt to develop strong communication links among the different line ministries, private agencies and target beneficiaries is the concern of the Integrated Area Development approach. The "bottom-up" planning structure is even expressly provided for in the philosophy of the IAD approach. In particular, citizens are envisioned to be active participants in

the different levels of planning, implementation and monitoring and evaluation of development programs and projects. Theoretically, the IAD approach provides the opportunity for developing plans in accordance to the perceived needs of people in the area. In actual implementation, IAD approaches suffer from the full realization of marshaling citizen participation in the different stages of planning, implementation and evaluation. Furthermore, IAD projects have been beset by the problem of coordinating the efforts of the different agencies which are expected to participate in the activities of the IAD. When a problem like this occurs, the tendency to respond to it is through assigning a figurehead who wields power and authority, often emanating from the lead agency which pursues the top priority activity of the IAD. Hence, IAD projects may suffer from too much centralization in implementation.

Endnotes

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