

# PHILIPPINE LOCAL GOVERNANCE FORUM



The Wonders of Devolution:  
30 Years of Strong and Empowered Local Governments

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# Celebrating the Local Government Code: Thirty Years and Counting

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# IN RETROSPECT



- Pre-Spanish time: everything was localized
- Spanish colonization: barrio, pueblos, cabildos, and provincias
- 1983- Batas Pambansa 337



# IN RETROSPECT



- Local Autonomy Act
- Barrio Charter Act
- Decentralization Act



# 1991- Republic Act 7160 Local Government Code



- transfers the responsibility for the delivery of various aspects of basic services to local governments
- transfers certain regulatory and licensing powers to local governments



# 1991- Republic Act 7160 Local Government Code



- increases the financial resources available to LGUs
- lays down the policy framework for the direct involvement of civil society
- encourages LGUs to be more entrepreneurial



# Devolution in the Philippines: My Personal Experience



- Separation of the executive and legislative functions
- giving LGUs the power to administer its own resources
- grant of taxing powers
- authority to associate and form leagues that share common goals



# Devolution in the Philippines: My Personal Experience



- umbrella organization – the Union of Local Authorities of the Philippines (ULAP)
- meaningful participation of NGOs, CSOs and the private sector
- passage by Congress of various laws that strengthen devolution





# Devolution in the Philippines: Challenges



- fund resource: scarcity
- need of revisions in RA 7160 to resolve these long-standing issues that tend to hamper the LGUs' ability to effectively address the growing needs of their constituents



# FISCAL AND LOCAL AUTONOMY



- In *Pimentel v. Aguirre* the Court declared therein that:

“local fiscal autonomy includes the power of the LGUs to, inter alia, allocate their resources in accordance with their own priorities. Under existing law, local government units, in addition to having administrative autonomy in the exercise of their functions, enjoy fiscal autonomy as well. Fiscal autonomy means that local governments have the power to create their own sources of revenue in addition to their equitable share in the national taxes released by the national government, as well as the power to allocate their resources in accordance with their own priorities. It extends to the preparation of their budgets, and local officials in turn have to work within the constraints thereof. They are not formulated at the national level and imposed on local governments, whether they are relevant to local needs and resources or not.”



In *Ganzon v. Court of Appeals*, the Court said that local autonomy signified "a more responsive and accountable local government structure instituted through a system of decentralization." The Court held that:



“[t]he grant of autonomy is intended to "break up the monopoly of the national government over the affairs of local governments, not to end the relation of partnership and interdependence between the central administration and local government units.”

Paradoxically, local governments are still subject to regulation, however limited, for the purpose of enhancing self-government. X x x



“[i]t relieves the central government of the burden of managing local affairs and enables it to concentrate on national concerns. The President exercises 'general supervision' over them, but only to 'ensure that local affairs are administered according to law.' He has no control over their acts in the sense that he can substitute their judgments with his own.



Under the Philippine concept of local autonomy, the national government has not completely relinquished all its powers over local governments, including autonomous regions. Only administrative powers over local affairs are delegated to political subdivisions. The purpose of the delegation is to make governance more directly responsive and effective at the local levels. In turn, economic, political and social development at the smaller political units are expected to propel social and economic growth and development. But to enable the country to develop as a whole, the programs and policies effected locally must be integrated and coordinated towards a common national goal.”



# DEVOLUTION IN THE PHILIPPINES: IN THE FUTURE



- Mandanas-Garcia Ruling: game changer in the local governance arena
  - National Tax Allocation for LGUs in 2022 will increase by P234.39 billion to reach PhP1.083 trillion in its current allocation
  - national government agencies' budgets no longer provide financial support to LGUs on programs, projects and activities
  - absorption or continuation of these NGAs' PPAs should depend on the respective LGUs' own prioritization plans





Section 4 of Article II of the 1987 Constitution provides that “the prime duty of the Government is to serve and protect the people.” This is reiterated in Sec. 17 (f) of R.A. 7160, to wit:

(f) The national government or the next higher level of local government unit may provide or augment the basic services and facilities assigned to a lower level of local government unit when such services or facilities are not made available or, if made available, are inadequate to meet the requirements of its inhabitants.





**Learning to  
fly is a  
process.**





Birds practice to learn how to take and land, and discover how the wind affects flight.







**Some will fly high or soar, some will find time to balance everything or maneuver, still some will need a little more guidance...**





THANK YOU. STAY SAFE.

