

Decentralization, Devolution and Democratization: Old Concepts, Contemporary Applications

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With the adoption of the 1987 Constitution and the enactment of the Local Government Code in 1992, the beginnings of a power shift have occurred. Lower-level political institutions have been given powers under a decentralized politico-administrative set-up, thus widening the base for participation in governance and making the political system more open and accessible than ever before. A review of Philippine history shows that decentralization — which may take the forms of deconcentration, devolution and debureaucratization — is not a new phenomenon. Values of autonomy and decentralization have long been recognized, at least, at the level of policy and rhetoric. Under the new Code, decentralization has been adopted both as an approach to governance and a strategy to bring about, or even hasten, the process of democratic transition. While the Code's enactment can be considered as a fitting culmination of decades of struggle for genuine autonomy on the part of local governments, the creative energies of local governments, unleashed by the radical decentralization of powers by the Code, must still be collectively harnessed if the transition to real democracy is to be completed.

It has been over a decade since the Marcos dictatorship (1972-1986) was overthrown. Its overthrow in 1986 ushered in a period of transition to "democracy." It was fashionable to refer to the Philippines as a democratizing, redemocratizing or a country in transition, depending on one's perspective of the political set-up that existed before the imposition of martial law in 1972 that was the basis for the dictatorship.¹ However, one major development is that with the return to non-dictatorial processes in 1986, and the adoption of the 1987 Constitution and the Local Government Code in 1992, the beginnings of a "power shift" has occurred. A decentralized politico-administrative set-up has been adopted with powers being transferred to lower-level political institutions, thus widening the base for participation in governance and simply making the political system more open and accessible.

The enactment of the Local Government Code in 1992 can be best appreciated if it is placed within the proper historical and administrative context of the implementation of decentralization in the Philippines. The purpose of this article is to revisit the "old" concept of decentralization, considering that its usage (and adoption as a politico-administrative

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process) was widely accepted in the 1960s and 1970s, and to place it within the proper contemporary context of democratic transition in the 1990s.

Decentralization, according to Raul de Guzman, "generally refers to the systematic and rational dispersal of power, authority and responsibility from the center to the periphery, from top to lower levels, or from the national to local governments." There are two major reasons why governments decentralize. First, decentralization hastens decision-making processes by decongesting central government and decreasing red tape. Second, and perhaps

more important, it increases citizen participation, and empowers them, thereby leading to a more open and democratic government.

Within the context of the Philippine politico-administrative system, and in the light of the Local Government Code of 1992, decentralization may take three major forms: (1) deconcentration; (2) devolution; and (3) debureaucratization.

Deconcentration involves the transfer of functions to lower-level administrative units designated by the central office. It is essentially a management tool to decongest the central office and spare it from having to act on matters, including routine and administrative ones, that may be best addressed at the lower levels. However, final and "substantive" authority still rests on the central authorities. Deconcentration, therefore, is mostly administrative in nature.² Ironically, it was in 1972, right after the establishment of the dictatorship, that an Integrated Reorganization Plan (IRP) was adopted bringing about a comprehensive reorganization of the country's administrative system. One significant feature of the IRP was the division of the country into initially eleven administrative regions³ and the establishment of regional offices of the many national government agencies throughout the country within the context of deconcentration and decentralization.

Devolution involves the transfer of powers and authorities to lower-level political or local government units. A local government essentially has the following major features: it has an elected local executive; it has an elected local legislative body that passes local laws/ordinances; it has specific taxing powers; and it has jurisdiction over a certain defined geographical area. The notion of devolution has always been related to that of local autonomy. Devolution is political in nature.

Finally, a third mode of decentralization in the Philippine context is debureaucratization which involves the transfer of powers and authorities to units not within the purview of government.⁴ This involves the transfer of such to non-governmental organizations (NGOs) and people's organizations (POs), including the private sector, all of which are sometimes collectively referred to as "civil society." Debureaucratization also harnesses the energies of the private sector to bring about good governance.⁵

A review of Philippine history will show that decentralization and the accompanying notion of autonomy is not really a new phenomenon. There were essentially autonomous local institutions as seen in the operations of the local villages or barangays even before the arrival of the Spanish colonizers. The Spaniards adopted such villages as administrative units of the central government. In 1893, the Maura Law was enacted as an attempt (though "half-hearted" as described by Laurel) on the part of the Spanish government to establish some kind of local self-government in the islands. The Malolos Constitution of 1898 also saw the election of local officials on the basis of decentralization and administrative autonomy. The American occupation included the promulgation of a number of policies recognizing local autonomy. However, these were largely circumscribed by a highly centralized government. The Philippine Republic was established in 1946. It was not until 1959 that the first local autonomy act was established. Then came the Barrio Charter Act also in 1959. In 1967, the Decentralization Act was enacted increasing the financial resources of local governments (and broadening their financial resources). The 1973 Constitution

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established after the imposition of martial law recognized the value of local autonomy. A decade later, a local government code was enacted. The 1987 Constitution that was set up after the overthrow of the Marcos dictatorship guaranteed the autonomy of local governments. Finally, five years later, in 1992, the present local government code was enacted.

Indeed, from the preceding discussion, one can see that there are enough examples to illustrate that the values of autonomy and decentralization have long been recognized, at least, at the level of policy and rhetoric. It can likewise be observed how decentralization, a relatively "old" concept has been adopted both as an approach to governance and as a strategy to bring about, or even hasten, the process of democratic transition. However, the record shows that there were problems in the implementation of such. It simply was not realistic to have autonomous local units within the context of regimes that were consolidating their powers, e.g., the Spanish and American colonizers. Even with the establishment of the Philippine Republic in 1946 until it was interrupted by the imposition of martial law in 1972, the constant tension between

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the central authorities in Manila and the local units persisted. The example of the dictatorship from 1972 to 1986 has shown how, as noted earlier, administrative decentralization ("deconcentration") could co-exist, paradoxically, with the highly politically-centralized regime still under the rubric of decentralization. Through these all, local governments continued to clamor for genuine and real autonomy.

It was against this backdrop that the Local Government Code of 1992 was enacted. To a certain extent, its promulgation may be seen as the culmination of decades of struggle for genuine autonomy on the part of local governments, who were frustrated with the continued domination of their affairs by a centralized government that purportedly supported decentralization.

The Local Government Code of 1992 has the following features: first, it transfers to local governments the responsibility for the delivery of basic services, including health, agriculture, environment and natural resources and social services. Second, it transfers certain regulatory and licensing powers to local governments. Third, it increases the internal revenue allotment (IRA) shares of local governments from a low of 11 percent to as high as 40 percent. Fourth, it lays the policy framework for the direct involvement of civil society, most especially NGOs and POs in the process of governance (debureaucratization in our paradigm). Finally, it encourages local government units (LGUs) to be more entrepreneurial by providing them with opportunities to enter into joint ventures with the private sector, engage in build-operate-transfer arrangements, and even float bonds.

■ The Code has been in operation for over five years now. While its implementation may not have been a smashing success, it has not been a failure either. There are a number of pressing issues that have to be addressed. These range from clarifying intergovernmental relations (e.g., national-local; local-local) to resolving the issue of unfunded mandates, to creatively using the new powers devolved by the Code to LGUs, to adopting strategies to develop and build local capabilities.

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An overarching concern though is to see how the Code hastens democratic transition and local empowerment. However, there are also enough examples of innovations (and "best practices") in the countryside to illustrate that the creative energies of local governments have indeed been unleashed by the radical decentralization of powers by the Code. When such creative energies are collectively harnessed through the process of decentralization in favor of *local* development, then perhaps, that would be a time when the transition to real democracy would have been accomplished. ●

Notes

1. There is the school of thought that actually views the pre-1972 set-up as nominal democracy considering that the elite and oligarchs dominated the country's political economy. John Doherty estimated that the country's wealth was controlled by 87 families. These were the very same families who determined the country's political future. The other perspective is that there was a "flourishing" democracy considering that there were elections, a free (and even licentious) press, a legislative body, etc.
2. The literature also lists "delegation" as a mode of decentralization. Like deconcentration, it involves the transfer of functions and powers to lower-level institutions. To a certain extent, delegation is the process through which deconcentration, devolution and debureaucratization may be brought about considering that central authorities identify specific authorities (be they administrative or political) that can be "delegated" to lower level institutions.
3. Through time, the number of administrative regions has increased to fifteen. However, there is the thinking that with devolution, the "region," as an administrative mechanism, has outlived its purpose. Local government units are now more autonomous and an additional layer between the province and the national government may not all be that necessary anymore. At the very least, it is argued, the region must be radically streamlined.
4. Note that both deconcentration and devolution are operationalized within the context of formal governmental structures and processes. Debureaucratization operates outside the framework of government, or "outside the bureaucracy."
5. To a certain extent, the notion of "governance" in the Philippines has been redefined in the light of active and direct participation of the private sector in the delivery of basic services. Where before, governance was mostly confined to the formal structures and processes of government involved in the delivery of basic services, through time, it has taken cognizance of private sector participation.