

Reflections on a Weak State and the Dilemma of Decentralization

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According to most accounts, the Philippine state is a weak state with a limited capacity to impose its will and to carry out policy reform. Its weakness is reflected by two conventional yardsticks — its low capacity to collect taxes and its inability to abate armed challenges to its monopoly of the instruments of coercion. On the latter, one can cite the rampant rebellions (as in the Abu Sayyaf lawlessness) and the wave of kidnappings which defy the police powers of the state.

In policy-making, and much more in the implementation of policy, the state is often hampered by the gridlock between the Executive and the Legislature, by the intervention of the courts in the implementation of economic decisions and legislations, by right-of-way problems blocking government flagship projects, and by an unwieldy and inefficient bureaucracy. On the right-of-way problems, the state has difficulty in removing squatter shanties which impede urgent public infrastructure projects that are clearly beneficial to the general public.

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One can further cite a recent example involving one private group, the owner of Sugarland Hotel, which at the approach of the domestic airport of Bacolod City had succeeded in suspending flights for nearly a year because of their refusal to tear down a structure in the hotel that was found to be a safety hazard to the lives of aircraft passengers. They used the courts in rear guard guerrilla action, and the government was forced to negotiate with them.

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This paper examines this dilemma and its ramifications. I do not wish to engage in a definitional discussion over whether the Philippine state fails in the category of what Marx has described as the “executive committee” of the ruling class. Whether or not the state is a reflection of the balance of forces in Philippine society, it is quite clear that there

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exists a constellation of veto groups that cramp the style and initiatives of the executive department. Part of these constraints lies in the adversarial check and balance system under the 1987 Constitution wherein the legislature has gained more powers relative to the executive as compared to the 1935 Constitution.

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One might say that a unitary state, like France, is more likely to have a strong state. This is not always the case. France's centralism and statist tradition act as a powerful combination that gives coherence to its industrial policy and as an instrument that promotes growth and economic development. A state with a federal structure like Germany can also be a powerful state that can manage the strongest economy in Europe. But one must not forget that Germany also has a history of a strong state that began under Bismarck who had unified the fragmented Germanic states under the leadership of Prussia. On the other hand, the United States with a federal structure is an example of a weak central state but with a strong civil society which has produced the biggest economy and the mightiest military power in the world since the Second World War.

Obviously, as can be gleaned from the above examples, there is no causal relationship between federalism and a strong state. We, therefore, have to look into the unique configuration of institutions and

arrangements that determine whether a state can exercise political power and has the capacity to dominate social or economic groups that are opposing its policies.

The development of the Philippine state is characterized by a unique set of historical and social circumstances. Local autonomy developed ahead of central authority. State formation began from local barangay units. They were consolidated into a pyramidal structure with the establishment of the Spanish colonial government in Manila. However, because the military and civil authority presence of the Manila government was spread thinly and minimally, administrative powers were devolved to local chieftains and notables. They were vested with the authority to collect tributes and taxes and to keep peace and order. The authority to control the local inhabitants was further diluted by sharing it with the parish priests.

In economic terms, local autonomy preceded central authority. Spain's mercantilist policy encouraged local economic autonomy. When the Philippines was opened to foreign trade in the middle of the 19th century, European business and financial houses opened direct business with provincial agricultural export producers (in particular, sugar). This direct relationship bypassed Manila. The fortunes of the sugar planters were built in tandem with European capitalism. They were not dependent on national policy in Manila which had a minimalist-interventionist approach to international trade.

Small wonder that during the Commonwealth period and even

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during the early post-war years, the sugar barons dominated politics not only because sugar was a prime export crop but also because they had acquired an economic autonomy developed from the direct links with European business.

Filipino post-war presidents endeavored to build the capacity and authority of the central state by swimming against the tide of localism. Most were not very successful as the localist tendencies constrained reform, especially agrarian reform whose opponents were firmly based on the agricultural production sector. Only Ramon Magsaysay seems to have succeeded in curbing the powers of local landlords and war lords in rigging elections, in passing a mild reform legislation and in backing economic policy that clipped the size of the wings of the agricultural producers. His vast popularity aided him in reforming and in regaining powers for the central government.

Centralization has had its ups and downs. Powers flowed decisively to the center during the Marcos authoritarian period. President Marcos had no patience with devolution. He sought to consolidate the powers of the central government and the imposition of Martial Law was an instrument that facilitated it. But he did not succeed in gaining the autonomy he sought for the central government. He undermined it by establishing a competing and antagonistic political structure — crony capitalism — that tied the hands of the regime from making structural reform.

The 1987 Constitution of the Aquino democratic restoration government returned significant powers to localist tendencies by cutting executive powers and giving more powers to the legislature, which promptly passed, through the initiative of the weak Aquino government, the Local Autonomy Act of 1992. The arguments for devolution run along these themes: 1.) the concentration of economic resource and decision-making in Manila has resulted in stifling local government economic initiatives; 2.) it has made local governments too dependent on Manila; 3.) it has led to inequitable and lopsided distribution of resources and taxation revenues; and, 4.) concentration of executive offices and defense installations in Manila facilitated coup d'etat. If

there would be stronger local governments as in a federal system, it is argued that the capture of state power at the center would not necessarily entail the collapse of the regime because autonomous provincial power centers would not necessarily follow the collapse of the government in Manila.

There are on the surface good arguments for decentralization. But the drawback, which is a significant one, is that the central government cannot shed muscle and power at the same time that it is trying to strengthen the policy and implementation capacity of the central government in pushing the Philippines 2000 project. There is an obvious contradiction between devolution and enhancing the authority and capacity of the central government.

With limited resources for economic development, the increasing share of local governments in taxation income and the enhancement of their power to impose new taxes — albeit on a limited scale — reduce central government resources at a time when what is needed is a more cohesive plan for maximizing distribution of resources for development.

There are a few successful economic miracles in the regions driven by development-oriented local executives who achieved development without Manila's intervention of resources. One example is Cebu under the former Gov. Emilio Osmeña. But most of the provinces have yet to match the Cebu model.

In political terms, the central government under the Autonomy Act has shed police powers to mayors by returning to them the authority on operational jurisdiction over Philippine National Police units. This is a reversal of the pattern of centralizing the police that saw its peak in the Marcos authoritarian order. One consequence of this devolution is that it has encouraged abuse of power, a notable example of which is the case of Mayor Antonio Sanchez of Calauan, Laguna. The loosening of central control on the police force has untapped the tendencies that in the past were the springs of political warlordism.

Devolution involves a long process before its claimed benefits are confirmed. When Henry Kissinger, for example, asked Zhou Enlai

what he thought of the French Revolution, Zhou said it was too early to tell. The French Revolution, said to be one of the most epochal events of the world, is only 200 years old.

Philippine devolution is only two years old. One must not expect it to produce what President Ramos calls empowerment of the people at the grassroots. It is producing only mixed and uncertain results. So far, devolution has only pushed to the surface the historic tensions between centralism and localism in Philippine society. Such tensions do not facilitate reform. Nor do they give the central government the muscle to promote reform.

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Devolution, it is argued, is a democratizing tendency. We do not see much of this tendency. It is easier to argue that because of its deep residual strength, enhanced by legislation, Filipino presidents under the 1987 Constitution and the Autonomy Act are putting too much handicaps on their capacity to generate initiatives. This makes us wonder whether they like to think they are supermen who can deliver economic and developmental results despite these handicaps.

As for the future of democracy under these constraints, devolution could lead to a permanently weak executive and a weak state. Devolution recreates the base for the veto constituency.

The State and Industrial Transformation: Comparative and Local Insights

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The State and Capitalist Industrialization

In the industrialization projects of the developing societies, whether in capitalist or socialist regimes, the state has played a leading and decisive role. By no means unique to developing societies, the state's major role in economic development and industrialization is equally evident in the industrialization of the capitalist metropolises.¹ In the developing societies, however, colonial and imperialist rule have substantially shaped the social formation, leading to a more interventionist and activist role in the economy by the state.

At a general level, the 'disarticulated' nature of social and production relations as a result of colonial and imperialist hegemony necessitates

¹See K. Polanyi, *The Great Transformation* (New York: Farrar and Rinehart, 1944); and Alexander Gerschenkron, *Economic Backwardness in Historical Perspective: A Book of Essays*, (Cambridge: The Belknap Press of Harvard University Press, 1966).