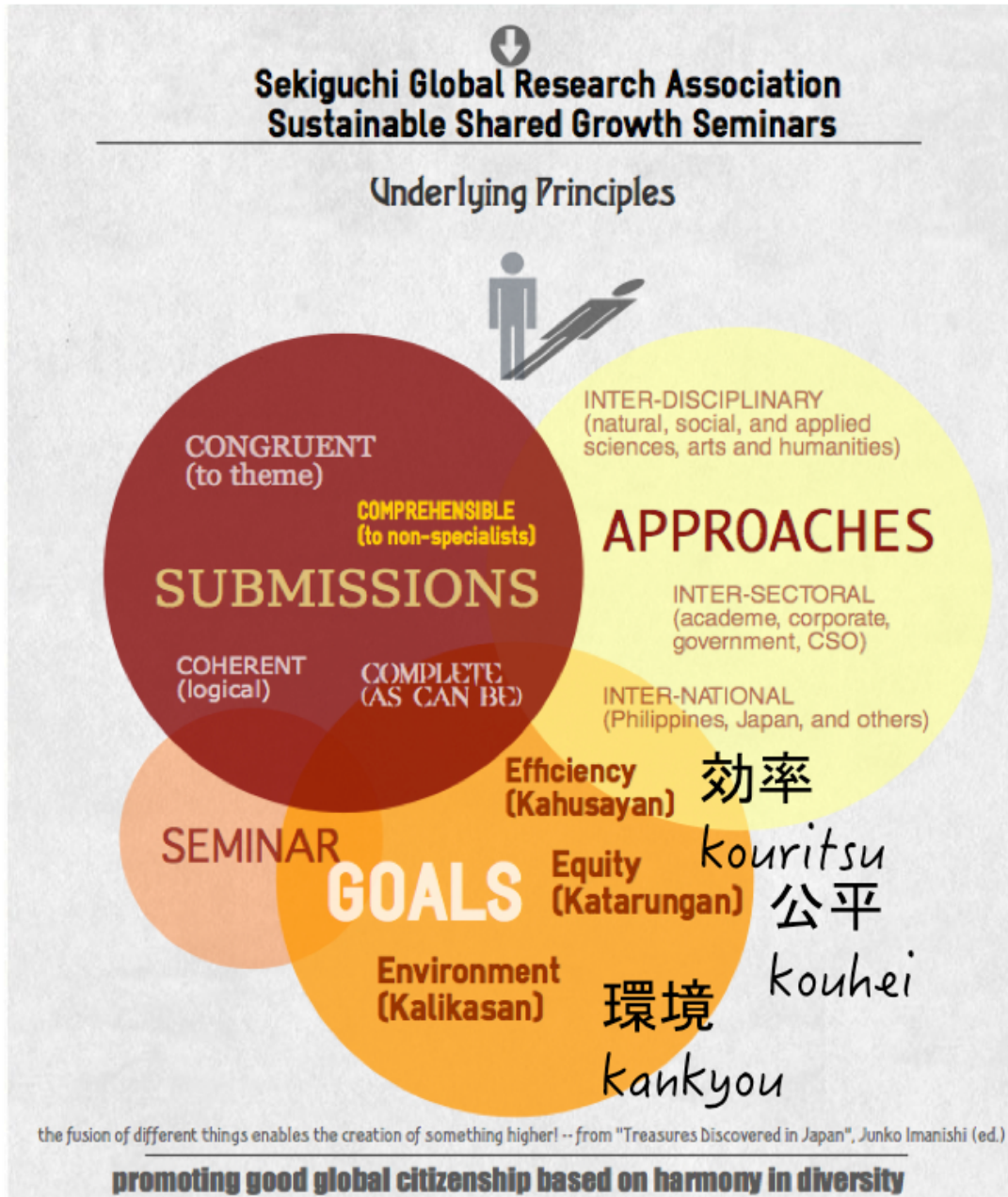




SGRAC
Sekiguchi Global Research Association
関口グローバル研究会

SUSTAINABLE SHARED GROWTH SEMINAR #22

**DECENTRALIZATION AND SUSTAINABLE SHARED GROWTH:
Federalism, Local Governance, and the Agricultural Sector in the Philippines**



THEME: Decentralization and Sustainable Shared Growth:
Federalism, Local Governance, and the Agricultural Sector in the
Philippines

Hosted by: College of Public Affairs and Development (UPLB) and
Sekiguchi Global Research Association (SGRA)

Date: February 13, 2017 (Monday)

Venue: College of Public Affairs and Development, University of the Philippines Los
Baños, College, Laguna

Background: The Philippines has unfortunately slipped behind its ASEAN cohorts, where it once was at the top of the class. Disparity in income and wealth distribution remains a major problem, compounded by the country's excessive ecological footprint. Throughout the majority of her post-war development, the Philippines relied on economic and political decision-making that was heavily centralized in the National Capital Region. For the last two decades, there have been strident efforts to decentralize. This seminar seeks to understand this effort from the perspective of sustainable shared growth

Master of Ceremonies: Dr. Merlyne M. Paunlagui

Program

| | |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0900 - 0930 | <i>Registration</i> |
| 0930 - 1000 | <i>Opening Remarks</i> <i>CPAf Prof. Rowena Baconguis</i> <i>SGRA Chief Representative Junko Imanishi</i> |
| 1000 - 1100 | <i>"Federalism and Local Governance" by Dr. Danny Reyes</i> <i>(National College of Public Administration and Governance)</i> |
| 1100 - 1130 | <i>"Reconstruction and Rehabilitation Strategies Revisited: A Georgist Approach" by Mr. Joffre Balce (Secretary, Association for Good Government)</i> |
| 1130 - 1200 | <i>"The Philippine Agriculture Challenge: Strategic Issues in the Duterte Administration" by Dr. Eliseo Ponce International Consultant, Former Director, Bureau of Agricultural Research - Department of Agriculture, Retired Professor, Visayas State University</i> |

| | |
|-------------|----------------------------------------------------------------|
| 1200 - 1300 | <i>Lunch Break</i> |
| 1300 - 1500 | <i>Round table Discussion (Facilitated by Dr. Max Maquito)</i> |
| 1500 - 1530 | <i>Merienda</i> |

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|----------------------|------------------------------------------------------------------------------------------------|
| <i>After Seminar</i> | <i>Other activities (picture taking of all participants, mini tour of UPLB for SGRA group)</i> |
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UPLB at a Glance (<http://uplb.edu.ph>)

Degree Programs



- 29 Undergraduate degree programs
- 70 Masteral degree programs
- 30 Doctoral degree programs

Faculty

- 917 faculty (July 31, 2013)
 - 105 Professors, 115 Associate Professors, 408 Assistant Professors and 27 Instructors, 7 Research Assistant Professors, 5 Research Associate Professors and 4 Research Professors.
- Twenty-nine percent (29%) of the faculty has doctorate degrees. Of the 917, more than 500 are graduate faculty. Nearly 50 UPLB faculty have been appointed as Professor Emeriti. There are close to 50 international scientists who serve as adjunct professors.

UPLB at a Glance (<http://uplb.edu.ph>)

Students: Undergraduate - about 11,000, Graduate - about 1,300, Others - about 150

Ten to twenty percent (10-20%) of the graduate students admitted each year are **international students**, majority of whom are from neighboring countries in Asia such as, Indonesia, Myanmar, Cambodia, Lao-PDR, Vietnam, Timor-Leste and Thailand.



Total of 14, 669.23 hectares



Opening Remarks: Dr. Weng Baconguis

Dr. Weng welcomes participants and gives an overview of the host site, while well wishing everyone a Happy Valentine's Day

Opening Remarks: SGRA Chief Representative Junko Imanishi

Good morning, おはようございます。

I am very happy to be able to come back to Manila and participate in this 22nd Shared-Growth Seminar. I am Junko Imanishi, Chief Representative of SGRA.

SGRA, or Sekiguchi Global Research Association is based in the town called Sekiguchi within Tokyo. SGRA was born from the Atsumi International Foundation, which provides scholarships to Ph.D. candidates who are studying in graduate schools in Japan. It is a family foundation and is aiming to build a network of scholars who have studied in Japan. In fact, SGRA is the research network of the former scholars of Atsumi International Foundation. It was established 22 years ago and now the network has been grown to more than 200 scholars around the world.



The instigator and also the coordinator of today's Seminar, Dr. Max Maquito was in fact one of the 11 scholars in the first year of the establishment. The first Japan-Philippines Shared-Growth Seminar was held at the University of Asia and the Pacific, in Manila, on March 26th, 2004. The title of the Seminar was already "Aiming for Shared Growth." It is the passion of Dr. Maquito that led the achievement of this Seminar series for 22 times in 13 years.

In 2010 and 2011, with the help of another former Atsumi scholar Dr. Weijun Gao, Professor of the University of Kitakyushu, a group of scholars in architecture and engineering from the universities in Manila were invited to the SGRA forums in Tateshina, and then in Tokyo. After these two forums in Japan, the planning committee was established and many people became involved in organizing the so-called Manila Seminar. As a result, the scale of the Seminar became bigger. The 16th Shared-Growth Seminar was held on August 23rd, 2013, in the University of the Philippines with 220 participants.

The reason for this big success must have been thanks to the teamwork of scholars involved. I would like to thank again all the members of Organizing Committee for their cooperation and also their participation in our by-annual Asia Future Conference.

I understand that the style of the Seminar has changed again after the 21st Shared-Growth Seminar, which was held last January in Benguet. The scale of each seminar became smaller, but Seminar is now being held not only in Manila City but also other areas in the Philippines. This is why I could come to Los Banos, and it is good for me to be able to visit many places in the Philippines.

Atsumi Foundation and Sekiguchi Global Research Association fully supports this development, and look forward to see further development of networking the scholars who share the aim and passion to make Sustainable Shared Growth possible in the Philippines. Since now that each Seminar is smaller, you may need to explore IT-based networking including active web page and digital newsletters.

Lastly, we are hoping to host the fifth Asia Future Conference in the Philippines in 2010. I would like to ask your cooperation and support to make it happened.

PRESENTATION 1

**Issues and Problems in Decentralization and
Local Autonomy in the Philippines:
An Assessment of Impact and the Challenge of Federalism**

BY: Dr. Danilo de la Rosa Reyes, DPA Professor (Ret.)

National College of Public Administration and Governance

University of the Philippines, Diliman, Philippines



- The decentralization of highly centralized and rigid systems of government in the aftermath of the colonial periods has been the response towards improving the delivery of public services and the management of public affairs among newly-independent nations.

- “There is today the acknowledged consensus that decentralization has become “an almost universal feature of modern states,” and that “almost all countries are on the wave of decentralization” (Lee, 1996: 102).

- Along these lines, the Philippines embarked on launching an extensive and comprehensive decentralization policy in 1991 framed within the context of devolution and local autonomy to local government units (LGUs).

- After decades of failed embryonic decentralization and local autonomy policies, an all-embracing law was enacted under Republic Act No. 7160, otherwise known as the “Local Government Code of 1991” as approved on October 10, 1991.

- This Study seeks to provide cursory analysis and assessment of issues in the performance of Local Government Units in the Philippines in light of this statute.

- It later looks at the nature of the Federal system and its challenge in the Philippines.

- As the Code observed its 25th year in 2016, its impact on poverty alleviation and other aspects of local governance, as well as the performance of local government units, has become compelling.

- The Local Government Code is a fulfilment of the provision of the 1987 Philippine Constitution, which provides among others, that Congress shall enact a local government code that will institutionalize a system of decentralization (Sec. 3) whereby local government units shall be extended more power, authority, responsibilities and resources.

- The Code covers a vast and bulky enumeration of policies and mandates provided in four books divided into 536 sections to transform local government units into self-reliant communities.

- It is a complex codified body of legislation that capture the many facets and aspects of local governance.

Several basic services and facilities have been devolved to LGU: agricultural extension and on-site research, community-based forest projects, field health and hospital services, public works and infrastructure projects derived from local funds, school building programs, social welfare services, tourism facilities, housing projects for provinces and cities and such other services pertaining to industrial support.

The regulatory powers, on the other hand, devolved to the LGUs include: the reclassification of agricultural lands, enforcement of environmental laws, inspection of food products, quarantine, enforcement of the national building code, operation of community public utility conveyances (tricycles), processing and approval of subdivision plans and the establishment of cockpits and the holding of cockfights.

Based on a rough and preliminary assessment, the following could be identified as some of the recognized salutary gains of the LGC during the last 25 years:

1. Grassroots empowerment and greater citizens' participation in the communities.
2. Greater Involvement of Civil Society and People's Organizations and the Private Sector in Policy-making and in the Management of Public Affairs.
3. The Rise and Strengthening of Inter-local Cooperation Through the Establishment of Leagues of Local Government Units and Elective Officials.
4. Consciousness on the Rights of Local Government Units and Greater Transparency.
5. Recognition of Best Practices under the Galing Pook Awards (Excellent or Best Localities) Program.
6. Anti-Poverty and Development Initiatives are systematically being launched at the Local Levels.

THE CHALLENGES TO LGUs:

THE PROBLEM OF IMPLEMENTATION

1. The Problematic of the Absorptive Capacities of LGUs has not Matched the Demands of Responsibilities Entrusted by the Code.
2. Many Local Governments Continue to be Dependent on their Shares of the Internal Revenue Allotment.
3. The Financial Capacities of LGUs Leave Much to be Desired.
4. The National Government Continues to hold and control the Bulk of Productive Sources of Revenue even in the Post-Code period.
5. There is a Wide Disparity in the Distribution of Government Personnel Between the National Government and the LGUs.
6. The Poverty Incidence has not been contained.

Will a Federal system reduce the poverty incidence of lagging communities?

PRESENTATION 2

"Reconstruction and Rehabilitation Strategies Revisited: A Georgist Approach"

The Typhoon Yolanda/Haian Case

BY: Mr. Joffre Balce (Secretary, Association for Good Government)



CURRENT SITUATION:

Capital: infrastructure, buildings, equipment need rebuilding & replacing

Labor: No employment or livelihood opportunities

Land Values are practically nil.

Problem: How to get the Visayas hit by typhoon Yolanda/Haiyan back on its feet in a sustainable manner

The "Leftist" View

"Left-wing" proposals call for society to achieve equity by redistributing most of the wealth. No distinction is made between the sources of income (land, labor or capital), and individuals control only a small portion of the wealth. In most cases this entails a large measure of social control, and a "planned economy.

The Rightist View

"Right-wing" proposals hold that efficiency requires more wealth to remain in private hands (also making no distinction between rent, wages and interest), and that society, or government, should only get the minimum it needs for necessary services, e.g., the role of "traffic cop." This implies leaving the running of the economy to private interests.

The Centrist Compromise View

"Middle-of-the-road" proposals seek a "balanced system" in the distribution of wealth and power between individuals and society - but make insufficient distinctions between earned and unearned incomes, and do not carefully define the proper spheres of society and the individual. The result is a hodgepodge in which efficiency and equity always appear to be at odds.

The Georgist View

The Georgist proposal is different that it makes a distinction between the unearned income of land values (rent) and the earned incomes of labor and capital (wages and interest). Rent to society, wages and interest to the individuals who earned them. The proper spheres of society and the individual are clarified. The Georgist proposal achieves the goal of "left-wingers" for security and social action, but without restrictions on liberty. It achieves the goal of "right-wingers" to attain freedom, but without privilege and monopoly. And it achieves a balanced system sought by "middle-of-the-roaders," but in a just rather than arbitrary way.

"All men dream: but not equally. Those who dream by night in the dusty recesses of their minds wake in the day to find that it was vanity: but the dreamers of the day are dangerous men, for they may act their dreams with open eyes, to make it possible."

(T.E. Lawrence)

PRESENTATION 3

"The Philippine Agriculture Challenge: Strategic Issues in the Duterte Administration"

By: Dr. Eliseo Ponce International Consultant, Former Director, Bureau of Agricultural Research - Department of Agriculture, Retired Professor, Visayas State University

Introduction:

Where is Philippine Agriculture Today?

E0 116/292

- Farmer's income
- Employment generation

RA 8495

- Food Security
- Productivity & Income
- Poverty Alleviation
- Global competitiveness
- Sustainable development

The last 30 years, little has changed!

- Food prices are among the highest in the ASEAN; lack food security; malnutrition
- AF producers' income is low
- Lack of rural employment; high rural—urban migration; peace & order problem
- Weak agriculture competitiveness: anemic export growth
- Persistently high rural poverty incidence
- Climate change makes AF more risky

Why Are We Where We Are Today?

- 1. We have serious problems of governance
- 2. We do not plan well
- 3. We have poor investment strategy
- 4. We do not have clear system of accountability

- **Key Agriculture Reform Agenda**

FOR THE DUTERTE ADMINISTRATION**Agenda 1:** Modernize the Philippine Agriculture Bureaucracy**Agenda 2:** Institute Quality Planning at the DA, Systems' Wide**Agenda 3:** Sound Investment Strategy**Agenda 4:** Clearly Defined Accountability (Congress)**Summary****Four-Point Reform Agenda**

1. Modernize the Philippine Agriculture Bureaucracy
2. Institute Quality Planning
3. Sound Investment Strategy
4. Clearly Defined Accountability

AFMA Team (2010): Closing Statements

Agriculture/Agribusiness remains the most crucial sector in the pursuit of the PDP goal of inclusive growth

Age-old shortcomings in the sector will require fundamental institutional and budget reforms. Key actions are needed from the economic oversight agencies, LGUs

Agriculture is everyone's business, and is much too important to be left to D.A. alone

An invitation to SGRA's 4th Asia Future Conference in 2018 at Seoul

The Fourth ASIA FUTURE CONFERENCE

第4回 アジア未来会議 제4회 아시아미래회의

PEACE, PROSPERITY, AND DYNAMIC FUTURE

平和、繁栄、そしてダイナミックな未来
평화, 번영, 그리고 역동적 미래



This conference aims to provide a platform for those who studied in Japan and those who are interested to meet and discuss about the future of Asia

FRI 24 – TUE 28 AUGUST, 2018
SEOUL, KOREA

この会議は、日本で学んだ人、日本に関心のある人が集い、アジアの未来について語る<場>を提供することを目的としています。
2018年8月24日(金)・8月29日(火)
韓国ソウル

이 회의는 일본에서 공부한 사람, 일본에 관심이 있는 사람이 모여, 아시아의 미래에 대해 이야기하는 <장>을 제공하는 것을 목적으로 하고 있습니다.

Call for Papers, Posters, and Exhibitions
We welcome Paper/Poster/Exhibition proposal related to the overall theme and one or more of the sub-themes, in order to encourage interdisciplinary discussion at AFC 2018 SEOUL

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College of Public Affairs and Development (CPAf) Report on the Seminar

Reprinted from: <http://bit.ly/CSPPS-SGRA>

The Center for Strategic Planning and Policy Studies (CSPPS) of CPAf organized its first policy seminar for 2017, entitled “Federalism, Local Governance, and the Agriculture Sector in the Philippines” last February 13 at CPAf. The event was co-sponsored by the Sekiguchi Global Research Association (SGRA). Representatives from different academic and research institutions, and various local government units attended the said activity.

Highlights of the program were the lectures of Dr. Danilo Reyes, retired professor of the National College of Public Administration and Governance of UP Diliman (UP NCPAG); Dr. Joffre Balce, secretary of the Association of Good Government; and Dr. Eliseo Ponce, former visiting senior research fellow of the Philippine Institute of Development Studies (PIDS) and former director of the Bureau of Agricultural Research of the Department of Agriculture (DA-BAR).

Dr. Reyes talked about “Federalism and Local Governance,” which discusses the decentralization of the government and the devolution of powers to the local government units (LGUs) through the Local Government Code. These powers include the basic services provided by the government to the people, including agricultural extension. He also added that the devolution of power may pose challenges to the LGUs, such as in allocating their funds to finance the needed basic services. Federalism has been a major topic in the country as President Rodrigo Duterte advocated it even during his campaign for the 2016 national elections.

Moreover, Mr. Balce discussed the “Reconstruction and Rehabilitation Strategies Revisited: A Georgist Perspective.” He shared the difficulty on finding ways to sustainably help the areas in the Visayas region, which were hit by Typhoon Yolanda in 2013, to get back on their feet. To deal with this problem, the Georgist perspective was presented as a strategy for reconstruction and rehabilitation. Dr. Balce explained that the Georgist policy requires “the suspension of all income, consumption, and transaction-based taxes.” He further suggested to convert the Visayas East Coast ports into free ports, and to strictly comply and enforce the land use plan.

In his topic “The State of the Philippine Agriculture,” Dr. Ponce pointed out that little has changed in the agriculture sector in the last 30 years. He mentioned that the cost of food in the Philippines is still one of the highest in the ASEAN region. He further noted that the agricultural producer’s income is low, the agricultural sector’s competitiveness is weak, and the poverty incidence in the rural areas is high. These are all attributed to poor governance, poor planning, poor investment strategy, and poor accountability. He also discussed the Key Agriculture Reform Agenda of the Duterte Administration, which include the modernization of the Philippine

Agriculture bureaucracy and the institutionalization of the system-wide quality planning in the Department of Agriculture.

After the three lectures, Dr. Ferdinand Maquito, Philippine chief representative of SGRA, facilitated the round table discussion. Raised in the discussion were issues on the duplication of programs provided by the national agencies and the LGUs; and the Internal Revenue Allotment (IRA) share of cities and municipalities and its connection to taxation. It was suggested that a comprehensive study should be made prior to the implementation of federalism in the country. *(by Nico Jayson C. Anastacio)*

Reflections by Dr. Max Maquito

This is the second seminar under the new format, wherein there is a conscious effort to focus on research and advocacies which aim at sustainable shared growth. The topic was actually decided upon to be on federalism, in an impromptu breakfast meeting with Dr. Merl Paunlangui, who was participating in SGRA's 3rd Asia Future Conference being held in Kita Kyushu. Dr. Merl was recommended by Organizing Committee member, Dr. Weng Bacongus to represent her team at the College of Public Affairs and Development (CPAf) of the University of the Philippines, Los Banos campus. Drs Weng and Merl were ably assisted by CPAf researcher Eileen Mamino (shown at right).



The mechanisms for sustainable shared growth that we have identified so far through our seminars could be all considered as mechanisms for environmentally-friendly decentralization. It is in this context that the topic of federalism, which is covered in this seminar, gains much relevance to the sustainable shared growth seminars. Federalism is, in principle, a political framework by which decentralization could be advanced. Such decentralization would theoretically equitable as it devolves political power from the national centralized authority to the local government units. In doing so, it empowers local government units in a way that incentivizes more efficient policies, which would include a keener awareness of the local environment that effectively nourishes the local government unit.

Dr. Reyes' presentation on federalism provides a good overview of both sides of the federalism debate. As a circumspect scholar, he states clearly of not yet having been able to sift fully through the arguments, and, at the time of his presentation, admits of neither being for or against federalism. He calls for further systematic study on the topic, and warns that it is a research topic where it is very easy to reach wrong conclusions.

Association for Good Government Secretary Joffre Balce focused on fiscal autonomy using a Georgist land value taxation scheme. This scheme actually is one of the sustainable shared

growth mechanisms that we have identified thus far. We plan to have a seminar on this topic in Joffre's adopted country, Australia, sometime in September of this year. Fiscal autonomy is indispensable to a successful decentralization. The irony, however, is that local government units appear to have grown more dependent on the national government funding since the local government code was passed in 1991. We look forward to learning how it succeeded in Australia, based on the cases cited by Joffre, in the next seminar.

Dr. Ponce shared his insights about the Department of Agriculture, which I think really could be expanded to cover the whole government bureaucracy. Despite being at the top of class, the Philippines has now been overtaken and left behind by its ASEAN cohorts. While this debacle could be explained to some extent by random external shocks, internal factors such as poor economic development programs could be considered also as a major factor. Dr. Ponce is essentially lamenting poor governance, poor planning, poor investments, and lack of accountability not only in the Department of Agriculture but in the government as a whole. Even more tragic is this is not because of a lack of intellectual assets on the part of the Filipino people.

The discussion with the participants at the end of the seminar confirmed the disconnect that exists between local government units and the national government, the doubt on federalism's success in improving the situation, and the need for further research on decentralization. Happily, these points were not lost on CPAf Dean Virginia Cardenas, who in a chat with participants during one of the breaks mentioned the need for a systematic program of research on the topic. I really hope that CPAf could contribute to this discussion, in ally with like-minded parties.

My personal thanks to SGRA Chief Representative Junko Imanishi and Prof. Hltoshi Hirakawa for taking time from their busy schedules to join the seminar from Tokyo.



Sitting (from left): Dr. Merl Paunlagui, Dr. Hitoshi Hirakawa (Head of Scientific Committee, Asia Future Conference, Prof. Kokushikan University), SGRA Chief Rep. Junko Imanishi, CPAf Dean Virginia Cardenas, Association for Good Government Secretary Joffre Balce (flew in from Australia), Dr. Max Maquito.
 Right behind Junko-san: Dr. Brenda Tenegra (2nd of two scholarship recipients of Atsumi International Scholarship; flew in from Cebu)
 Behind Dean Cardenas (from left): CPAf Researcher Eileen Mamino and Dr. Weng Baconguis



Regular KKK Seminar participant and SGRA Organizing Committee member, Arch. Mynn Alfonso (leftmost) with friends from University of Santo Tomas

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