



*The ARMM Roundtable Series brings together academics and leaders in the Autonomous Region in Muslim Mindanao to a discussion and analysis of critical issues in the autonomous region. This paper builds on the output of the discussions. Views expressed in this paper do not necessarily reflect those of Notre Dame University and the Konrad Adenauer-Stiftung.*

*This paper was written by Dean Benedicto R. Bacani, Executive Director of the Center for Autonomy and Governance. The discussion was facilitated by Dean Bacani. Lay-out by Grace S. delos Reyes*

*The holding of this roundtable series is made possible through the grant of the Konrad-Adenauer-Stiftung. The foundation is in 3rd Floor, ALPAP I Building, 140 Leviste Street, Salcedo Village, Makati City, Metro Manila, Philippines. Tel. (63)(2)894-3427.*

*Established in 2001, the Center for Autonomy and Governance seeks to provide research, training and technical assistance to promote meaningful autonomy and governance in Southern Philippines. The Center is in the College of Law, Notre Dame University, Notre Dame Avenue, 9600, Cotabato City, Philippines. Tel. (63) (64) 421-2654 Loc. 321; Fax. (63) (64) 421-4312; E-mail. cag@ndu.edu.ph*

## CONTENTS

- 3 Framework of ARMM-LGU Relations
- 3 The LGU's as Foundation of a Strong Autonomy
- 3 Selective Decentralization
- 4 Policy Recommendations

*Atty. Benedicto R. Bacani*

# ARMM AND THE LGUs

## INTRODUCTION

The foundation of a strong political system is a stable basic government unit – the one that delivers basic services and is in direct contact with the inhabitants of the territory. In the Autonomous Region in Muslim Mindanao (ARMM), its local government units – the 5 provinces, 1 city, 98 municipalities and 2,148 barangays in the area of autonomy are in the forefront of the region's war against poverty and the historical, political and socio-cultural marginalization of the Moros that triggered the long-drawn Bangsamoro rebellion. Autonomy as a solution to the Bangsamoro rebellion can advance only when there is a strong ARMM-LGU coordination and partnership. The ARMM, is no ordinary local government unit. It draws its mandate from the people who ratified its Organic Law- a legal instrument equivalent to a state constitution in a federal form of government. Just as the national government reaches out to the inhabitants through the LGUs, the ARMM works for the people through the LGUs in the autonomous region.

How then can we describe the present relationship between the LGUs and the ARMM? What measures can be undertaken to strengthen this relationship? To what extent do the ARMM Local Government Code and the Local Tax Code advance the cause of autonomy in Southern Philippines? What are the problems being encountered in the implementation of the Regional Local Government Code? What laws can be passed or amendments to the Organic Law can be effected to strengthen intergovernmental relations in the ARMM? These questions were the subject of a roundtable discussion on July 20, 2004 at the S.P. Hall, Provincial Capitol, Isabela City, Basilan facilitated by the Center for Autonomy and Governance with the support of the Konrad Adenauer Foundation.

## FRAMEWORK OF ARMM-LGU RELATIONS

***“There is too much politics in local governance that we have not been able to transform our local leaders to development managers.”***

Dr. Dong Sosmena, Executive Director of the Local Government Development Foundation says that the ARMM is actually advanced compared to other regions in terms of having more devolved powers than ordinary LGUs. This will prove useful especially when the country shift to a federal system where the ARMM can draw lessons from its vast autonomy experience to be able to effectively administer a state government. The key is to strengthen LGUs in the ARMM and the relations between the ARMM and the local governments.

Dr. Sosmena adds that the need of the times is more inter-local government linkages to promote development in the grassroots level. Unfortunately, many LGUs in the country, more so in the ARMM, are not equipped to use present-day technology as tools for development. There is too much politics in local governance that we have not been able to transform our local leaders to development managers.

The power of supervision of the President of the Philippines over provinces in the ARMM is exercised through the Regional Governor of the ARMM (Sec. 1, Art. V, Organic Law). Power of general supervision does not mean control over governmental acts of the LGU but insuring that governmental actions of the LGUs are done within the bounds of the law. While lateral relationships should exist between LGUs, the provinces the ARMM should have strong linkages with the provinces and city in the area of autonomy, coordinating and supporting development programs towards a common goal.

## THE LGU’S AS FOUNDATION OF A STRONG AUTONOMY

***“Autonomy is prone to failure in an environment where there is an established system of decentralization from the national government to local government units and the relationship of the autonomous region with the national and local governments is not clear.”***

Harnessing consensus for autonomy must also be done with the local government units in the ARMM. Autonomy is prone to failure in an environment where there is an established system of decentralization from the national government to local government units and the relationship of the autonomous region with the national and local governments is not clear. In the ARMM, local government units look to the national government, not to the autonomous region, for much needed resources and support. Considering that all LGUs in the ARMM are totally dependent on the Internal Revenue Allotment (IRA), which is their share in internal revenue taxes collected by the national government, the influence and leverage of the national government over the LGUs in the ARMM are much greater than that of the ARMM.

The ARMM Local Government Code, which is a mere reproduction of the National Local Government Code, is not really operational as LGUs prefer to observe the national code that provides a source of funding by way of IRA. While LGUs in the ARMM receive a share in the taxes collected in the autonomous region apart from their regular IRA, this share is too small as a leverage for ARMM to rally LGUs to help fulfill ARMM’s mandate. The ARMM Local Tax Code is also not implemented since it is considered as an additional burden to local taxpayers

who can barely pay their tax obligations under the present National Internal Revenue Code and local tax ordinances.

The key to a working autonomy is to reach a consensus with LGUs in the ARMM that autonomy is the way to go for peace and prosperity. But this consensus cannot be achieved as long as the ARMM does not deliver in terms of promoting human development at the grassroots level. By helping raise the capacity of local government units in the delivery of basic services, the ARMM can acquire the leverage to influence local government executives to be more development oriented. In doing so, the ARMM should invest more in human development of its constituents. However meager the resources of the autonomous region, it can allocate more for human development if only it can muster the political will to put its resources where they are needed most – the grassroots communities. It is only by doing this that autonomy can be relevant and meaningful to local government units in the ARMM.

Focusing on Basilan

Basilan as a new province that opted to join the ARMM must be given immediate preferential attention by the autonomous government. Local government executives in Basilan are one in saying that they do not feel as sense of being part of the autonomous region. Indeed, in the budget of the ARMM from the national government, no specific allocation for Basilan has yet been made. During the discussions, one local government official admitted that a great majority of the people of Basilan does not know what it means to be part of the autonomous region. Seeing no positive change in being part of te autonomous region, many are still of the belief that only an independent Moro state can provide genuine self-determination to the Moros.

***“By helping raise the capacity of local government units in the delivery of basic services, the ARMM can acquire the leverage to influence local government executives to be more development oriented.”***

## **SELECTIVE DECENTRALIZATION**

Under the Organic Law, the Regional government shall adopt a policy on local autonomy whereby regional powers shall be devolved to local government units particularly in areas of education, health, human resource, science and technology and people empowerment (Sec. 1, Art. III). This provision however, is not fully operational since the ARMM cannot devolved what it does not possess. To date, only around 20% of what the national government should devolve to the regional government have actually been transferred to the ARMM. Thus, even if it wants to, the ARMM could not in turn transfer these powers to the LGUs.

The problem is not present in the ARMM. According to Dr. Sosmena, decentralization under the national local government is facing the same problem of the non-devolution to LGUs. The problem is caused in part by lack of capacity of the LGUs to effectively exercise the devolved powers. In retrospect, Dr. Sosmena opines that the Philippines should have adopted a selective decentralization system where decentralization is not implemented for all LGUs at the same time. Under this system, decentralization is done by phases where devolution is enjoyed first by strong LGUs while the weak LGU build their capacities for more autonomy. This scheme may be applied to the ARMM.

***“Under the Organic Law, the Regional government shall adopt a policy on local autonomy whereby regional powers shall be devolved to local government units particularly in areas of education, health, human resource, science and technology and people empowerment.”***

## **POLICY RECOMMENDATIONS**

***“The relationship between the LGUs and the ARMM must be clearly established by opening avenues of communication between the regional and local leaders.”***

- The relationship between the LGUs and the ARMM must be clearly established by opening avenues of communication between the regional and local leaders.
- The devolution of powers of the national government to the ARMM must be fast-tracked. More fiscal autonomy must be granted to the autonomous region.
- The ARMM must participate in promoting human development in the LGUs in the areas of autonomy. Special attention be given to Basilan where the majority of the inhabitants do not feel the fruits of autonomy.
- The Regional Local Government Code and the Regional Tax Code must be reviewed with the end in view of making them operational in the autonomous region.
- A consensus for autonomy must be forged among regional and local leaders who must adopt common programs and projects for the benefit of the whole autonomous region. Inter-local government cooperation must be encouraged to promote peace and development.